



**House
Legislative
Analysis
Section**

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**PENALTY FOR BUYING,
POSSESSING STOLEN VEHICLE**

**House Bill 5149 with committee
amendments**

**House Bill 5150 (Substitute H-2)
First Analysis (12-3-02)**

**Sponsor: Rep. Laura M. Toy
Committee: Criminal Justice**

THE APPARENT PROBLEM:

The Online Auto-Theft Information Clearinghouse reports that there is an auto theft every 27 seconds somewhere in the United States. The odds of a vehicle being stolen—highest in urban areas, and the very highest in port cities--were 1 in 196 in 2000. The estimated value of stolen vehicles that year was nearly \$8 billion.

The National Insurance Crime Bureau Vehicle Theft Rate Study for 2001 tabulates the country's 330 leading auto theft metropolitan statistical areas (MSAs). Michigan cities rank 4th (Detroit), 31st (Flint), 192nd (Jackson), 196th (Benton Harbor), 222nd (Ann Arbor), 232nd (Lansing-East Lansing), 233rd (Saginaw-Bay City-Midland), and 244th (Grand Rapids-Muskegon-Holland).

According to the Department of State Police, 52,310 motor vehicle theft offenses were reported to the Michigan Uniform Crime Reporting Program in 2001. Of that total, 42,113 were automobile thefts, 8,878 were thefts of trucks and buses, and 1,319 were thefts of other categories of vehicles. See *BACKGROUND INFORMATION* below. Although this represents the lowest number of vehicle thefts in the past 10 years (vehicle thefts peaked at 67,265 in 1996 and have been declining since), Michigan continues to lead the nation in auto theft, according to testimony offered by the Office of the Wayne County Prosecutor--ranking sixth highest among the nation's 50 states. Although law enforcement officials and insurance company investigators work to apprehend and prosecute auto thieves, few are caught. For example, nationally, only 14 percent of thefts were cleared by arrest in 2000.

According to the 1999 Department of Corrections statistical report, the total number of dispositions in 1999 for receiving and concealing stolen property was 1,867, however the number of these that were vehicle thefts is unknown. However, currently under

the law, felony penalties for receiving, concealing, or possessing stolen property vary depending on the value of the property involved and whether the offense is a first or subsequent offense. For the offense to be a felony, the value of the property involved must be at least \$1,000. According to committee testimony, a substantial number of stolen vehicles are older models, and when the thieves are apprehended, the low value of the vehicles they are convicted of having stolen ensures that they will be charged with misdemeanor offenses, rather than felonies.

Some have argued that it should be a felony to receive, conceal, or possess a stolen motor vehicle, regardless of the value of that vehicle, and legislation has been introduced to achieve that end.

THE CONTENT OF THE BILLS:

Currently, buying, receiving, possessing, concealing or aiding the concealment of stolen, embezzled, or converted money or goods is a felony punishable by imprisonment for not more than 10 years or a fine of not more than \$15,000 or three times the value of the property involved, or both imprisonment and a fine.

House Bill 5149 would amend the Michigan Penal Code (MCL 750.535) to create a separate crime for actions involving stolen motor vehicles. Under the bill, a person could not buy, receive, possess, conceal, or aid in the concealment of a stolen motor vehicle knowing that the vehicle had been stolen, embezzled, or converted. A violation would be a felony punishable by imprisonment for not more than five years or a fine of not more than \$10,000 or three times the value of the vehicle, whichever was greater, or both imprisonment and a fine. Further, a person who was charged with, convicted of, or punished for a violation of the bill could not be convicted of or punished for a violation of another provision of

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Section 535 of the code that arose from the purchase, receipt, possession, concealment, or aiding in the concealment of the same vehicle. However, the bill specifies that this provision would not prohibit a person from being charged, convicted, or punished under any other applicable law.

House Bill 5150 would amend the Code of Criminal Procedure (MCL 777.16z) to specify that receiving or concealing a motor vehicle would be a Class E property offense with a statutory maximum term of imprisonment of five years.

The bills would take effect on April 1, 2003.

BACKGROUND INFORMATION:

For further information about auto theft and other kinds of crimes, the Uniform Crime Reports published annually by the Michigan Department of State Police are available at www.mi.gov/msp within the file called Forms, Reports, and Statistics, under statistics.

According to the Online Auto-Theft Information Clearinghouse, the ten most commonly stolen vehicles in the United States in 2000 were 1) Toyota Camry, 2) Honda Accord, 3) Oldsmobile Cutlass, 4) Honda Civic, 5) Jeep Cherokee/Grand Cherokee, 5) Chevrolet Full Size C/K Pick-Up, 7) Toyota Corolla, 8) Chevrolet Caprice, 9) Ford Taurus, and 10) Ford F150 Pick-Up. More information is available at www.auto-theft.info/Statistics.htm.

FISCAL IMPLICATIONS:

According to the House Fiscal Agency, data indicate that of the 1,862 felony sentences imposed in 1999 for receiving and concealing stolen property, 476 were to prison, 953 were to probation, and 433 were to jail or other sanctions. However, there are no data to indicate which sentences involved motor vehicles. To the extent that the bills increased the number of felony convictions, they could increase state or local correctional costs, depending on circumstances. The average annual cost of incarceration in a state correctional facility in fiscal year 2001-2002 is estimated to range from about \$22,000 to \$42,000, depending on security level and facility. Per-diem cost of felony probation supervision, which is provided by Michigan Department of Corrections employees, was \$4.38 per day.

Any increases in penal fine collections would go to local libraries, which are constitutionally-dedicated recipients of penal fine revenues. (11-12-02)

ARGUMENTS:

For:

The high incidence of auto theft, combined with the low number of arrests and convictions of auto thieves, increases the risk of automobile ownership, and consequently boosts the cost of automobile insurance. These factors (as well as the increase in the size and value of vehicles), are among the reasons that the average comprehensive insurance premium rose 9.0 percent between 1995 and 1999. Auto thieves should be punished more severely for their crime than Michigan law now allows. If auto thieves know they will be charged with, and can be convicted of, a felony rather than a misdemeanor, the stiffer penalty may deter some people from committing the crime. Fewer thefts could slow insurance premium increases, and decrease the odds of a vehicle being stolen, which now stand at 1 in 196, nationwide.

Against:

Any increase in the prosecution, conviction, and imprisonment of auto thieves who are tried as felons will increase the state's incarceration costs. Clearly, all auto thieves should be punished for their crimes; however, the cost of that punishment should fit their crime. Currently, a thief who steals a vehicle that has a value less than \$1,000 has committed a misdemeanor. To change the law so that the thief of an older vehicle is punished in prison as a felon is, arguably, a far less cost-effective corrections policy.

POSITIONS:

The Department of State Police supports House Bill 5149. (11-14-02)

The Department of Corrections has reviewed the sentencing guidelines established by House Bill 5150 and concludes that they appear to be appropriate. (11-19-02)

Analyst: J. Hunault

■ 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.