

**House Bills 5447 and 5468**  
**Sponsor: Rep. Derrick Hale**  
**Committee: Transportation**

**Complete to 1-23-98**

**A SUMMARY OF HOUSE BILLS 5447 AND 5468 AS INTRODUCED 1-14-98**

House Bills 5447 and 5468 are part of a four-bill package that would increase penalties and invoke licensure sanctions for people who are convicted of theft and fraud concerning vehicles and vehicle parts. The organized theft and resale of stolen vehicles and vehicle parts are sometimes referred to as "chop shop" operations.

House Bill 5447 would amend the Motor Vehicle Service and Repair Act (MCL 257.1322) to allow the denial, suspension, or revocation of a registration, certificate, or mechanic trainee permit (after notice and opportunity for a hearing) if there is a determination that a facility, mechanic, or trainee is convicted of 1) owning, operating or conducting a chop shop, or 2) unlawfully taking and driving away a motor vehicle, or of theft or fraud concerning vehicles (or parts), and he or she had one or more prior convictions for a) either of those offenses previously mentioned, or b) using a motor vehicle but without intent to steal, or c) concealing or misrepresenting the identity of a motor vehicle or mechanical device, or d) buying, receiving, possessing or concealing stolen, embezzled, or converted money, goods, or property.

In these instances, House Bill 5447 would require revocation of a motor vehicle repair facility registration, or a mechanic's certificate, if any; and withholding issuance of a facility registration or mechanic's certificate for not less than five years after the date of the conviction.

Further, House Bill 5447 would require that a repair facility registration be denied to any person who had three or more convictions for taking and driving away a motor vehicle, operating a chop shop, or theft and fraud concerning vehicles or vehicle parts.

House Bill 5468 would amend the Michigan Vehicle Code (MCL 257.249 et al.) to provide licensing sanctions for car dealers who are guilty of auto or auto part theft.

Under House Bill 5468, the secretary of state would be required to deny, for five or more years after conviction, the application for a dealer license if a person was convicted of 1) owning, operating or conducting a chop shop, or 2) had been convicted of unlawfully taking and driving away a motor vehicle, or theft of and fraud concerning vehicles or vehicle parts, and had one or more prior convictions for a) either of those offenses, or b) using a motor vehicle but without intent to steal, or c) concealing or misrepresenting the identity of a motor vehicle or mechanical device, or d) buying, receiving, possessing or concealing stolen, embezzled, or converted money, goods, or property. Further, the secretary of state would be required to deny the application for a dealer license if a person had three or more convictions for taking and driving away a motor vehicle, operating a chop shop, or theft of and fraud concerning vehicles or vehicle parts.

In addition, House Bill 5468 would impose a punishment of not more than ten years in prison or a fine of not more than \$20,000, or both, if a person is found guilty of knowingly making false statements in reference to the certificates of title for stolen motor vehicles or of receiving or transferring possession of a vehicle knowing that it contains stolen components. Currently the penalty is ten years in prison, or a fine of not more than \$5,000, or both. The bill specifies that this section does not apply to peace officers performing their duties.

House Bill 5468 also would add a new section to set similar penalties for other violations. The bill would specify that a person who did either or both of the following would be guilty of a felony punishable by a prison term of not more than ten years or a fine of not more than \$20,000, or both: knowingly selling, giving, or exchanging a motor vehicle certificate of title without also selling, giving, or exchanging the appropriate motor vehicle; or, selling or exchanging a certificate of title (or identifying marker) knowing the certificate will be used to disguise the identity of a stolen vehicle or vehicle parts. A person who, with the intent to mislead as to the identity of a vehicle, bought, possessed, or received a certificate of title that belonged to another vehicle would be guilty of a felony punishable by imprisonment for not more than five years or a fine of not more than \$20,000, or both. A person who knowingly made or presented false documents to obtain a certificate of title would be guilty of a felony punishable by imprisonment for not more than five years or by a fine of not more than \$10,000, or both. This section would not prohibit prosecution under any other appropriate larceny law. This section also defines "identifying marker," "vehicle identification number," and "vehicle identification number derivative."

Finally, House Bill 5468 also would prohibit issuance to and require revocation of, by the secretary of state, an operator's or chauffeur's license to a person who had one or more convictions for operating a chop shop; or, two or more convictions for unlawfully taking and driving away a motor vehicle, or theft of and fraud concerning vehicles or vehicle parts. A convicted person would not be eligible for a license or license renewal until two or more years after the revocation or denial.

Tie Bar. House Bills 5447 and 5468 are tie-barred to House Bill 5445 (although the bills are not tie-barred to each other). House Bill 5445, which has been referred to the Judiciary Committee for consideration, would amend the Penal Code to specify vehicle theft and related fraud as a felony and to set penalties for conviction of the crime. A fourth bill, House Bill 5448, also would amend the Penal Code to increase penalties for chop shops, and has been referred to the Insurance Committee for consideration.

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.