



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 691 (as reported without amendment)

Sponsor: Senator Jim Runestad

Committee: Judiciary and Public Safety

CONTENT

The bill would amend the Michigan Penal Code to include a violation of Section 4 of the Organized Retail Crime Act as a predicate offense of racketeering.

Section 159i of the Code prohibits a person from engaging in certain activities through a "pattern of racketeering activity" (at least two incidents of racketeering that have interrelated characteristics and amount to or pose a threat of continuing criminal activity). "Racketeering" means committing, attempting to commit, conspiring to commit, or aiding or abetting, soliciting, coercing, or intimidating a person to commit an offense for financial gain by obtaining money, property, or any other thing of value, involving certain violations specified in the Code.

The bill would include among those specified violations a violation of Section 4 of the Organized Retail Crime Act.

MCL 750.159g

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill could have an indeterminate fiscal impact on State and local government. New felony arrests and convictions under the bill could increase resource demands on law enforcement, court systems, community supervision, jails, and correctional facilities. However, it is unknown how many additional people would be prosecuted under the bill's provisions. The average cost to State government for felony probation supervision is approximately \$3,400 per probationer per year. For any increase in prison intakes, in the short term, the marginal cost to State government is approximately \$5,800 per prisoner per year. Any additional revenue from imposed fines would go to local libraries.

In addition, by adding a violation of the Organized Retail Crime Act to the list of those crimes that would constitute racketeering, the real and tangible property of those convicted of violating the Organized Retail Crime Act could be subject to civil in rem forfeiture under Michigan Compiled Laws 750.159m. Civil in rem forfeiture is a legal process that is distinct from criminal prosecution by which the State or local prosecuting agencies may petition a court to seize property.

Currently, retail property seized under the Organized Retail Crime Act that otherwise cannot be returned to the merchant is subject to forfeiture by the State for use by the Organized Retail Crime Advisory Board. The bill could expand the types of property subject to seizure if that offense also constituted a pattern of racketeering behavior. The property subject to seizure then could include the proceeds, substitute proceeds, or instrumentalities of racketeering in addition to any retail property associated with the underlying offense.

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Bill Analysis @ www.senate.michigan.gov/sfa

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