



**House
Legislative
Analysis
Section**

Washington Square Building, Suite 1025
Lansing, Michigan 48909
Phone 517/373-6466

ILLEGAL PURCHASE OF FOOD STAMPS

House Bill 4249 (Substitute H-2) RECEIVED
First Analysis (2-9-88)

Sponsor: Rep. Thomas G. Power
Committee: Judiciary

FEB 25 1988
Mich. State Law Library

THE APPARENT PROBLEM:

Food stamp recipients, especially those in urban areas, all too often are subjected to organized and sometimes coercive efforts to purchase their food stamps which subsequently may be sold at a profit to unscrupulous businesses. Although federal law establishes criminal penalties for illegal trafficking in food stamps, there are no analogous provisions in Michigan law that local authorities can enforce. Federal resources are limited and federal priorities may fail to meet local concerns, and many believe that rather than rely on federal law enforcement, Michigan should have its own statute providing criminal sanctions for illegally purchasing, possessing, or transporting food stamps.

THE CONTENT OF THE BILL:

The bill would add a new section to the Michigan Penal Code to make it a crime for a person to knowingly receive, purchase, possess, or transport food stamps other than as authorized by the Food Stamp Act. If the cumulative face value of the food stamps was \$1,000 or less, the person would be guilty of a misdemeanor punishable by up to 90 days in jail, a fine of up to \$700, or both. If the face value was over \$1,000, the crime would be a felony punishable by imprisonment for up to five years, a fine of up to \$10,000, or both.

MCL 750.300A

FISCAL IMPLICATIONS:

According to the Department of Social Services, the bill would have no fiscal impact on the department or state programs; local units of government could be affected by additional costs for enforcement activities. (2-2-88) The House Fiscal Agency says that to the degree that the bill increased prison populations, it would increase state costs. (2-2-88)

ARGUMENTS:

For:

The bill would establish criminal sanctions for illegal traffic in food stamps, thus authorizing local law enforcement agencies to take action and prosecute such activities. Without such authorization, the state will continue to have to rely on federal law enforcement. State sanctions and effective enforcement not only would put culpable parties out of operation, but also could be an effective deterrent and reduce the degree to which food stamp recipients are victimized by "runners" from organized food stamp traffickers.

Against:

Some may argue that because the food stamp program is a federal program, law enforcement issues related to it are best left to federal authorities.

POSITIONS:

The Department of Social Services supports the bill. (2-2-88)

H.B. 4249 (2-9-88)