

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 15-0157  
**Prime Sponsor(s):** Rep. Dore; Pabon

**Date:** March 16, 2015  
**Bill Status:** House Business, Affairs & Labor  
**Fiscal Analyst:** Lauren Schreier (303-866-3523)

**BILL TOPIC:** PROHIBITED USE OF ELECTRONIC BENEFITS TRANSFER CARDS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	Minimal workload increase. See State Expenditures section.	
FTE Position Change		
<b>Appropriation Required:</b> None.		

\* This summary shows changes from current law under the bill for each fiscal year.

**Summary of Legislation**

The bill requires the Department of Human Services (DHS) and the Department of Revenue (DOR) to submit periodic reports to the General Assembly on instances of improper use of electronic benefits transfer (EBT) cards at prohibited locations. Reports are due by January 1, 2016, July 1, 2016, and each January 1 thereafter. The bill also adds medical and retail marijuana establishments as prohibited places for accessing public benefits through EBT cards.

By January 1, 2016:

- the DHS must establish rules concerning the enforcement and use of EBT cards at prohibited locations, and the rules must include increasing penalties for multiple violations;
- the DOR must promulgate rules concerning the use of EBT cards at prohibited locations such as licensed gaming establishments, retail establishments selling malt, vinous, or spirituous liquors, retail establishments that sell medical or retail marijuana products, and,
- all other establishments regulated by the DOR where federal law prohibits the use of public benefits;
- the DOR rules must require that operators of any establishment regulated by the DOR must post a sign on or near the ATM notifying clients that the use of EBT cards is prohibited.
- additionally, establishments must take measures to prevent a client from using an EBT card to access moneys from an ATM.

**Background**

Under current law, the DHS administers an EBT card program for eligible clients in order to deliver public assistance payments and food stamps. Clients may access EBT cash assistance funds through an ATM machine or similar electronic technology. Current law prohibits EBT clients from using EBT cards at liquor stores, gambling establishments, and stores that sell firearms.

### **State Expenditures**

The bill will increase workload in the DHS and the DOR by a minimal amount, as described below.

***Department of Human Services.*** The bill requires the DHS to promulgate rules concerning the prohibited use of EBT cards at certain establishments and related penalties. The bill also requires the DHS to prepare an annual report for the General Assembly regarding instances of the improper use of EBT cards, violations, and penalties. This will increase workload in the DHS by a minimal amount and can be accomplished within existing appropriations.

***Department of Revenue.*** The bill requires the DOR to promulgate rules concerning the improper use of EBT cards for operators of establishments the DOR regulates. The DOR must also create penalties for operators of establishments that violate the requirements of the bill. The bill also requires the DOR to prepare an annual report to the General Assembly highlighting EBT usage and any associated violations or penalties imposed on operators of establishments. This will increase workload in the DOR by a minimal amount and does not require new appropriations.

### **Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

### **State and Local Government Contacts**

Human Services  
Revenue  
Regulatory Agencies

Public Health and Environment  
Health Care Policy and Financing