

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 1542 Second Edition

SHORT TITLE: Video Poker Machine Illegal

SPONSOR (S): Senator Wellons

FISCAL IMPACT

Yes () No () No Estimate Available (X)

FY 2000-01 FY 2001-02 FY 2002-03 FY 2003-04 FY 2004-05

REVENUES

EXPENDITURES

No estimate available; potential for significant impact.

POSITIONS:

PRINCIPAL DEPARTMENT(S) &

PROGRAM (S) AFFECTED: Administrative Office of the Courts & Department of Correction

EFFECTIVE DATE: December 1, 2000

BILL SUMMARY: The bill adds a new section to Article 37 (Lotteries and Gaming) of the Criminal Law Chapter. The new section makes the possession of certain video game machines illegal. The bill also authorizes local law enforcement to destroy these illegal video game machines.

ASSUMPTIONS AND METHODOLOGY:

Judicial Branch

The Administrative Office of the Courts (AOC) has no data from which to estimate the number of new prosecutions that would arise from this bill. It is their position that while most citizens can be expected to comply with law, other circumstances point to the substantial popularity of these machines, thus violations and the probability of intensive law enforcement efforts. Currently, there are approximately 40,000 machines in the State. If as few as 1,000 new charges were filed as a result of this bill, the increased work load on the court system would be equivalent to one superior court judge and/or one district court judge and support staff (one to

two assistant district attorneys, deputy clerks and court reporters). First year costs, effective December 1, for just one of each of these positions would be \$290,026; 2001-02 costs would total \$417,146. These costs would depend upon distribution of charges in superior courts for felonies and district courts for misdemeanors, and on the proportion of cases disposed by plea versus trial. The Fiscal Research Division believes AOC could absorb the workload cost of one of each position within existing resources because the workload would be spread statewide. However, indigent defense costs, which could be \$40,000-\$50,000, could not be absorbed within existing resources. If this bill resulted in significantly more than 1,000 new charges there would be a substantial fiscal impact.

Department of Corrections (Sentencing Commission)

While it is not possible to estimate the number of convictions that will result from this bill, the Sentencing Commission projections estimate that 48% of all convictions for Class G felonies result in active sentences. Therefore, 100 convictions would result in a need for 48 additional prison beds in the first year. By the second year, 92 additional beds would be required to accommodate new convictions and probation revocations. At an average daily operating cost of \$63.43 per prison bed, the total cost of 48 beds would be \$3,045; cost of 92 beds would be \$5,836.

TECHNICAL CONSIDERATIONS:

The bill does not appear to penalize the owners of the machines, therefore it would be legal to own the machines and lease them to another party. The lessee would be in violation of the provisions and therefore subject to criminal penalty but the owner of the machine would not.

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