



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 5598 (Substitute H-1 as reported without amendment)
House Bill 5599 (as reported without amendment)
Sponsor: Representative Tullio Liberati
House Committee: Local Government and Municipal Finance
Senate Committee: Local Government

CONTENT

House Bill 5598 (H-1) would amend Public Act 98 of 1883, which prohibits certain fraudulent conveyances of real estate, to do the following:

- Specify that a person placing upon record any conveyance of real estate with intent to deceive any person as to the veracity of the document recorded would be guilty of a felony punishable by imprisonment for up to three years or a fine of up to \$5,000, or both.
- Specify that a person who knowingly and willfully drafted or submitted a document to be filed and recorded with a register of deeds in Michigan with intent to defraud the owner of real estate or an interest in real estate would be guilty of a felony punishable by up to 10 years of imprisonment or a fine of up to \$5,000, or both.
- Allow a register of deeds who believed a document violated a prohibition described above to submit that evidence to the local county prosecutor.

House Bill 5599 would amend the sentencing guidelines in the Code of Criminal Procedure to include the felonies proposed by House Bill 5598 (H-1).

House Bill 5599 is tie-barred to House Bill 5598.

MCL 565.371 (H.B. 5598)
MCL 777.15b (H.B. 5599)

BRIEF RATIONALE

It is not uncommon for individuals to defraud Michigan homeowners by submitting forged documents to registers of deeds falsely claiming ownership of residents' homes. According to testimony, there have been over 13,000 inquiries for this type of fraud in Wayne County since 2005. To prove that fraud occurred and win back their homes, Michigan residents must seek legal assistance, which can cost a significant amount of money. The bill would disincentivize this type of fraud, giving peace of mind to Michigan residents and preventing these burdensome costs.

Legislative Analyst: Alex Krabill

FISCAL IMPACT**House Bill 5598 (H-1)**

The bill would have an indeterminate, but likely negative fiscal impact on the State and local governments. 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 people would be prosecuted under provisions of

the bill. The average cost to State government for felony probation supervision is approximately \$5,600 per probationer per year. For any increase in prison intakes the average annual cost of housing a prisoner in a State correctional facility is an estimated \$48,700. Per diem rates range from \$100 to \$431 per day (average per diem is \$135), depending on the security level of the facility. Any associated increase in fine revenue would increase funding to public libraries.

The bill would have no fiscal impact on State or local courts.

House Bill 5599

The bill would have no fiscal impact on local government and an indeterminate fiscal impact on the State, in light of the Michigan Supreme Court's July 2015 opinion in *People v. Lockridge*, in which the Court ruled that the sentencing guidelines are advisory for all cases. This means that the addition to the guidelines under the bill would not be compulsory for the sentencing judge. As penalties for felony convictions vary, the fiscal impact of any given felony conviction depends on judicial decisions.

Date Completed: 10-10-24

Fiscal Analysts: Bobby Canell
Joe Carrasco, Jr.
Michael Siracuse

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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.