



**Senate Fiscal Agency**  
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BILL ANALYSIS



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House Bill 4361 (Substitute H-2 as reported without amendment)

Sponsor: Representative Roger Victory

House Committee: Regulatory Reform

Senate Committee: Regulatory Reform

### **CONTENT**

The bill would amend the Lottery Act to require the suspension or revocation of a lottery sales license if the licensee were convicted or administratively disqualified because of a transaction that was for Food Assistance Program benefits, involved an item other than eligible foods, and was related to the sale of a lottery ticket under the lottery sales license. The Lottery Commissioner would have to suspend a license for 30 to 60 days, for a first offense; suspend a license for 61 to 120 days, for a second offense; and revoke a license, for a third or subsequent offense.

Under the bill, "convicted" would mean that the licensee either was convicted of or pleaded guilty to a crime under Section 300a(1)(c) of the Michigan Penal Code. (That section prohibits a person from knowingly using, transferring, acquiring, altering, purchasing, possessing, presenting for redemption, or transporting food stamps or coupons or access devices other than as authorized by Federal law.) "Administratively disqualified" would mean administratively disqualified from acting as a merchant under the Federal Food and Nutrition Act or Federal regulations because the person had engaged in trafficking as that term is defined in Federal regulations.

The bill would take effect 90 days after enactment.

Proposed MCL 432.24

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

The bill would increase the costs of the operation of the State Lottery by a minimal amount due to possible administrative costs related to license suspensions. If license suspensions occurred under the bill, the reduction in sales outlets for the lottery could reduce lottery sales by an unknown amount. The magnitude of this effect would depend on the number and duration of suspensions and revocations, and the volume of sales at those locations. Both of these factors have the potential to reduce the amount of lottery proceeds transferred to the School Aid Fund by an unknown amount. Enforcement actions against retailers for food assistance fraud are a Federal responsibility.

Date Completed: 5-20-13

Fiscal Analyst: Elizabeth Pratt