

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 718 (Substitute S-1 as passed by the Senate)
Senate Bill 719 (Substitute S-1 as passed by the Senate)
Sponsor: Senator Mike Rogers (Senate Bill 718)
Senator Bev Hammerstrom (Senate Bill 719)
Committee: Judiciary

Date Completed: 1-19-00

RATIONALE

Michigan law contains a number of provisions designed to discourage automobile theft. These include sections of the Michigan Penal Code that establish criminal penalties for the theft itself, as well as provisions that make it a felony to own or operate a chop shop (premises where vehicles are dismantled, or where the identity of a stolen vehicle or major component part is concealed). The Code also makes it a crime to conceal or misrepresent the identity of a vehicle or a mechanical device by removing or defacing the manufacturer's serial number or the engine or motor number, or by replacing a numbered part of the vehicle or mechanical device with a new part upon which the proper number has not been stamped.

Despite these provisions, automobile theft remains a problem. According to the Department of State Police, some 60,000 vehicles are stolen in this State each year, and Michigan ranks approximately sixth among the states in vehicle theft. It has been suggested that this State also should make it illegal to possess or sell certain vehicle identification parts and hardware that are used in the trafficking of stolen vehicles.

CONTENT

Senate Bill 718 (S-1) would amend the Michigan Penal Code to do all of the following:

- **Prohibit and prescribe penalties for possessing, purchasing, delivering, selling, or exchanging certain vehicle identification equipment.**

- **Prohibit and prescribe penalties for purchasing, receiving, or obtaining control of a motor vehicle or motor vehicle part, intending to sell or dispose of the vehicle or part, knowing that an identification number had been removed or altered.**
- **Allow certain uses for a vehicle or mechanical device whose identification number could not be determined.**

Senate Bill 719 (S-1) would amend the sentencing guidelines provisions of the Code of Criminal Procedure to include the offenses proposed by Senate Bill 718 (S-1) in the sentencing guidelines.

The bills would take effect 90 days after their enactment. Senate Bill 719 (S-1) is tie-barred to Senate Bill 718.

Senate Bill 718 (S-1)

The bill would prohibit a person from knowingly possessing, buying, delivering, or offering to buy, sell, exchange, or give away any manufacturer's vehicle identification number (VIN) plate, "Federal safety certification label", "antitheft label", "posident die stamps", Secretary of State vehicle identification label, "rosette rivet", or any facsimile of any of those items. The prohibition would not apply to a motor vehicle manufacturer, a motor vehicle parts supplier under contract with a motor vehicle manufacturer, or a law enforcement officer in the official performance of his or her duties. A violation would be a felony, punishable by up to four years' imprisonment, a maximum fine of \$10,000, or both. If the offender were a licensed dealer or repair facility, its license would have to be revoked.

The bill also would prohibit a person from buying, receiving, or obtaining control of a motor vehicle or motor vehicle part with the intent of selling or otherwise disposing of the vehicle or part, knowing

that an identification number of the vehicle or part had been removed, obliterated, tampered with, or altered. A violation would be a felony, punishable by up to 10 years' imprisonment, a maximum fine of \$20,000, or both.

In addition, the Penal Code provides that, if the identification of a motor vehicle or a mechanical device has been removed, defaced, or altered in violation of the Code and the real identity of the vehicle or device cannot be determined, the vehicle or device is subject to confiscation by the State and must be sold at public auction. Under the bill, the vehicle or device would have to be sold at public auction, put to official use by the government agency that seized the vehicle, or rendered scrap.

"Federal safety certification label" would mean a label affixed to a motor vehicle that certified its conformity to current safety standards at the time of production and that displayed the VIN.

"Antitheft label" would mean a label that contained the VIN affixed to a motor vehicle by the manufacturer in accordance with the Federal Motor Vehicle Theft Law Enforcement Act.

"Posident die stamps" would mean specially designed die stamps used by motor vehicle manufacturers to produce unique letters and numbers when stamping VINs upon vehicle identification plates, tags, and parts affixed to a motor vehicle.

"Rosette rivet" would mean a special rivet designed to prevent removal or tampering with a VIN plate affixed by the manufacturer to a motor vehicle and that, when used to affix a VIN plate, formed five or six petals at the rivet head.

FISCAL IMPACT

The bills would have an indeterminate fiscal impact on State and local government.

There are no data available to indicate how many people could be convicted of buying or selling paraphernalia capable of changing or

Senate Bill 719 (S-1)

The bill would add the offenses proposed by Senate Bill 718 (S-1) to the sentencing guidelines provisions. Buying, selling, exchanging, or giving away paraphernalia capable of changing or misrepresenting a motor vehicle's identity would be categorized as a Class G property felony, with a statutory maximum sentence of four years' imprisonment. Buying, receiving, or obtaining a motor vehicle or vehicle part with the intent to sell or dispose of it, knowing that its identification number had been altered or removed, would be categorized as a Class E property felony, with a statutory maximum sentence of 10 years' imprisonment.

MCL 750.415 (S.B. 718)

777.16u (S.B. 719)

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The devices covered by these bills apparently have no legitimate use except by vehicle manufacturers. According to committee testimony, for example, rosette rivets serve no purpose other than to attach VIN plates. Although these items can be found on the Internet, they are not available in auto parts stores or hardware stores. According to the State Police, someone who possesses VIN plates, rosette rivets, or other vehicle identifiers probably is not just an auto thief but is in the business of selling stolen vehicles or stolen vehicle parts. Currently, the presence of rosette rivets, posident die stamps, antitheft labels, and identification parts can be used as evidence of vehicle theft, but possessing or selling these items is not a separate offense. By closing this loophole in the law, the bills would help to shut down auto theft rings. Once the bills took effect, according to the State Police, they would be used immediately to prosecute individuals who traffic in stolen vehicles.

Legislative Analyst: S. Lowe

misrepresenting a motor vehicle identification. The offense would be a Class G felony for which the range of minimum sentences is 0-3 months to 7-23 months. Also, there are no data available to indicate how many people could be convicted of obtaining a vehicle or part intending to sell or dispose of it knowing that the vehicle's identification number had been altered. The offense would be a Class E felony

for which the range of minimum sentences is 0-3 months to 24-38 months. An offender convicted of either crime could receive an intermediate sanction or a prison term.

Assuming that five offenders a year were convicted of each offense, and assuming that all 10 offenders received the highest minimum sentence, annual costs for incarceration for these crimes, based on the average yearly cost of \$22,000 to incarcerate, would be \$559,200.

Fiscal Analyst: K. Firestone

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.