

# Legislative Analysis

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## RECEIVING STOLEN VEHICLE

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**House Bill 4895 (reported from committee without amendment)**

**House Bill 4896 (reported from committee without amendment)**

**Sponsor: Rep. Klint Kesto**

**Committee: Criminal Justice**

### First Analysis (11-13-13)

**BRIEF SUMMARY:** House Bill 4895 would create an enhanced penalty for a conviction of buying, receiving, or concealing a motor vehicle for a defendant who already had a prior conviction for that crime or for a felony conviction of buying, receiving, or embezzling money or property. House Bill 4896 would place the new felony sentence within the sentencing guidelines and is tie-barred to House Bill 4895.

**FISCAL IMPACT:** To the extent that the bill results in a greater number of convictions, costs to state and local correctional systems would be increased. Information is not available on the number of persons that might be convicted under these provisions. New felony convictions could result in increased costs related to state prisons, county jails, and/or state probation supervision. The average cost of prison incarceration in a state facility is roughly \$35,500 per prisoner per year, a figure that includes various fixed administrative and operational costs. The costs of local incarceration in a county jail vary by jurisdiction. State costs for parole and felony probation supervision average about \$3,000 per supervised offender per year. Any increase in penal fine revenues would increase funding for local libraries, which are the constitutionally-designated recipients of those revenues.

### **THE APPARENT PROBLEM:**

According to the FBI's Uniform Crime Report for 2010, a motor vehicle theft occurs every 42.8 seconds. That year, Michigan ranked tenth in the nation for most vehicle thefts. In 2012, the Detroit Metro Area ranked No. 14 for cities/metropolitan areas for most vehicles stolen (20,143). But vehicle thefts affect more than just the owner. Some insurance companies include the risk of auto theft as a factor when calculating auto insurance rates for a geographic area. Thus, a high rate of vehicle thefts is one factor that may drive up insurance rates for a state or portion of a state. In addition, stolen vehicles are often involved in high speed chases with law enforcement that result in injuries and/or property damage.

Michigan does make it a criminal offense to steal a vehicle, and also criminalizes buying, receiving, concealing, or possessing stolen vehicles. However, there are no enhanced penalties for persons who are regularly involved with stolen vehicles as there are for buying or receiving other stolen goods. Legislation has been introduced to address the issue.

## ***THE CONTENT OF THE BILLS:***

**House Bill 4895** would amend the Michigan Penal Code (MCL 750.535). Currently, a person who buys, receives, possesses, conceals, or aids in the concealment of a stolen motor vehicle, knowing or having reason to know or believe that the vehicle is stolen, embezzled, or converted, is guilty of a felony punishable by imprisonment for not more than five years and/or a fine. The fine cannot be more than \$10,000 or three times the value of the vehicle, whichever is greater. There is not now an enhanced penalty for a repeat offense. The bill would add the enhanced penalty.

Under the bill, a person who committed the above crime would be guilty of a felony punishable by imprisonment for not more than 10 years and/or a fine of not more than \$15,000 or three times the value of the vehicle involved if the person also had one or more prior convictions of either or both of the following:

- Buying, receiving, possessing, or concealing, or aiding in the concealment of a stolen, embezzled, or converted motor vehicle, or the attempt to do so.
- Buying, receiving, possessing, concealing, or aiding in the concealment of money, goods, or property known or believed to be stolen, converted, or embezzled (or attempting to do so) that resulted in a felony conviction.

**House Bill 4896** would amend the Code of Criminal Procedure (MCL 777.16z) to specify that receiving or concealing a stolen motor vehicle, second or subsequent offense, would be a Class D felony involving property with a maximum term of imprisonment of 10 years.

## ***ARGUMENTS:***

### ***For:***

Currently, no matter how many times a person is caught dealing in stolen vehicles, the penalty is the same – up to five years in prison and/or a fine based on the value of the vehicle. Under the bills, a person charged with buying, receiving, concealing, or possessing a stolen vehicle could receive an enhanced penalty (higher fine and/or longer prison sentence) if the person also had a prior conviction for such conduct. In addition, even if it were the first time a person was caught with a stolen vehicle, if the person had a prior felony conviction of buying, receiving, possessing, or concealing stolen property other than a vehicle, the enhanced penalty would also apply. Of course, this only pertains to scenarios in which the person knew or had reason to know or to believe the vehicle was stolen. Still, the bills will enable prosecutors and juries to send those who knowingly deal in stolen vehicles away for longer periods, something which may act as a strong deterrent to seeking out stolen vehicles. If the bills have a deterrent effect as expected, the market for stolen vehicles may dry up. As demand goes down, thefts should also decrease, and so should insurance rates.

***POSITIONS:***

The Prosecuting Attorneys Association of Michigan indicated support for the bills. (10-30-13)

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