



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

Senate Bill 1007 (as introduced 12-3-09)  
Sponsor: Senator John Pappageorge  
Committee: Families and Human Services

Date Completed: 11-2-10

### **CONTENT**

The bill would amend the Social Welfare Act to prohibit a recipient from using his or her Michigan Bridge Card or other form of electronic benefit transfer (EBT) or assistance payment to purchase lottery tickets.

The bill also would prohibit retailers from accepting a Michigan Bridge Card or other form of EBT or assistance payment for the purchase of lottery tickets.

(As a rule, a violation of the Act is a misdemeanor subject to sentencing as provided by law. If a recipient is convicted of an offense under the Act or another crime and is imprisoned for one month or longer, the county social services board may direct assistance to cease and not be made during the person's imprisonment.)

Under the Michigan Penal Code, a misdemeanor for which a penalty is not otherwise specified is punishable by imprisonment for up to 90 days, a maximum fine of \$500, or both.)

Proposed MCL 400.57v

### **BACKGROUND**

The Michigan Bridge Card is a debit card used to deliver food benefits and cash benefits. The Department of Human Services issues the card, rather than paper food stamps or paper checks, to eligible individuals, and makes deposits to their accounts twice monthly. Recipients can use the card at a store point-of-sale machine to buy food with food or cash benefits; to buy nonfood items with cash benefits; to withdraw cash from cash benefits; or to get cash back with a purchase. Recipients also can use the card at an automatic teller machine (ATM) to withdraw cash benefits.

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The Bureau of State Lottery is currently required to notify retailers that Bridge Cards cannot be used for the purchase of lottery tickets. (This requirement is contained in boilerplate language in the Michigan Lottery FY 2010-11 budget, Public Act 191, Section 293). The State does not have a way to track or identify itemized purchases made with the Bridge Card in order to enforce retailer or individual compliance. Although Family Independence

Program cash assistance is intended for necessities such as rent or daycare, recipients are able to withdraw cash from ATMs; this money could feasibly be used to purchase lottery tickets. To the extent that individuals are using cash assistance to purchase lottery tickets, further restrictions on the use of Bridge Cards could result in fewer lottery ticket purchases and a subsequent decline in revenue to the State School Aid Fund. This potential revenue loss would not be substantial, however, due to the ease with which this law could be circumvented.

There are no data to indicate how many offenders would be convicted of violating the proposed prohibition. Local governments would incur the costs of incarceration in local facilities, which vary by county. Any additional penal fine revenue collected would benefit public libraries.

Fiscal Analyst: Frances Carley  
Matt Grabowski

S0910\sb1007sa

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.