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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO HUMAN SERVICES - PUBLIC ASSISTANCE ACT

Introduced By: Senators Bates, Hodgson, Algieri, Ruggerio, and McCaffrey

Date Introduced: April 04, 2013

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 40-6-8 of the General Laws in Chapter 40-6 entitled "Public
2 Assistance Act" is hereby amended to read as follows:

3 **40-6-8. Supplemental nutrition assistance program (SNAP).** -- (a) The department
4 shall have the responsibility to administer the food stamp program for the state in compliance
5 with the provisions of the federal Food Stamp Act of 1964, as amended, 7 U.S.C. section 2011 et
6 seq. The supplemental nutrition assistance program (SNAP) is and shall be the new title of the
7 program formerly known as the food stamp program. All references in the Rhode Island general
8 laws to food stamps shall be deemed to mean, apply to, refer to, and be interpreted in accordance
9 with the supplemental nutrition assistance program (SNAP).

10 (b) The department is empowered and authorized to submit its plan for food stamps to
11 the federal government or any agency or department of it. The department shall act for the state in
12 any negotiations relative to the submission and approval of a plan, and may make any
13 arrangement or changes in its plan not inconsistent with this chapter which may be required by
14 the Food Stamp Act or the rules and regulations promulgated pursuant to it to obtain and retain
15 such approval and to secure for this state the benefits of the provisions of the federal act relating
16 to food stamps. The department shall make reports to the federal government or any agency or
17 department of it in the form and nature required by it, and in all respects comply with any request
18 or direction of the federal government or any agency or department of it, which may be necessary
19 to assure the correctness and verification of the reports.

1 (c) The department is authorized and directed to pay one hundred percent (100%) of the
2 state's share of the administrative cost involved in the operation of the food stamp program.

3 (d) No person shall be ineligible for food stamp benefits due solely to the restricted
4 eligibility rules otherwise imposed by section 115(a)(2) of the Personal Responsibility and Work
5 Opportunity Reconciliation Act of 1996 (Public Laws No. 104-193), 21 U.S.C. section
6 862a(a)(2), and as this section may hereafter be amended.

7 (e) The department shall apply to the federal government to be granted delegated
8 authority for all SNAP investigations and enforcement actions that involve the organized
9 fraudulent use and/or trafficking of SNAP benefits by retail establishments and/or business
10 owners.

11 SECTION 2. Chapter 40-6 of the General Laws entitled "Public Assistance Act" is
12 hereby amended by adding thereto the following section:

13 **40-6-8.1. Prohibited uses of electronic benefit transfer cards. --** (a) Notwithstanding
14 any provision of the general or public laws to the contrary, eligible recipients of direct cash
15 assistance shall not use direct cash assistance funds for the purchase of alcoholic beverages,
16 lottery tickets or tobacco products. An eligible recipient of direct cash assistance who makes a
17 purchase in violation of this section shall reimburse the department for such purchase.

18 (b) Notwithstanding any provision of the general or public laws to the contrary, an
19 individual shall not use direct cash assistance funds held on electronic benefit transfer cards for
20 the purchase of alcoholic beverages, lottery tickets, or tobacco products. An individual who
21 knowingly accepts electronic benefit transfer cards in violation of this section shall be punished
22 by a fine of not more than five hundred dollars (\$500) for the first offense, a fine of not less than
23 five hundred dollars (\$500), nor more than one thousand dollars (\$1,000) for the second offense,
24 and a fine of not less than one thousand dollars (\$1,000) for the third or subsequent offense.

25 (c) The department shall adopt rules prohibiting purchases with cash assistance funds
26 held on electronic benefit transfer cards of products and services and in venues as described in
27 this section.

28 (d) The department is hereby empowered and shall maintain policies and practices as
29 necessary to prevent cash assistance provided under this chapter from being used in any
30 electronic benefit transfer transaction at:

31 (1) Liquor stores;

32 (2) Casinos as defined by chapter 41-9.1;

33 (3) Gambling facilities as defined by chapter 41-9;

34 (4) Retail establishments which provide adult-oriented entertainment in which performers

1 disrobe or perform in an unclothed state for entertainment as defined in the social security act,
2 section 42 U.S.C. 608(a);

3 (5) Adult bookstores or adult paraphernalia stores;

4 (6) Firearms dealers licensed under section 11-47-39;

5 (7) Tattoo parlors; manicuring shops, or esthetic shops as defined in section 5-10-1; or

6 (8) Jewelry stores, or on cruise ships.

7 (e) Eligible recipients of direct cash assistance who use cash assistance funds held on
8 electronic benefit transfer cards in such establishments shall have their cash assistance reduced
9 for three (3) months by the portion of the family's benefit attributable to one parent, in accordance
10 with rules and regulations promulgated by the department, for a first offense; for six (6) months
11 by the portion of the family's benefit attributable to one parent for a second offense and, for a
12 third offense, the department shall terminate assistance to that household.

13 (f) The establishments described in subsection (d) shall not accept electronic benefits
14 transfer cards. A store owner who knowingly allows a prohibited electronic benefit transaction in
15 violation of this section shall be punished by a fine of not more than five hundred dollars (\$500)
16 for a first offense, by a fine of not less than five hundred dollars (\$500) nor more than two
17 thousand five hundred dollars (\$2,500) for a second offense, and by a fine of not less than two
18 thousand five hundred dollars (\$2,500) for a third or subsequent offense.

19 (g) A store owner who knowingly violates this section and who also possesses a license
20 to sell alcoholic beverages under chapter 3-7 shall be referred to the appropriate licensing
21 authority for possible disciplinary action pursuant to title 3.

22 (h) A store owner who knowingly violates this section, and who also possesses a license
23 to sell lottery tickets under chapter 42-61 shall be referred to the director of the state lottery for
24 possible disciplinary action.

25 SECTION 3. Chapter 40-6 of the General Laws entitled "Public Assistance Act" is
26 hereby amended by adding thereto the following section:

27 **40-6-6.1. Duties of department. --** The department shall develop and make available on
28 its website for download a sign specifying the department's fraud hotline. Business associations
29 may also maintain a downloadable form of the sign on the business associations' websites. Such
30 sign may be posted in a conspicuous area in any business accepting electronic benefits transfer
31 cards as a form of payment. Any business accepting electronic benefit transfer cards as a form of
32 payment may maintain a list of categories of prohibited products under this chapter at each cash
33 register.

1 SECTION 4. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO HUMAN SERVICES - PUBLIC ASSISTANCE ACT

1 This act would prohibit the use of direct cash assistance funds held on electronic benefit
2 transfer cards for the purchase of alcoholic beverages, lottery tickets, tobacco products and
3 certain other products and services. The act would further provide for penalties for violations of
4 the act.

5 This act would take effect upon passage.

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