

HOUSE No.

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 adoption of the accompanying bill:

An Act relative to electronic benefit transfer card reform.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Shaunna O'Connell</i>	<i>3rd Bristol</i>	<i>4/4/2012</i>
<i>Russell E. Holmes</i>	<i>6th Suffolk</i>	<i>4/4/2012</i>
<i>Richard T. Moore</i>		<i>4/5/2012</i>
<i>Paul Adams</i>	<i>17th Essex</i>	<i>4/10/2012</i>
<i>F. Jay Barrows</i>	<i>1st Bristol</i>	<i>4/9/2012</i>
<i>Carlo Basile</i>	<i>1st Suffolk</i>	<i>4/5/2012</i>
<i>Richard Bastien</i>	<i>2nd Worcester</i>	<i>4/5/2012</i>
<i>Matthew A. Beaton</i>	<i>11th Worcester</i>	<i>4/5/2012</i>
<i>Nicholas A. Boldyga</i>	<i>3rd Hampden</i>	<i>4/5/2012</i>
<i>Edward F. Coppinger</i>	<i>10th Suffolk</i>	<i>4/5/2012</i>
<i>Geraldine M. Creedon</i>	<i>11th Plymouth</i>	<i>4/9/2012</i>
<i>Angelo L. D'Emilia</i>	<i>8th Plymouth</i>	<i>4/5/2012</i>
<i>Geoff Diehl</i>	<i>7th Plymouth</i>	<i>4/6/2012</i>
<i>Stephen L. DiNatale</i>	<i>3rd Worcester</i>	<i>4/6/2012</i>
<i>Peter J. Durant</i>	<i>6th Worcester</i>	<i>4/6/2012</i>
<i>James J. Dwyer</i>	<i>30th Middlesex</i>	<i>4/5/2012</i>
<i>Ryan C. Fattman</i>	<i>18th Worcester</i>	<i>4/11/2012</i>
<i>Kimberly N. Ferguson</i>	<i>1st Worcester</i>	<i>4/5/2012</i>

<i>Colleen M. Garry</i>	<i>36th Middlesex</i>	<i>4/11/2012</i>
<i>Susan Williams Gifford</i>	<i>2nd Plymouth</i>	<i>4/10/2012</i>
<i>Robert L. Hedlund</i>		<i>4/6/2012</i>
<i>Steven S. Howitt</i>	<i>4th Bristol</i>	<i>4/5/2012</i>
<i>Donald F. Humason, Jr.</i>	<i>4th Hampden</i>	<i>4/6/2012</i>
<i>Bradley H. Jones, Jr.</i>	<i>20th Middlesex</i>	<i>4/9/2012</i>
<i>John F. Keenan</i>		<i>4/11/2012</i>
<i>Kevin J. Kuros</i>	<i>8th Worcester</i>	<i>4/11/2012</i>
<i>Steven L. Levy</i>	<i>4th Middlesex</i>	<i>4/6/2012</i>
<i>Marc T. Lombardo</i>	<i>22nd Middlesex</i>	<i>4/9/2012</i>
<i>James J. Lyons, Jr.</i>	<i>18th Essex</i>	<i>4/9/2012</i>
<i>James R. Miceli</i>	<i>19th Middlesex</i>	<i>4/6/2012</i>
<i>David M. Nangle</i>	<i>17th Middlesex</i>	<i>4/11/2012</i>
<i>Keiko M. Orrall</i>	<i>12th Bristol</i>	<i>4/5/2012</i>
<i>Marc R. Pacheco</i>		<i>4/5/2012</i>
<i>George N. Peterson, Jr.</i>	<i>9th Worcester</i>	<i>4/9/2012</i>
<i>William Smitty Pignatelli</i>	<i>4th Berkshire</i>	<i>4/6/2012</i>
<i>Elizabeth A. Poirier</i>	<i>14th Bristol</i>	<i>4/5/2012</i>
<i>John H. Rogers</i>	<i>12th Norfolk</i>	<i>4/11/2012</i>
<i>Dennis A. Rosa</i>	<i>4th Worcester</i>	<i>4/5/2012</i>
<i>George T. Ross</i>	<i>2nd Bristol</i>	<i>4/5/2012</i>
<i>Thomas M. Stanley</i>	<i>9th Middlesex</i>	<i>4/6/2012</i>
<i>James E. Timilty</i>		<i>4/11/2012</i>
<i>David M. Torrisi</i>	<i>14th Essex</i>	<i>4/9/2012</i>
<i>David T. Vieira</i>	<i>3rd Barnstable</i>	<i>4/10/2012</i>
<i>Daniel K. Webster</i>	<i>6th Plymouth</i>	<i>4/9/2012</i>
<i>Daniel B. Winslow</i>	<i>9th Norfolk</i>	<i>4/10/2012</i>
<i>Donald H. Wong</i>	<i>9th Essex</i>	<i>4/10/2012</i>

HOUSE No.

By Representatives O'Connell of Taunton and Holmes of Boston, a petition (subject to Joint Rule 12) of Shaunna O'Connell, Russell E. Holmes and others for legislation to further regulate the use of electronic benefit transfer cards and establish penalties for certain prohibited transactions. The Judiciary.

The Commonwealth of Massachusetts

In the Year Two Thousand Twelve

An Act relative to electronic benefit transfer card reform.

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

1 SECTION 1. Section 5I of chapter 18 of the General Laws, as most recently amended
2 by chapter 84 of the acts of 2011, is hereby amended by adding at the end thereof the following
3 sentences:-

4

5 Eligible recipients of direct cash assistance shall not use direct cash assistance funds or
6 electronic benefit transfer cards for purchases at the following types of businesses or at
7 automated teller machines housed within these businesses: liquor stores; casinos, gaming
8 establishments, and gambling establishments; retail establishments which provide adult-oriented
9 entertainment in which performers disrobe or perform in an unclothed state for entertainment, as
10 defined by Section 408(a) of the Federal Social Security Act, as amended; smoke shops; firearms
11 dealers; tattoo parlors; nail salons; health spas; rent-to-own furniture, electronics, and appliance

12 stores; jewelry stores; health clubs and gyms; movie theaters; bail bondsmen; and taverns and
13 drinking establishments.

14 A recipient of direct cash assistance who makes a purchase in violation of this section
15 and who is found, by a hearing officer, to have committed an intentional program violation shall
16 be disqualified from the direct cash assistance program for a period of 3 months for the first
17 offense and permanently, following the finding, for the second offense. The recipient shall
18 reimburse the department the full amount of the purchase.

19 SECTION 2. Chapter 18 of the General Laws, as so appearing, is hereby amended by
20 striking out section 5J, in its entirety, and inserting in place thereof the following:-

21 Section 5J. (a) Notwithstanding any general or special law to the contrary, an individual
22 store or owner shall not accept direct cash assistance funds held on electronic benefit transfer
23 cards for the purchase of alcoholic beverages, lottery tickets or tobacco products. An individual
24 or store owner who knowingly accepts electronic benefit transfer cards in violation of this
25 subsection shall be punished by a fine of not more than \$500 for the first offense, a fine of not
26 less than \$500 nor more than \$1,000 for the second offense, and a fine of not less than \$1,000 for
27 the third or subsequent offense.

28 (b) Any store that sells alcoholic beverages, lottery tickets, or tobacco products,
29 excluding businesses defined by subsection (c), shall display in an area conspicuous to customers
30 of the business a sign containing the following statement: "Massachusetts law (M.G.L. c.18,
31 §5I) prohibits the purchase of tobacco products, alcohol, or lottery tickets with EBT cards or
32 direct cash assistance. Violators will be punished to the full extent of the law. If you witness
33 EBT benefit fraud, please report it, toll-free, by calling: 1-800-FRAUD-99 (1-800-372-8399)."

34 The department shall maintain a downloadable template of the sign on the department's
35 website. Business associations may also maintain a downloadable template of the sign on their
36 websites.

37 (c) The following types of businesses shall not accept electronic benefit transfer cards
38 for purchases and shall not house automated teller machines that accept electronic benefit
39 transfer cards: liquor stores; casinos, gaming establishments, and gambling establishments; retail
40 establishments which provide adult-oriented entertainment in which performers disrobe or
41 perform in an unclothed state for entertainment, as defined by Section 408(a) of the Social
42 Security Act, as amended; smoke shops; firearms dealers; tattoo parlors; nail salons; health spas;
43 rent-to-own furniture, electronics, and appliance stores; jewelry stores; health clubs and gyms;
44 movie theaters; bail bondsmen; and taverns and drinking establishments. Upon request, any state
45 agency that, in the regular course of business, regulates retail stores must cooperate with law
46 enforcement regarding potential violations of this section. Any store owner who knowingly
47 accepts electronic benefit transfer cards in violation of this section shall be punished by a fine of
48 not less than \$1000 for the first offense; not less than \$3000 for the second offense and not less
49 than \$1000 for the third or subsequent offense.

50 (d) Notwithstanding any general or special law to the contrary, any business defined by
51 subsection (c), shall display in an area conspicuous to customers of the business a sign
52 containing the following statement: "Massachusetts law (M.G.L. c.18, §5J) prohibits this store
53 from accepting EBT cards or direct cash assistance and Massachusetts law (M.G.L. c.18, §5I)
54 prohibits customers from purchasing products in this store with EBT cards or direct cash
55 assistance. Violators will be punished to the full extent of the law. If you witness EBT benefit
56 fraud, please report it, toll-free, by calling: 1-800-FRAUD-99 (1-800-372-8399)."

57 The department shall maintain a downloadable template of the sign on the department's
58 website. Business associations may also maintain a downloadable template of the sign on their
59 websites.

60 SECTION 3. Chapter 18 of the General Laws, as so appearing, is hereby amended by
61 inserting after section 5K the following new sections:-

62 Section 5L. Notwithstanding any general or special law to the contrary, the department
63 shall charge all eligible recipients of direct cash assistance a fee of \$10 for the first requested
64 replacement of an electronic benefit transfer card and a fee of \$20 for any additional replacement
65 of an electronic benefit transfer card. All fees for replacement cards shall be deducted directly
66 from the recipient's direct cash assistance.

67 Section 5M. Notwithstanding any general or special law to the contrary, direct cash
68 assistance issued by the Commonwealth shall not be used for purchases in states other than
69 Massachusetts and states contiguous to Massachusetts. For the purposes of this section,
70 contiguous states shall mean: New Hampshire, Connecticut, Rhode Island, New York, and
71 Vermont. The department of transitional assistance shall identify all violators on a monthly
72 basis. Any eligible recipient who violates this section shall be disqualified from the program for
73 not less than 3 months. The department shall notify the recipient that they must report in person
74 to their local department of transitional assistance office to have their benefits reinstated. Any
75 eligible recipient who violates this section for a second time shall be permanently disqualified
76 from the direct cash assistance program.

77 Section 5N. Notwithstanding any general or special law to the contrary, the department
78 shall implement a vendor payment system for the non-cash payment of rent and electric and gas

79 utility bills for all eligible recipients of direct cash assistance. The department shall have 50% of
80 all direct cash assistance recipients enrolled in the vendor payment system by July 31, 2012, and
81 shall have the remaining 50% of recipients enrolled in the vendor payment system by November
82 30, 2012. Beginning on July 31, 2012, all recipients of direct cash assistance shall be enrolled in
83 the vendor payment system upon admittance into the direct cash assistance program.

84 Section 5O. Notwithstanding any general or special law to the contrary, by November
85 30, 2012, all eligible recipients of direct cash assistance shall access monthly direct cash
86 assistance through the department's vendor payment system or point of sale payments, provided
87 however, that eligible recipients shall not withdraw cash assistance from a point of sale
88 transaction. Beginning on November 30, 2012, eligible recipients of direct cash assistance shall
89 not have access to monthly direct cash assistance through automatic teller machines.

90 Section 5P. Notwithstanding any general or special law to the contrary, the department
91 of transitional assistance shall solicit, in writing, a cost estimate from their current vendor and at
92 least one other vendor for the costs associated with requiring the department to include, on the
93 front of each newly issued, re-issued, and existing electronic benefit transfer card, a photograph
94 of the cardholder. The department shall submit a final cost estimate by filing the same with the
95 clerks of the house and the senate not later than November 30, 2012.