

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 1026 (2nd Edition)

SHORT TITLE: Worthless Check Program/Extend Statewide

SPONSOR(S): Rep. Sexton

FISCAL IMPACT					
	Yes (x)	No ()	No Estimate Available ()		
	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>
REVENUES			Unable to determine exact amount		
EXPENDITURES			Unable to determine exact amount		
POSITIONS: (cumulative)					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Administrative Office of the Courts					
EFFECTIVE DATE: When the bill becomes law.					

BILL SUMMARY: This bill would authorize the Administrative Office of the Courts (AOC) to establish worthless check programs in any prosecutorial district in which the program is requested by the District Attorney and where it would be cost effective. The factors AOC may consider when determining whether to establish a program in a given prosecutorial district include the population of the district, the number of worthless check prosecutions, and the availability of personnel and equipment. The bill also requires biennial reports to the General Assembly assessing the programs' progress in being totally receipt-supported. The bill also requires the AOC give priority to assessing the feasibility of establishing the program in the following districts: 1, 3A, 18, 25, 28, and 29.

ASSUMPTIONS AND METHODOLOGY: In the past, it has cost roughly \$115,000 in the first year and around \$90,000 in the second year to establish a worthless check program. This cost is based on a basic equipment package including copier, fax machine, and computers, as well as two positions. By the third year, programs typically generate enough revenue to offset their costs. Because receipts are collected into a reserve fund, AOC must pay out the salary money and, subsequently, transfer funds from the reserve to cover local program costs.

Over the past three years, the program has produced excess revenue, which the General Assembly has authorized AOC to expend on equipment needs in the District Attorneys' offices where worthless check programs operate. AOC would be able to purchase the standard

equipment packages for the districts prioritized in this bill with existing balance in the worthless check reserve account, but cannot pay for the personnel costs.

This bill authorizes the AOC to establish programs subject to funding availability and economic feasibility. Thus, any impact is in the AOC's discretion in any given year. The AOC has indicated that they will seek other funding sources, such as federal grants, to help get programs started with one-time money.

SOURCES OF DATA: Administrative Office of the Courts

FISCAL RESEARCH DIVISION: (919) 733-4910

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