



Senate Fiscal Agency  
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## BILL ANALYSIS



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House Bill 5598 (Substitute H-1 as passed by the House)  
House Bill 5599 (as passed by the House)  
Sponsor: Representative Tullio Liberati  
House Committee: Local Government and Municipal Finance  
Senate Committee: Local Government

Date Completed: 9-30-24

**CONTENT**

**House Bill 5598 (H-1) would amend Public Act (PA) 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, 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, 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, which is described in further detail below.

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

Currently, PA 98 prohibits a person from procuring or placing upon record any conveyance of real estate with the intent to deceive any person as to the identity of the grantor mentioned in such conveyance. It prescribes as punishment imprisonment in the State prison at hard labor for up to three years or a fine of up to \$5,000, or both. Instead, under the bill, a person who procured or placed 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 by a fine of up to \$5,000, or both.

In addition, a person that 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 the owner of an interest in real estate would be guilty of a felony punishable by imprisonment for up to 10 years, a fine of up to \$5,000, or both.

Finally, the bill would allow a register of deeds who believed a document was submitted to the register of deeds in violation of PA 98 to provide evidence of the violation to the county prosecutor in the county where the register of deeds was located.

**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.

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