HOUSE DOCKET, NO. 3378 FILED ON: 1/18/2013

HOUSE . . . . . No. 132

The Commonwealth of Massachusetts

PRESENTED BY:

Shaunna O'Connell and Russell E. Holmes

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act relative to online payments for EBT cash recipients.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Robert L. Hedlund	*Plymouth and Norfolk*
Shaunna O'Connell	*3rd Bristol*
Russell E. Holmes	*6th Suffolk*
Brian M. Ashe	*2nd Hampden*
Bruce J. Ayers	*1st Norfolk*
Matthew A. Beaton	*11th Worcester*
Nicholas A. Boldyga	*3rd Hampden*
Thomas J. Calter	*12th Plymouth*
Edward F. Coppinger	*10th Suffolk*
Josh S. Cutler	*6th Plymouth*
Angelo L. D'Emilia	*8th Plymouth*
Geoff Diehl	*7th Plymouth*
Diana DiZoglio	*14th Essex*
Peter J. Durant	*6th Worcester*
James J. Dwyer	*30th Middlesex*
Ryan C. Fattman	*18th Worcester*
Robert F. Fennell	*10th Essex*
Kimberly N. Ferguson	*1st Worcester*

Paul K. Frost	*7th Worcester*
Colleen M. Garry	*36th Middlesex*
Susan Williams Gifford	*2nd Plymouth*
Anne M. Gobi	*5th Worcester*
Danielle W. Gregoire	*4th Middlesex*
Donald F. Humason, Jr.	*4th Hampden*
Randy Hunt	*5th Barnstable*
Bradley H. Jones, Jr.	*20th Middlesex*
Robert M. Koczera	*11th Bristol*
Kevin J. Kuros	*8th Worcester*
Marc T. Lombardo	*22nd Middlesex*
James J. Lyons, Jr.	*18th Essex*
Paul McMurtry	*11th Norfolk*
James R. Miceli	*19th Middlesex*
Leonard Mirra	*2nd Essex*
Keiko M. Orrall	*12th Bristol*
Richard J. Ross	*Norfolk, Bristol and Middlesex*
Todd M. Smola	*1st Hampden*
Bruce E. Tarr	*First Essex and Middlesex*
David T. Vieira	*3rd Barnstable*
Barry R. Finegold	*Second Essex and Middlesex*

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HOUSE . . . . . No. 132

By Representatives O'Connell of Taunton and Holmes of Boston, a petition (accompanied by bill, House, No. 132) of Robert L. Hedlund and others that the Department of Transitional Assistance establish and maintain an online application process for businesses wishing to apply to accept electronic benefit transfer cards at point of sale. Children, Families and Persons with Disabilities.

The Commonwealth of Massachusetts

An Act relative to online payments for EBT cash recipients.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 5J of chapter 18 of the General Laws, as most recently amended by chapter 161 of the acts of 2012, is hereby further amended by striking the last sentence of the first paragraph of section 5J, and replacing it with the following sentence:—

A store owner who knowingly allows a prohibited electronic benefit transfer transaction in violation of this section, subsection (b) of section 5I, or section 5O, shall be punished by a fine of not less than $2500 for a first offense, by a fine of not less than $5000 for a second offense, and by a fine of not less than $10000 for a third or subsequent offense.

SECTION 2. Section 5J of Chapter 18 of the general laws, as so appearing, is hereby amended by inserting after subsection (c), the following new subsections:—

(d) Subject to appropriation, the department shall promulgate rules and regulations to increase the education of benefit recipients and retail vendors regarding: statutory requirements An act relative to online payments for EBT cash recipients under sections 5I and 5J of this chapter; personal financial management, banking, and budgeting; and the online payment system outlined in Section 26A of this chapter.

(e) The department shall seek to increase acceptance of electronic benefit transfer cards at retail establishments, excluding those establishments prohibited to accept electronic benefit transfer cards pursuant to this section.

SECTION 3. Section 5N of Chapter 18 of the general laws, as so appearing, is hereby amended by inserting at the end thereof, the following new sections:—

20 Section 5O. (a) Notwithstanding any general or special law to the contrary, six months
21 following the passage of this act, the department of transitional assistance shall establish and
22 maintain an online application process for businesses wishing to apply to accept electronic
23 benefit transfer cards at point of sale. All businesses that wish to accept electronic benefit
24 transfer cards at point of sale shall apply online on the department's website. The list of
25 businesses that shall not be approved includes, but is not limited to those establishments detailed
26 in subsection (a) of section 5J of this chapter.

27 (b) The online application shall require, at minimum, the following information: name of
28 store or business, including if different, corporation name or doing business as name; full address
29 of business; owner name, owner phone number and address; standard industrial classification
30 code; and an explanation of the business conducted by the establishment which includes the type
31 of goods or merchandise sold.

32 (c) The department shall continuously maintain a list of any business, including, at
33 minimum, all associated information as defined by subsection (b), declined by the department
34 from accepting electronic benefit transfer cards. The list shall be made public on a quarterly
35 basis.

36 (d) The online application shall include, at minimum, the following questions: Are you
37 SNAP authorized?; Is this establishment a tavern or restaurant, as defined in section 1 of chapter
38 138 of the General Laws?; and, Have you ever been prohibited from accepting SNAP or
39 electronic benefit transfer cards?. The online application shall include instructions requiring the
40 applicant to agree to the following statement in order to accept electronic benefit transfer cards at
41 point of sale: "I agree to abide by all state and federal laws governing the SNAP and direct cash
42 assistance programs. I agree to report fraud immediately to the department of transitional
43 assistance."

44 (e) Upon approval of the application, the department shall issue an authorization number
45 to the owner of the business. The owner shall display said authorization number in an area
46 conspicuous to customers of the business.

47 (f) Any store owner who knowingly accepts electronic benefit transfer cards without the
48 approval of the department shall be subject to the fines and punishments outlined in subsection
49 5J of this chapter.

50 (g) The department shall promulgate all rules and regulations necessary to carry out this
51 section.

52 Section 5P. Notwithstanding any general or special law to the contrary, direct cash
53 assistance issued by the Commonwealth shall not be used for purchases in states other than
54 Massachusetts and states contiguous to Massachusetts. For the purposes of this section,
55 contiguous states shall mean: New Hampshire, Connecticut, Rhode Island, New York, and

56 Vermont. The department of transitional assistance shall identify all violators on a monthly
57 basis. Any eligible recipient who violates this section shall be disqualified from the program for
58 not less than 3 months. The department shall notify the recipient that they must report in person
59 to their local department of transitional assistance office to have their benefits reinstated. Any
60 eligible recipient who violates this section for a second time shall be permanently disqualified
61 from the direct cash assistance program.

62 SECTION 4. Section 22 of chapter 18 of the general laws, as so appearing, is hereby
63 amended by inserting at the end of the first paragraph, the following sentence:—

64 Self-declarations by applicants or recipients shall not be accepted as verification of
65 categorical and financial eligibility during eligibility evaluations and reevaluations.

66 SECTION 5. Chapter 18 of the general laws, as so appearing, is hereby amended by
67 inserting after section 26, the follow new section:—

68 Section 26A. (1)The department shall implement an online payment system accessible by
69 computer or mobile device for cash assistance recipients to manage benefits and pay rent and
70 utility bills by direct payment to a landlord or utility company by regularly deducting the amount
71 of the rent or utility bill from the amount of the benefits otherwise payable to the recipient. The
72 system shall, at minimum, allow recipients to track personal expenditures of cash assistance
73 benefits, to view the balance of benefits received, and to orchestrate the direct regular payment
74 of recipient rent and utility bills by the department. The department shall also consider including
75 in the online payment system educational tools and suggestions regarding personal financial
76 management, banking, and budgeting.

77 Whenever a determination is made that benefits have not been used in the best interest of
78 the child or the assistance unit or other chronic misuse of benefits is occurring, the department
79 shall manage the provision of benefits in the form of vendor payments with respect to rent and
80 utilities. The department may presume mismanagement of benefits whenever shelter costs,
81 including but not limited to, rent, heat, fuel, and utilities, have regularly not been met without
82 reasonable cause. Upon an affirmative finding of the mismanagement of benefits by a recipient,
83 the department shall re-examine the eligibility of said recipient to receive benefits.

84 At eligibility determinations and redeterminations, the department shall screen
85 households to determine if they have chronically failed to pay rent and utilities to determine if it
86 is appropriate to institute or terminate vendor payments and shall refer those households to the
87 housing consumer education centers and community-based resources for assistance in meeting
88 their expenses.

89 (2) No later than one year following the passage of this section, all cash assistance
90 recipients shall have the option to manage benefits and pay rent and utility bills through the

91 online payment system and shall receive cash assistance benefits equal to amount of the balance
92 of benefits otherwise payable to the recipient following said online payments.

93 (3) No later than two years following the passage of this section, all new cash assistance
94 recipients shall be required to pay rent and utility bills through the online payment system and
95 shall receive cash assistance benefits equal to the amount of the balance of benefits otherwise
96 payable to the recipient following said online payment. Existing cash assistance recipients shall
97 continue to have the option to pay rent and utility bills through the online payment system.

98 (4) No later than three years following the passage of this section, all cash assistance
99 recipients shall be required to pay rent and utility bills through the online payment system and
100 shall receive cash assistance benefits equal to the amount of the balance of benefits otherwise
101 payable to the recipient following said online payment.

102 (5) The department shall regularly evaluate the online payment system and the number of
103 recipients utilizing and not utilizing the system to pay rent and utility bills. The department shall
104 screen the households not utilizing the online payment system to determine if they have failed to
105 pay rent and utilities and if they are using benefits in the best interest of the child or assistance
106 unit. Following a determination of mismanagement of benefits, the department may reexamine
107 recipient eligibility and investigate the possibility of eligibility fraud and shall manage the
108 provision of benefits to said households in the form of vendor payments pursuant to subsection
109 (1) of this section.

110 (6) The department shall promulgate all rules and regulations necessary to carry out this
111 section.