

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 8, 2015

TO: Honorable Abel Herrero, Chair, House Committee on Criminal Jurisprudence

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3326** by Thompson, Senfronia (relating to decreasing the punishment for certain criminal offenses.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3326, Committee Report 1st House, Substituted: a positive impact of \$123,876,976 through the biennium ending August 31, 2017.

The probable fiscal impact of implementing the provisions of the bill related to value ladder adjustments bill is expected to be positive but it is indeterminate due to the unavailability of reliable data or information related to the exact amount of pecuniary loss for certain offenses against property or public administration. Depending upon the number of convictions that could be affected by the shifting punishment categories, there could also be an indeterminate revenue impact to the state.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	\$35,248,372
2017	\$88,628,604
2018	\$88,885,099
2019	\$89,110,523
2020	\$89,315,050

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
	1
2016	\$35,248,372
2017	\$88,628,604
2018	\$88,885,099
2019	\$89,110,523

Fiscal Analysis

The bill would amend various codes as they relate to the punishment for certain misdemeanor and felony offenses. Under the provisions of the bill the punishment for certain burglary, theft, fraud, and drug-related offenses in certain circumstances would be reduced from a state jail felony to a class A misdemeanor. The bill would also alter the amounts of pecuniary loss that constitute an offense for certain misdemeanor and felony offenses and reduce all punishment levels for fraudulent use or possession of identifying information. Under the provisions of the bill certain forgery offenses would no longer be punishable as a state jail felony.

Methodology

In fiscal year 2014, 9,340 people subject to the bill's provisions were admitted to state correctional facilities and 11,300 were placed on felony community supervision. This analysis assumes the offenders subject to the bill's provisions would no longer be eligible for confinement in state correctional facilities or placed under felony community supervision. Instead, these offenders would be charged with misdemeanor offenses and subject to confinement in county jails or placement under misdemeanor community supervision.

Cost per day figures included in this analysis are based on those reported in the *February 2015 Criminal and Juvenile Justice Uniform Cost Report*. Incarceration savings are estimated at \$54.89 per offender, per day for prison and \$47.30 per offender, per day for state jail. Felony community supervision savings are estimated at \$1.63 per offender, per day. Felony community supervision savings would be partially offset by misdemeanor community supervision costs of \$0.70 per offender, per day. The State provides Community Supervision and Corrections Departments \$0.70 per misdemeanor offender, per day for 182 days. Parole supervision savings are estimated at \$4.04 per offender, per day. Based on the adult correctional population projections included in the *February 2015 Adult and Juvenile Correctional Population Projections Report*, and assuming all other sentencing practices remain constant, the bill's provisions would result in net savings of \$35,248,372 during fiscal year 2016. This analysis assumes the bill's provisions would reach partial implementation for fiscal year 2016 and reach full implementation in fiscal years 2017 and beyond.

These net savings include incarceration savings of \$32,423,158, felony community supervision savings of \$3,972,626, and parole supervision savings of \$147,864. Net savings are partially offset by misdemeanor community supervision costs of \$1,295,276. The revenue loss associated with reduced collections of criminal fines and court costs as a result of implementing the provisions of the bill is indeterminate.

The probable fiscal impact of implementing the provisions of the bill related to value ladder adjustments is expected to be positive but it is indeterminate due to the unavailability of reliable data or information related to the exact amount of pecuniary loss for certain offenses against property or public administration. Depending upon the number of convictions that could be affected by the shifting punishment categories, there could also be an indeterminate revenue impact to the state.

Local Government Impact

A Class C misdemeanor is punishable by a fine of not more than \$500. Depending on the offense committed, the bill could increase fine revenue for counties; however, the revenue could be offset

by the increase of offenders in county jail due to the various penalties decreased from felonies to misdemeanors under the provisions of the bill. Due to the vast characteristics of the offender population and the unknown composition of the future offender population, the impact on local governments is difficult to estimate. The impact on counties would vary depending on a number of factors including, the number of future cases of certain offenses; the severity of each case; the resources of each individual county; and the size of the county. According to the Texas Commission on Jail Standards, the average cost for an inmate in a county jail is \$60.01 per day.

Source Agencies: 405 Department of Public Safety, 696 Department of Criminal Justice, 304 Comptroller of Public Accounts

LBB Staff: UP, KJo, LM, JN, JAW, LCO, EK