

**SFA**

BILL ANALYSIS

Senate Fiscal Agency

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**House Bill 4249 (Substitute S-1 as reported)****Sponsor: Representative Thomas G. Power****House Committee: Judiciary****Senate Committee: Judiciary****Date Completed: 11-2-88****RATIONALE**

Reportedly, food stamp recipients are often coerced to sell their food stamps illegally to purchasers who then sell the food stamps at a profit to unscrupulous businesses. Although Federal law has established criminal penalties for illegal trafficking in food stamps, there are no analogous provisions in Michigan law that can be enforced by local authorities. Federal resources for enforcement are limited and Federal priorities may fail to meet local concerns regarding illegal food stamp sales. Many people believe that Michigan should have its own statute mandating criminal sanctions for illegally purchasing, possessing, or transporting food stamps.

prosecute such activities. Without such authorization, the State must continue to rely on inadequate Federal law enforcement activities. Although some may argue that law enforcement issues related to the food stamp program should be left to Federal authorities, State sanctions and effective enforcement would be more effective in putting culpable parties out of operation. Effective enforcement on the State level also could reduce the degree to which food stamp recipients are victimized by organized food stamp traffickers.

**Legislative Analyst: P. Affholter****Fiscal Analyst: B. Bowerman****CONTENT**

The bill would amend the Michigan Penal Code to impose criminal liability on a person who knowingly used, transferred, acquired, altered, purchased, possessed, or transported food stamps or coupons other than as authorized by the Federal Food Stamp Act, or any supplemental food program administered by the State pursuant to the Federal Child Nutrition Act. If the cumulative face value of the food stamps or coupons were \$1,000 or less, the person would be guilty of a misdemeanor punishable by up to 90 days in jail, a maximum fine of \$700, or both. If the face value of the stamps were over \$1,000, the offense would be a felony punishable by imprisonment for up to five years, a maximum fine of \$10,000, or both.

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.

Proposed MCL 750.300a

**SENATE COMMITTEE ACTION**

The Senate Judiciary Committee adopted a substitute (S-1) to the bill that would apply to coupons issued pursuant to supplemental food programs administered by this State under the Child Nutrition Act, as well as to food stamps. In addition, the substitute would include using, transferring, acquiring, and altering food stamps or coupons among the proposed offenses.

**FISCAL IMPACT**

The bill would have an indeterminate impact on State and local government. Increased enforcement costs would depend on the number of prosecutions and convictions.

**ARGUMENTS****Supporting Argument**

The bill would establish criminal sanctions for illegally trafficking in food stamps, thus permitting local law enforcement authorities to take action against and