



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4361 (Substitute H-2 as passed by the House)
Sponsor: Representative Roger Victory
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

Date Completed: 5-16-13

CONTENT

The bill would amend the Lottery Act to subject a lottery sales licensee to suspension or revocation of the license if the licensee engaged in a transaction that was for Food Assistance Program benefits but involved an item other than eligible food and was related to the sale of a lottery ticket.

The bill would take effect 90 days after enactment.

Specifically, a lottery sales licensee would be subject to a licensing action 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 take the following actions with respect to the license of a person described above:

- A license suspension for 30 to 60 days, for a first offense.
- A license suspension for 61 to 120 days, for a second offense.
- Revocation of the 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. A person would not be administratively disqualified until any administrative or judicial review under Federal regulations was complete. (Federal regulations define "trafficking" as the buying or selling of benefit instruments for cash or consideration other than eligible food; or the exchange of firearms, ammunition, explosives, or controlled substances for a benefit access device.)

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.

Fiscal Analyst: Elizabeth Pratt

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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.