

**STATE
REVISED FISCAL IMPACT**

(replaces fiscal note dated March 16, 2015)

Drafting Number: LLS 15-0157 **Date:** April 7, 2015
Prime Sponsor(s): Rep. Dore; Pabon **Bill Status:** Senate Business, Labor, & Technology
 Sen. Grantham; Jahn **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		
Appropriation Required: None.		

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

Summary of Legislation

The bill, *as amended by the House Business Affairs and Labor Committee*, 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. If Senate Bill 15-065 is enacted, establishments licensed to sell medical or retail marijuana or marijuana-infused products will be included in the definition of prohibited locations.

The bill specifies that by January 1, 2016:

- the DHS must establish rules concerning the enforcement and use of EBT cards at prohibited locations, such as 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; and
- 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, unless the establishment provides the DOR with a statement from the owner or operator of each ATM located within the establishment verifying that the machine does not accept electronic benefit transfer cards. However, if violations occur, the DOR may increase penalties to prevent future violations.

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. Section 2 of the bill only takes effect if Senate Bill 15-065 does not become law and Section 3 of this act only takes effect if Senate Bill 15-065 becomes law.

State and Local Government Contacts

Human Services
Revenue
Regulatory Agencies

Public Health and Environment
Health Care Policy and Financing