

SENATE BILL 244

By Tracy

AN ACT to amend Tennessee Code Annotated, Title 71,
relative to electronic benefit card transactions
involving persons receiving certain assistance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 71, Chapter 3, Part 1, is amended by adding the following as a new section:

71-3-126.

(a) For the purposes of this section, the term "public assistance benefits" means money or property provided directly or indirectly to eligible persons through the temporary assistance to needy families program or, to the extent permitted by federal law, other programs of the federal government, the state, or any political subdivision thereof, and administered by the department of human services

(b)

(1) A recipient of public assistance benefits may not use any portion of public assistance benefits for the purchase of any alcoholic beverage, tobacco product, or lottery ticket. To the extent permitted by federal law, any person who violates this subsection shall reimburse the department for the purchase and shall be subject to the following sanctions:

(A) Upon the first violation, the person shall be disqualified from receiving public assistance benefits by means of direct cash payment or an electronic benefits transfer access card for one (1) month.

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

(C) Upon a third or subsequent violation, the person shall be permanently disqualified from receiving public assistance benefits by means of direct cash payment or an electronic benefits transfer access card.

(2) A person who is disqualified from receiving public assistance benefits under this subsection shall have the right to a hearing pursuant to the Uniform Administrative Procedure Act, compiled in title 4, chapter 5.

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

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

(2) Five hundred dollars (\$500) for the second violation within five (5) years.

(3) One thousand dollars (\$1,000) for a third or a subsequent violation within five (5) years. The district attorney general may bring an action to suspend the business licenses and permits of the person or business entity for one (1) year for any violation under this subsection.

(d)

(1) A recipient of public assistance benefits may not withdraw or use benefits by means of an electronic benefit transfer transaction for the purchase of goods or services in:

(A) A retail establishment that primarily sells tobacco products;

(B) A tattoo facility regulated under title 62, chapter 38;

(C) A facility providing psychic services;

(D) An adult cabaret as defined in § 7-51-1102; or

(E) An establishment open to the public where liquor, wine or other alcoholic beverages, as defined in § 57-3-101(a)(1)(A), or beer, as defined in § 57-6-102(1), are served for consumption on the premises.

(2) Any person who violates this subsection shall reimburse the department for the amount withdrawn and used and, to the extent permitted by federal law, shall be subject to the following sanctions:

(A) Upon the first violation, the person shall be disqualified from receiving public assistance benefits by means of direct cash payment or an electronic benefits transfer access card for one (1) month.

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

(C) Upon a third or subsequent violation, the person shall be permanently disqualified from receiving public assistance benefits by means of direct cash payment or an electronic benefits transfer access card.

(3) A person who is disqualified from receiving public assistance benefits under this subsection shall have the right to a hearing pursuant to the Uniform Administrative Procedure Act, compiled in title 4, chapter 5.

(e) The commissioner of human services is authorized to promulgate rules and regulations to effectuate the purposes of this section. All such rules and regulations shall be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(f) There is established a general fund reserve to be allocated by the general appropriations act which shall be known as the "public assistance integrity fund".

Moneys from the fund may be expended to fund activities authorized by this section. Any revenues deposited in this reserve shall remain in the reserve until expended for purposes consistent with this part, and shall not revert to the general fund on any June 30. Any excess revenues on interest earned by such revenues shall not revert on any June 30, but shall remain available for appropriation in subsequent fiscal years. Any appropriation from such reserve shall not revert to the general fund on any June 30, but shall remain available for expenditure in subsequent fiscal years. All civil fines collected pursuant to subsection (c) shall be deposited into the fund for use by the department of human services and the appropriate district attorney general for costs associated with the prevention of misuse of public assistance benefits, including, but not limited to, administration, oversight, training, and enforcement related activities.

SECTION 2. This act shall take effect July 1, 2013, the public welfare requiring it.