

1 SB116
2 154556-3
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 ENGROSSED

5
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 recipient of public assistance benefits
15 from withdrawing or using public assistance benefits in a
16 retail establishment that primarily sells alcoholic beverages,
17 a casino, a tattoo or body piercing facility, a facility
18 providing psychic services, or an establishment that provides
19 adult-oriented entertainment in which performers disrobe or
20 perform in an unclothed state; to provide penalties for
21 violations; to allow a parent of a minor child who is
22 disqualified from receiving benefits to designate a third
23 party to receive the benefits for the benefit of the minor
24 child; to require the Department of Human Resources to notify
25 applicants and recipients of public assistance of the
26 restrictions and penalties for violations; to require the
27 Department of Human Resources to consult with providers of

1 automatic teller machine services to consider and implement a
2 program or method of blocking access to cash benefits from
3 Electronic Benefits Transfer cards issued by the department at
4 automatic teller machines located in certain establishments if
5 feasible; to provide rulemaking authority to the department;
6 and to require the department to perform monthly matches to
7 determine eligibility based upon incarceration and whether the
8 recipient is deceased.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

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

22 a. Upon the first violation, the person shall be
23 disqualified from receiving public assistance benefits by
24 means of direct cash payment or an electronic benefits
25 transfer access card for one month.

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

1 means of direct cash payment or electronic benefits transfer
2 access card for three months.

3 c. Upon a third or subsequent violation, the person
4 shall be permanently disqualified from receiving public
5 assistance benefits by means of direct cash payment or an
6 electronic benefits transfer access card.

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

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

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

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

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

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

13 (d) If a parent is deemed permanently disqualified
14 from receiving public assistance benefits under subsection (b)
15 or (c), the dependent child or other adult family member's
16 eligibility for public assistance benefits is not affected.

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

19 (2) The parent may choose to designate another
20 person to receive benefits for the minor child members. The
21 designated person must be an immediate family member or, if an
22 immediate family member is not available or the family member
23 declines the option, another person may be designated. The
24 designated person must be approved by the department.

25 (e) The Department of Human Resources shall inform
26 all applicants for and recipients of public assistance
27 benefits of the restrictions contained in this section and the

1 penalties for violating those restrictions through any means
2 practical.

3 (f) (1) The Department of Human Resources shall
4 consult with providers of automatic teller machine services to
5 consider the implementation of a program or method of blocking
6 access to cash benefits from an electronic benefits transfer
7 access card issued by the department at automatic teller
8 machines located in or at a retail establishment the primary
9 purchase of which is the sale of alcoholic beverages, a
10 casino, a tattoo facility, a facility providing psychic
11 services, or an establishment that provides adult-oriented
12 entertainment in which performers disrobe or perform in an
13 unclothed state. If the department determines the
14 implementation of a program is feasible, the department shall
15 initiate the program by October 1, 2015.

16 (2) If the department requires a federal waiver to
17 comply with this section, the department shall apply
18 immediately for the federal waiver.

19 (g) The Department of Human Resources shall adopt
20 rules to implement this section.

21 Section 2. There is created within the State
22 Treasury a fund to be known and designated as the Public
23 Assistance Integrity Fund. All civil fines collected pursuant
24 to subsection (c) of Section 1 shall be deposited into the
25 fund for use by the Department of Human Resources and the
26 Attorney General for costs associated with the prevention of
27 misuse of public assistance benefits, including, but not

1 limited to, administration, oversight, training, and
2 enforcement related activities.

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

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

13 (2) If the department determines that a recipient of
14 public assistance benefits is incarcerated at the time the
15 incarceration match is performed, the department shall not
16 issue an electronic benefits transfer access card to the
17 incarcerated recipient. If an electronic benefits transfer
18 access card has already been issued to the incarcerated
19 recipient, the department shall deactivate the card.

20 (c) The department shall perform a monthly match
21 using the United States Social Security Death Index Database
22 to determine if a recipient is deceased. If the department
23 determines that the recipient is deceased at the time the
24 index match is performed, the department shall not issue an
25 electronic benefits transfer access card. If an electronic
26 benefits transfer access card has already been issued to the
27 deceased recipient, the department shall deactivate the card.

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18

Senate

Read for the first time and referred to the Senate
committee on Fiscal Responsibility and
Accountability..... 14-JAN-14

Read for the second time and placed on the calen-
dar 1 amendment..... 22-JAN-14

Read for the third time and passed as amended 26-FEB-14

Yeas 25
Nays 0

Patrick Harris
Secretary