



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1009 (as introduced 2-24-04)
Sponsor: Senator Alan L. Cropsey
Committee: Judiciary

Date Completed: 4-20-04

CONTENT

The bill would amend the Michigan Penal Code to define "false pretense" and revise the prohibition against taking certain actions by false pretense.

The Code prohibits a person from doing any of the following, "with intent to defraud or cheat and by color of a false token or writing, by a false or bogus check or other written, printed, or engraved instrument, by counterfeit coin or metal that is intended to simulate a coin, or by any other 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 bill, instead, would prohibit a person from making or using a false pretense to do any of those things, with the intent to defraud or cheat. Under the bill, "false pretense" would include a false or fraudulent representation, writing, communication, statement, or message, communicated by any means to another person, that the maker of the representation, writing, communication, statement, or message knew was false or fraudulent. The false pretense could be a representation regarding a past or existing fact or circumstance or a representation regarding the intention to perform a future event or to have a future event performed.

MCL 750.218

BACKGROUND

As shown in the following table, the penalties for false pretense offenses depend on the value of the land, property, use, or amount obtained or sold, and whether the offender has prior convictions. The maximum fine is either the amount shown in the table or three times the value, whichever is greater. The offenses punishable by 93 days' or one year's imprisonment are misdemeanors; the remainder are felonies.

Value	Prior Conviction	Maximum Imprisonment	Maximum Fine
< \$200	NA ^{a)}	93 days	\$500
< \$200	1 or more	1 year	\$2,000
\$200 or more but < \$1,000	NA	1 year	\$2,000
\$200 or more but < \$1,000	1 or more	5 years	\$10,000
\$1,000 or more but < \$20,000	NA	5 years	\$10,000
\$1,000 or more but < \$20,000	2 or more ^{b)}	10 years	\$15,000
\$20,000 or more	NA	10 years	\$15,000
^{a)} Not applicable.			
^{b)} Not including offenses involving a value under \$200.			

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

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

According to the Department of Corrections Statistical Report, in 2001 there were 292 offenders convicted of violating the false pretense prohibition. Of those, 69 received a prison term, 30 received a jail term, and the rest received probation and/or fines. There are no data to indicate whether the proposed revisions would have an impact on the number of offenders convicted. Local governments incur the cost of misdemeanor probation and the cost of incarceration in a local facility, both of which vary by county. The State incurs the cost of felony probation at an average annual cost of \$1,800, and the cost of incarceration in a State facility at an average annual cost of \$28,000.

Fiscal Analyst: Bethany Wicksall

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