



**House
Legislative
Analysis
Section**

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ILLEGAL PURCHASE OF FOOD STAMPS

House Bill 4249 as enrolled
Second Analysis (1-4-89)

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Sponsor: Rep. Thomas G. Power
House Committee: Judiciary
Senate Committee: Judiciary

FEB 08 1989

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 or coupons other than as authorized by the Food Stamp Act or any supplemental food program administered by the state under the federal Child Nutrition Act. If the cumulative face value of the stamps or coupons 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 Senate Fiscal Agency, the bill would have an undetermined fiscal impact on state and local government. Increased enforcement costs would depend on the number of prosecutions and convictions. (11-2-88)

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.

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