

BY: House Judiciary Committee

AMENDMENTS TO HOUSE BILL 501

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Theft” and substitute “Fraudulent Conversion”; strike beginning with “prohibiting” in line 3 down through “corrections;” in line 10 and substitute “clarifying that the prohibition against fraudulent conversion of rental property applies to a written contract or written lease for a leased or rented good or thing of value whether or not the contract or lease contains an option to purchase the good or thing of value if the contract or lease meets certain requirements; providing that a prosecution under the prohibition against fraudulent conversion of rental property does not preclude prosecution for theft; requiring a conviction for fraudulent conversion of rental property to merge for sentencing purposes into a conviction for theft under certain circumstances;”; in line 10, strike “theft” and substitute “fraudulent conversion”; and in line 14, strike “7-104” and substitute “8-407”.

AMENDMENT NO. 2

On pages 1 through 5, strike in their entirety the lines beginning with line 20 on page 1 through line 18 on page 5 and substitute:

“8-407.

(a) This section applies to a **WRITTEN CONTRACT OR** written lease [notwithstanding that] **FOR A LEASED OR RENTED GOOD OR THING OF VALUE WHETHER OR NOT** the **CONTRACT OR** lease contains an option to purchase the good or thing of value if the lease:

- (1) does not exceed a period of 6 months; and
- (2) is not for nominal consideration.

(Over)

(b) A person may not fraudulently convert to the person's own use a good or thing of value received under a written contract or written lease entered into for the purpose of renting or leasing things for valuable consideration.

(c) The failure to return the good or thing of value to the possession of, or account for the good or thing of value with, the person who delivered the good or thing of value at the time or in the manner described in the written contract or written lease is prima facie evidence of intent to fraudulently convert the good or thing of value.

(d) (1) A person may not be prosecuted under this section if within 10 days after a written demand for the return of the good or thing of value is mailed by certified United States mail, return receipt requested, to the person who received the good or thing of value at the last address known to the person who delivered the good or thing of value, the person returns the good or thing of value to the possession of, or accounts for the good or thing of value with, the person who delivered the good or thing of value.

(2) A prosecution may not be started until 10 days after a written demand described in paragraph (1) of this subsection is mailed.

(e) A person who violates this section is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 60 days or a fine not exceeding \$1,000 or both.

(f) A person who violates this section shall restore the good or thing of value converted to the person's own use or pay the full value to the owner or the person who delivered the good or thing of value.

(G) (1) A PROSECUTION UNDER THIS SECTION DOES NOT PRECLUDE PROSECUTION FOR THEFT UNDER § 7-104 OF THIS ARTICLE.

(2) IF A PERSON IS CONVICTED UNDER § 7-104 OF THIS ARTICLE AND THIS SECTION FOR THE SAME ACT OR TRANSACTION, THE CONVICTION UNDER THIS SECTION SHALL MERGE FOR SENTENCING PURPOSES INTO THE CONVICTION UNDER § 7-104 OF THIS ARTICLE.”.