

CRIME OF CHAMPERTY

House Bill 6233

Sponsor: Rep. Mike Kowall

Committee: Civil Law and the Judiciary

Complete to 7-31-02

A SUMMARY OF HOUSE BILL 6233 AS INTRODUCED 7-2-02

The bill would add a section to the Michigan Penal Code (Public Act 328 of 1931) to create the crime of champerty (sharing in the proceeds of a lawsuit by an outside party who has promoted the litigation).

Under the bill, a person would be prohibited from giving money (or any other object of value) to a person who is a party to litigation if the party has an absolute or contingent obligation to repay the money or value from any recovery from the litigation, and such obligation exceeds the amount originally given by more than five percent (or up to seven percent if agreed to by the parties in writing). However, the bill would not prohibit the advancement of money as allowed by court rules. A person who violates the provisions of the bill would be guilty of champerty, a misdemeanor punishable by imprisonment for up to one year, a fine of up to \$1,000, or both. In addition, the person would not be entitled to receive the money or value of the object given, or any interest on the sum.

MCL 750.410b

House Bill 6233 (7-31-02)

Analyst: M. Wolf

■ 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.