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## FISCAL IMPACT REPORT

ORIGINAL DATE 3/1/17

SPONSOR Youngblood LAST UPDATED \_\_\_\_\_ HB 456

SHORT TITLE Unlawful Dealing In Federal Food Coupons SB \_\_\_\_\_

ANALYST Chilton

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	Minimal	Minimal	Minimal	Minimal	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Administrative Office of the Courts (AOC)  
 Office of the Attorney General (OAG)  
 Human Services Department (HSD)  
 Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

House Bill 456 would revise penalties for unlawfully dealing with federal supplemental nutrition assistance program (SNAP) or women, infant and children food program (WIC) benefits and make it possible to aggregate multiple violations for the purpose of determining penalties.

Where at present the definitions of categories of level of crime referred to amounts dealt in a single transaction, under the bill's provisions, the same dollar amounts defining the level of crime (petty misdemeanor, misdemeanor, fourth degree felony, third degree felony, second degree felony) would be applied to the aggregate amount of any such dealings over twelve months. Previous statute also included a fourth degree felony for high-dollar transactions; this would be eliminated with the current bill's enactment.

In addition, the language referring to public assistance misappropriation is updated to replace no longer-existing "food stamps" with food coupons, but also applying the same boundaries among levels of crime to the aggregate amounts misappropriated by a public official.

**FISCAL IMPLICATIONS**

There is no appropriation, and the fiscal implications are likely to be minimal. Both AOC and OAG note the possibility that an increase in number of prosecutions might increase their workload.

**SIGNIFICANT ISSUES**

HSD states the following in apparent support of this bill:

Pursuant to a November 2016 U.S. Department of Agriculture limited SNAP study of Point-of-Sale transactions, the average total expenditure on SNAP-eligible foods per transaction was \$26.99. Without the ability to aggregate dollar values for incidents of SNAP trafficking, there is little potential for criminal prosecution. Without a criminal prosecution, there is no way to impose appropriate disqualification from SNAP. There is also no way to recover misused benefits by recipients who are otherwise eligible to receive these benefits. No criminal prosecution, no disqualification, and no restitution provide no deterrent to committing SNAP trafficking.

DOH notes that current efforts to combat trafficking in federal nutritional benefits are robust, relying on electronic information looked at by both the federal Department of Agriculture (SNAP benefits) and the Department of Health (WIC benefits).

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Individual transgressions misappropriating federal food coupons would continue to be dealt with on an individual basis, not aggregated.

LAC/jle