

1 SB116
2 154556-2
3 By Senators Orr, Scofield, Taylor, Allen, Beason, Pittman and
4 Holtzclaw
5 RFD: Fiscal Responsibility and Accountability
6 First Read: 14-JAN-14

2
3
4
5
6
7
8 SYNOPSIS: This bill would prohibit a recipient of
9 public assistance benefits from using the benefits
10 to purchase any alcoholic beverage, tobacco
11 product, or lottery ticket and would provide
12 penalties for violations, including the suspension
13 of benefits.

14 This bill would prohibit a person or a
15 business entity from knowingly accepting public
16 assistance benefits held on electronic benefit
17 transfer cards for the purchase of any alcoholic
18 beverage or tobacco product and would include civil
19 fines and other penalties for violations.

20 This bill would prohibit a recipient of
21 public assistance benefits from withdrawing or
22 using public assistance benefits in a retail
23 establishment that primarily sells alcoholic
24 beverages, a casino, a tattoo or body piercing
25 facility, a facility providing psychic services, or
26 an establishment that provides adult-oriented
27 entertainment in which performers disrobe or

1 perform in an unclothed state and provides
2 penalties for violations, including the suspension
3 of benefits.

4 This bill would allow a parent of a minor
5 child who is permanently disqualified from
6 receiving public assistance benefits to designate a
7 third party to receive the benefits for the benefit
8 of the minor child.

9 This bill would create the Public Assistance
10 Integrity Fund for the deposit of all civil fines
11 collected pursuant to the act for use by the
12 Department of Human Resources and the Attorney
13 General for costs associated with the prevention of
14 misuse of public assistance benefits, including,
15 but not limited to, administration, oversight,
16 training, and enforcement related activities.

17 This bill would require the Department of
18 Human Resources to consult with providers of
19 automatic teller machine (ATM) services to consider
20 the implementation of a program or method of
21 blocking access to cash benefits from Electronic
22 Benefits Transfer cards issued by the department at
23 automatic teller machines located in such
24 establishments and to initiate a program if
25 feasible.

26 This bill would also require the department
27 to perform monthly incarceration matches to assist

1 in determining eligibility based on incarceration
2 and to perform a monthly match using the United
3 States Social Security Death Index Database to
4 determine if a recipient of public assistance
5 benefits is deceased.

6
7 A BILL
8 TO BE ENTITLED
9 AN ACT

10
11 Relating to public assistance benefits; to prohibit
12 a recipient of public assistance from using benefits to
13 purchase any alcoholic beverage, tobacco product, or lottery
14 ticket; to prohibit a person or a business entity from
15 accepting public assistance benefits held on electronic
16 benefit transfer cards for the purchase of any alcoholic
17 beverage or tobacco product; to prohibit a recipient of public
18 assistance benefits from withdrawing or using public
19 assistance benefits in a retail establishment that primarily
20 sells alcoholic beverages, a casino, a tattoo or body piercing
21 facility, a facility providing psychic services, or an
22 establishment that provides adult-oriented entertainment in
23 which performers disrobe or perform in an unclothed state; to
24 provide penalties for violations; to allow a parent of a minor
25 child who is disqualified from receiving benefits to designate
26 a third party to receive the benefits for the benefit of the
27 minor child; to require the Department of Human Resources to

1 notify applicants and recipients of public assistance of the
2 restrictions and penalties for violations; to create the
3 Public Assistance Integrity Fund; to require the Department of
4 Human Resources to consult with providers of automatic teller
5 machine services to consider and implement a program or method
6 of blocking access to cash benefits from Electronic Benefits
7 Transfer cards issued by the department at automatic teller
8 machines located in certain establishments if feasible; to
9 provide rulemaking authority to the department; and to require
10 the department to perform monthly matches to determine
11 eligibility based upon incarceration and whether the recipient
12 is deceased.

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

14 Section 1. (a) For the purposes of this section, the
15 term "public assistance benefits" means money or property
16 provided directly or indirectly to eligible persons through
17 programs of the federal government, the state, or any
18 political subdivision thereof, and administered by the Alabama
19 Department of Human Resources.

20 (b) (1) A recipient of public assistance benefits may
21 not use any portion of the benefits for the purchase of any
22 alcoholic beverage, tobacco product, or lottery ticket. Any
23 person who violates this subsection shall reimburse the
24 Department of Human Resources for the purchase and shall be
25 subject to the following sanctions:

26 a. Upon the first violation, the person shall be
27 disqualified from receiving public assistance benefits by

1 means of direct cash payment or an electronic benefits
2 transfer access card for one month.

3 b. Upon the second violation, the person shall be
4 disqualified from receiving public assistance benefits by
5 means of direct cash payment or electronic benefits transfer
6 access card for three months.

7 c. Upon a third or subsequent violation, the person
8 shall be permanently disqualified from receiving public
9 assistance benefits by means of direct cash payment or an
10 electronic benefits transfer access card.

11 (2) A person who is disqualified from receiving
12 public assistance benefits under this subsection shall have
13 the right to a hearing pursuant to the Alabama Administrative
14 Procedure Act.

15 (c) A person or business entity, or any agent or
16 employee thereof, may not knowingly accept public assistance
17 benefits held on an electronic benefit transfer card for the
18 purchase of any alcoholic beverage or tobacco product. Any
19 person or business entity who violates this subsection shall
20 be subject to the following civil penalties:

21 (1) One hundred dollars (\$100) for the first
22 violation.

23 (2) Five hundred dollars (\$500) for the second
24 violation within five years.

25 (3) One thousand dollars (\$1,000) for a third or a
26 subsequent violation within five years and the Attorney

1 General may bring an action to suspend the business licenses
2 and permits of the person or business entity for one year.

3 (d) (1) A cash recipient of public assistance
4 benefits may not withdraw or use cash benefits by means of an
5 Electronic Benefits Transfer transaction for the purchase of
6 goods or services in a retail establishment the primary
7 purchase of which is the sale of alcoholic beverages, a
8 casino, a tattoo or body piercing facility, a facility
9 providing psychic services, or an establishment that provides
10 adult-oriented entertainment in which performers disrobe or
11 perform in an unclothed state. Any person who violates this
12 subsection shall reimburse the Department of Human Resources
13 for the amount withdrawn and used and shall be subject to the
14 following sanctions:

15 a. Upon the first violation, the person shall be
16 disqualified from receiving public assistance benefits by
17 means of direct cash payment or an electronic benefits
18 transfer access card for a period of one month.

19 b. Upon the second violation, the person shall be
20 disqualified from receiving public assistance benefits by
21 means of direct cash payment or electronic benefits transfer
22 access card for a period of three months.

23 c. Upon a third or subsequent violation, the person
24 shall be permanently disqualified from receiving public
25 assistance benefits by means of direct cash payment or an
26 electronic benefits transfer access card.

1 (2) A person who is disqualified from receiving
2 public assistance benefits under this subsection shall have
3 the right to a hearing pursuant to the Alabama Administrative
4 Procedure Act.

5 (e) If a parent is deemed permanently disqualified
6 from receiving public assistance benefits under subsection (b)
7 or (d), the dependent child or other adult family member's
8 eligibility for public assistance benefits is not affected.

9 (1) An appropriate protective payee shall be
10 designated to receive benefits on behalf of the child members.

11 (2) The parent may choose to designate another
12 person to receive benefits for the minor child members. The
13 designated person must be an immediate family member or, if an
14 immediate family member is not available or the family member
15 declines the option, another person may be designated. The
16 designated person must be approved by the department.

17 (f) The Department of Human Resources shall inform
18 all applicants for and recipients of public assistance
19 benefits of the restrictions contained in this section and the
20 penalties for violating those restrictions through any means
21 practical.

22 (g) (1) The Department of Human Resources shall
23 consult with providers of automatic teller machine services to
24 consider the implementation of a program or method of blocking
25 access to cash benefits from an electronic benefits transfer
26 access card issued by the department at automatic teller
27 machines located in or at a retail establishment the primary

1 purchase of which is the sale of alcoholic beverages, a
2 casino, a tattoo facility, a facility providing psychic
3 services, or an establishment that provides adult-oriented
4 entertainment in which performers disrobe or perform in an
5 unclothed state. If the department determines the
6 implementation of a program is feasible, the department shall
7 initiate the program by October 1, 2015.

8 (2) If the department requires a federal waiver to
9 comply with this section, the department shall apply
10 immediately for the federal waiver.

11 (h) The Department of Human Resources shall adopt
12 rules to implement this section.

13 Section 2. There is created within the State
14 Treasury a fund to be known and designated as the Public
15 Assistance Integrity Fund. All civil fines collected pursuant
16 to subsection (c) of Section 1 shall be deposited into the
17 fund for use by the Department of Human Resources and the
18 Attorney General for costs associated with the prevention of
19 misuse of public assistance benefits, including, but not
20 limited to, administration, oversight, training, and
21 enforcement related activities.

22 Section 3. (a) For the purposes of this section, the
23 term "public assistance benefits" means money or property
24 provided directly or indirectly to eligible persons through
25 programs of the federal government, the state, or any
26 political subdivision thereof, and administered by the Alabama
27 Department of Human Resources.

1 (b) (1) The Alabama Department of Human Resources
2 shall perform a monthly incarceration match to obtain
3 information to assist in determining eligibility for public
4 assistance benefits based on incarceration status.

5 (2) If the department determines that a recipient of
6 public assistance benefits is incarcerated at the time the
7 incarceration match is performed, the department shall not
8 issue an electronic benefits transfer access card to the
9 incarcerated recipient. If an electronic benefits transfer
10 access card has already been issued to the incarcerated
11 recipient, the department shall deactivate the card.

12 (c) The department shall perform a monthly match
13 using the United States Social Security Death Index Database
14 to determine if a recipient is deceased. If the department
15 determines that the recipient is deceased at the time the
16 index match is performed, the department shall not issue an
17 electronic benefits transfer access card. If an electronic
18 benefits transfer access card has already been issued to the
19 deceased recipient, the department shall deactivate the card.

20 Section 4. This act shall become effective on the
21 first day of the third month following its passage and
22 approval by the Governor, or its otherwise becoming law.