

# Legislative Analysis



## INCREASE VALUE THRESHOLDS FOR CRIME OF FALSE PRETENSES

Mitchell Bean, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

House Bills 6510 & 6511  
Sponsor: Rep. David Nathan  
Committee: Judiciary

Complete to 11-10-10

### A SUMMARY OF HOUSE BILLS 6510 AND 6511 AS INTRODUCED 9-29-10

House Bill 6510 would revise the value threshold for intentionally defrauding or cheating or using a false pretense to commit a crime involving real or personal property. House Bill 6511 would add the new felony provisions to the sentencing guidelines. House Bill 6511 is tie-barred to House Bill 6510.

**House Bill 6510** would amend the Michigan Penal Code (750.218). Section 218 prohibits a person from doing one or more of the following with the intent to defraud or cheat, making or using a false pretense:

- Cause a person to grant, convey, assign, demise, lease, or mortgage land or an interest in land.
- Obtain a person's signature on a forged written instrument.
- Obtain from a person any money or personal property or the use of any instrument, facility, article, or other valuable thing or service.
- Obtain, by means of a false weight or measure, a larger amount or quantity of property than was bargained for.
- Sell or dispose of, by means of a false weight or measure, a smaller amount or quantity of property than was bargained for.

The penalties for a violation are based on the value of the property involved in the crime. The bill would revise the current penalty for crimes involving property valued at \$20,000 or more and add increased penalties for property valued at \$50,000 or more, as follows.

Felony punishable by imprisonment for not more than <u>15</u> years (increased from 10) and/or a fine of not more than \$15,000 or 3 times the value, whichever is greater.	* The land, interest in land, money, personal property, use of the instrument, facility, article, or valuable thing, service, larger amount obtained or smaller amount sold or disposed of has a value of \$20,000 or more <i>but less than \$50,000</i> (new language highlighted).
	* The person committed a violation involving property with a value of \$1,000 or more but less than \$20,000 <u>and</u> has two or more prior felony convictions for a violation of Section 218.

<p>Felony punishable by imprisonment for not more than 15 years and/or a fine of not more than \$25,000 or 3 times the value, whichever is greater.</p>	<p>* The property involved has a value of \$50,000 or more but less than \$100,000.</p> <p>* The violation involved property valued at \$20,000 or more but less than \$50,000 <u>and</u> the person has two or more prior felony convictions for a violation of Section 218.</p>
<p>Felony punishable by imprisonment for not more than 20 years and/or a fine of not more than \$35,000 or 3 times the value, whichever is greater.</p>	<p>* The property involved has a value of \$100,000 or more.</p> <p>* The violation involved property valued at \$50,000 or more but less than \$100,000 <u>and</u> the person has two or more prior felony convictions for a violation of Section 218.</p>

**House Bill 6511** would amend the Code of Criminal Procedure (MCL 777.16l) to place the property crime provisions of House Bill 6510 within the sentencing guidelines. Specifically, false pretenses involving \$1,000 or more but less than \$20,000, or \$200 or more but less than \$1,000 with prior convictions, would be a Class E felony with a maximum term of imprisonment of 5 years.

False pretenses involving \$20,000 or more but less than \$50,000, or \$1,000 or more but less than \$20,000 with prior convictions, would be a Class D felony with a maximum term of imprisonment of 10 years (Note: House Bill 6510 increased the maximum term of imprisonment for this category to 15 years.)

False pretenses involving a value of \$50,000 or more but less than \$100,000, or \$20,000 or more but less than \$50,000 with prior convictions, would have a maximum term of imprisonment of 15 years.

False pretenses involving a value of \$100,000 or more, or \$50,000 or more but less than \$100,000 with prior convictions, would have a maximum imprisonment of 20 years.

**FISCAL IMPACT:**

The bills could increase costs on state and local correctional systems by increasing the maximum sentence for certain violations. To the extent that violators were sentenced to prison for longer terms, state incarceration costs would increase. The average appropriated cost of prison incarceration is roughly \$34,000 per prisoner per year, a figure that includes various fixed administrative and operational costs. Costs of parole and probation supervision, exclusive of the cost of electronic tether, average about \$2,100 per supervised offender per year. Any increase in penal fine revenues could benefit local libraries, which are the constitutionally-designated recipients of those revenues.

Legislative Analyst: Susan Stutzky  
Fiscal Analyst: Bob Schneider

---

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.