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BILL ANALYSIS



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Senate Bill 463 (Substitute S-1 as reported)
Sponsor: Senator Coleman Young II
Committee: Families, Seniors, and Human Services

CONTENT

The bill would amend the Social Welfare Act to do the following:

- Include exploitation in the definition of "abuse", and include financial exploitation in the definition of "exploitation", for purposes of reporting and investigation requirements regarding suspected abuse of a vulnerable adult.
- Require financial institutions, beginning after September 1, 2012, to train employees who perform financial services to identify and report financial exploitation of a vulnerable adult.
- Grant civil immunity to a person who made a good-faith report or assisted in reporting suspected financial exploitation of a vulnerable adult.

Under the Act, certain professionals who suspect or have reasonable cause to believe that a vulnerable adult has been abused, neglected, or exploited, must report to the county department of human services. In addition, any person who suspects that a vulnerable adult has been abused, neglected, or exploited may report to the county department of human services. After receiving a report, the county department must investigate whether the adult is in need of protective services and determine if he or she is or was abused, neglected, or exploited.

As noted above, the bill would include exploitation in the definition of "abuse", and include financial exploitation in the definition of "exploitation", for these purposes. The bill would define "financial exploitation" as the action of a person who, by intimidation or deception, knowingly takes control, title, use, or management of an incapacitated or vulnerable adult's assets or property with the intent to permanently deprive that adult of his or her asset or property.

MCL 400.11 & 400.11a

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

Care providers are currently required to report instances of exploitation, including the misuse of an adult's funds. Therefore, the bill's amendments to the statutory reporting requirement would not have a fiscal impact on the State or local units of government, but would provide a clearer definition of this type of exploitation. Also, as part of the Department of Human Services' protective services component for mistreated adults, financial management services currently are available.

The requirement that financial institutions provide training to their employees in how to identify potential financial exploitation of vulnerable adults, should result in few, if any,

costs to the Office of Financial and Insurance Regulation (OFIR) or other State agency. Although the bill describes topics the training would have to cover, it would not require OFIR or any other State agency to review or approve training courses or materials.

Additionally, the bill would not require OFIR to verify that training efforts were undertaken by financial institutions. To the extent that OFIR voluntarily made verification efforts, some new administrative costs could be associated.

Date Completed: 10-27-11

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