

Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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Senate Bill 506 (Substitute S-4 as reported)  
Sponsor: Senator Bev Hammerstrom  
Committee: Families, Mental Health and Human Services

**CONTENT**

The bill would amend the Social Welfare Act to include the use of an "access device", and aiding a person to attempt to obtain assistance fraudulently, in the Act's prohibition against fraudulently obtaining public assistance. "Access device" would mean that term as it is defined in the Michigan Penal Code's food stamp fraud provision (750.300a), i.e., any card, plate, code account number, or other means of access that could be used, alone or in conjunction with another access device, to obtain payments, allotments, benefits, money, goods, or other things of value, or that could be used to initiate a transfer of funds.

Under the Act, any person who by means of willful false statement or representation, or by impersonation or other fraudulent device, does either of the following is guilty of a misdemeanor if the amount involved is \$500 or less, or of a felony if the amount involved is more than \$500:

- Obtains or attempts to obtain, or aids or abets any person to obtain assistance or relief to which that person is not entitled.
- Obtains or attempts to obtain, or aids or abets any person to obtain a larger amount of assistance or relief than that to which the person is entitled.

The bill would add to those provisions aiding or abetting a person to attempt to obtain assistance to which the person was not entitled. The bill also would include in the prohibition use of an access device to commit a violation.

In addition, the penalties apply to any officer or employee of a county, city, or district department of social welfare who authorizes or recommends relief to persons known to the officer or employee to be ineligible or to have fraudulently created their eligibility. The bill would refer to an employee of a county, city, or district family independence agency.

MCL 400.60

Legislative Analyst: P. Affholter

**FISCAL IMPACT**

Senate Bill 506 (S-4) would have an indeterminate fiscal impact on State and local government. In 1997, there were 356 offenders convicted of violating or attempting to violate MCL 400.60 (fraudulently obtaining assistance). Of those convictions, only two offenders were sentenced to a prison term. There are no data to indicate how many more people would be convicted if the definition of "access device" were added to the violation. Because most violators are not sentenced to State prison, any changes in conviction rates would primarily affect local units of government.

The bill would have no fiscal impact on the Family Independence Agency.

Date Completed: 5-10-99

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