

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 81 (Chairman, Finance Committee)
(Departmental - Human Resources)

Finance

Referred to Appropriations

Food Stamp Benefits - Prohibited Acts - Penalties

This amended departmental bill increases the penalties for food stamp program fraud and changes the crime from a misdemeanor to a felony when the value of the money or goods involved is \$1,000 or more. Under current law, individuals convicted of food stamp fraud are subject to a maximum fine of \$1,000 and/or six months in jail. The bill increases the maximum penalty to \$10,000 and/or up to five years in prison for fraud convictions greater than or equal to \$1,000 and up to \$1,000 and/or up to three years in prison for fraud convictions less than \$1,000.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues and expenditures due to the bill's penalty provision.

Local Effect: Potential minimal increase in revenues and expenditures due to the bill's penalty provision.

Small Business Effect: The Department of Human Resources has determined that this bill has minimal or no impact on small businesses (attached). Fiscal Services concurs with this assessment. (The attached assessment does not reflect amendments to this bill.)

Fiscal Analysis

State Revenues: General fund revenues could increase under the bill's monetary penalty provision for those cases heard in the District Court, depending upon the number of convictions and fines imposed.

State Expenditures: The food stamp program is supported 100% by federal funds;

therefore, reducing food stamp fraud will not have a direct impact on State funds. To the extent that the enforcement of the bill's provision that persons convicted of food stamp fraud abuse make full restitution of money or goods unlawfully received is successful, more federal dollars will be spent on the purposes for which they were intended.

General fund expenditures could increase as a result of the bill's incarceration penalty due to more people being committed to a Division of Correction (DOC) facility for longer periods of time and increased payments to counties for reimbursement of inmate costs, depending upon the number of convictions and sentences imposed.

Persons serving a sentence longer than one year are incarcerated in a DOC facility. In fiscal 1998 the average monthly cost per inmate is estimated at \$1,500.

Persons serving a sentence of one year or less are sentenced to a local detention facility. The State reimburses counties for part of their per diem rate after a person has served 90 days. State per diem reimbursements for fiscal 1998 are estimated to range from \$12 to \$42 per inmate depending upon the jurisdiction. Persons sentenced to such a term in Baltimore City are generally incarcerated in a DOC facility, with an average monthly cost estimated at \$1,500 for fiscal 1998. [The Baltimore City Detention Center (BCDC), a State operated facility, is used primarily for pretrial detentions. The per diem cost for BCDC in fiscal 1998 is estimated at \$43 per inmate.]

Local Revenues: Revenues could increase under the bill's monetary penalty provisions for those cases heard in the circuit courts, depending upon the number of convictions and fines imposed.

Local Expenditures: Expenditures could increase as a result of the bill's incarceration penalty depending upon the number of convictions and sentences imposed. Counties pay the full cost of incarceration for people in their facilities for the first 90 days of the sentence, plus part of the per diem cost after 90 days. Per diem operating costs of local detention facilities are expected to range from \$23 to \$83 per inmate in fiscal 1998.

Information Source(s): Department of Human Resources, Department of Fiscal Services

Fiscal Note History: First Reader - January 20, 1997

nrd Revised - Senate Third Reader - March 17, 1997

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