



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

SENATE BILL NO. 1127

PRINTERS NO. 1827

PRIME SPONSOR: Aument

### COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund	See Fiscal Impact	

#### SUMMARY:

Senate Bill 1127, Printer's Number 1827 amends Title 18 (Crimes and Offenses), Sections 5708 (Order authorizing interception of wire, electric or oral communications), 7313 (Buying or exchanging Federal [food order] Supplemental Nutrition Assistance Program (SNAP) benefit coupons, and stamps, authorization cards or access devices), 7314 (Fraudulent traffic in [food orders] Supplemental Nutrition Assistance Program (SNAP) benefits), to further provide for violations relating to the trafficking of Supplemental Nutrition Assistance Program (SNAP) benefits. Title 62 (Procurement), Section 531 (Debarment or suspension) is further amended to provide for the grounds for debarment of Commonwealth contracts.

#### ANALYSIS:

SB 1127 amends the Crimes Code by replacing the term "food order" with "Supplemental Nutrition Assistance Program (SNAP) benefit." The legislation provides that an individual who violates Section 7314 commits as follows:

- A felony of the second degree if the amount involved is \$2,5000 or more,
- A felony of the third degree if the amount involved is \$1,000 or more, but less than \$2,500, or
- A misdemeanor of the first degree if the amount involved is less than \$1,000.

Section 7314 (b) (Additional penalty) is further amended to provide that in addition to any penalties and restitution ordered, the defendant will be ordered to pay the issuing SNAP benefit agency no less than two times, but no more than three times the amount of restitution ordered. Section 7314 (b.1) is added to provide that if the defendant is commercially licensed by the Commonwealth or one of its political subdivisions, the office of the State Inspector General may refer a violation of this section to the licensing entity for action by the licensing entity.

The Procurement Code is amended to provide that a violation of 18 Pa. C.S. §7314 is grounds for the Commonwealth to debar the defendant from Commonwealth contracts.

This legislation will take effect in 60 days.

**FISCAL IMPACT:**

Restitution paid by vendor SNAP trafficking in Fiscal Year 2016-2017 totaled \$644,000. Section 7314 (b) is amended to require that restitution be paid between two to three times, resulting in restitution payments ranging between \$1.3 million to \$1.9 million. Since SNAP is a Federal program, the Commonwealth is only able to retain 35% of any restitution payments; therefore SB 1127 is estimated to save the Department of Human Services between \$451,000 and \$676,000 in state funds.

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**DATE:** October 15, 2018

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*