

BILL ANALYSIS

Senate Research Center
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S.B. 1443
By: Creighton
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Electronic Benefit Transfer (EBT) system uses the Lone Star Card to provide access to SNAP (Supplemental Nutrition Assistance Program) food benefits and TANF (Temporary Assistance for Needy Families) cash benefits. The Lone Star Card is used in the same way any other debit card is used. When recipients pay for approved food or TANF items, they swipe their Lone Star Card through the store's machine, enter their personal identification number (PIN), and the amount of the purchase is taken out of their Lone Star Card account. Applicants who are eligible for TANF or SNAP benefits will receive a Lone Star Card from their local Health and Human Services Commission (HHSC) benefit office or by mail.

Current law does not require Lone Star Cards to feature photo identification of benefit recipients. Adding photo identification to these cards would prevent fraudulent use of the cards by individuals who are not eligible to receive TANF or SNAP benefits. S.B. 1443 addresses this issue by requiring Lone Star Cards to display a photograph of recipients or other authorized persons. This will help to ensure benefits go to intended recipients and taxpayer resources are used for their intended purpose.

ANALYSIS

S.B. 1443 amends Chapter 531, Human Resources Code, to require the Health and Human Services Commission (HHSC) to ensure that the front side of each electronic benefits transfer card used for purposes of receiving benefits under the TANF or SNAP displays the name and photograph of the recipient or other authorized person, as appropriate.

The bill also requires the cards to display the words "Fraud Hotline" followed by the telephone number of HHSC's toll-free hotline for reporting suspected fraud and the Internet website address maintained by HHSC for the purpose of allowing persons to report suspected TANF or SNAP fraud.

The bill exempts the following recipients from the photograph requirement: recipients who 65 years of age or older, younger than 19 years of age, blind, disabled, or a victim of domestic violence. The bill authorizes the executive commissioner of HHSC to adopt rules necessary to implement this exemption.

As proposed, S.B. 1443 amends current law relating to electronic benefits transfer cards used for recipients of benefits under certain assistance programs.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 1 (Section 531.0911, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 531, Government Code, by adding Section 531.0911, as follows:

Sec. 531.0911. PHOTOGRAPH AND OTHER INFORMATION ON CERTAIN ELECTRONIC BENEFITS TRANSFER CARDS. (a) Defines "financial assistance program," "recipient," and "supplemental nutrition assistance program."

(b) Requires the Texas Health and Human Services Commission (HHSC), subject to Subsection (c), to ensure that the front side of each electronic benefits transfer card used by a recipient, or other person authorized on the recipient's account, for purposes of receiving benefits under the financial assistance program or the supplemental nutrition assistance program displays:

(1) the name and photograph of the recipient or other authorized person, as appropriate;

(2) the words "Fraud Hotline" followed by a certain telephone number required under Section 531.108(b)(2) (relating to requiring HHSC to maintain a toll-free hotline for reporting suspected fraud in certain programs); and

(3) the Internet website address maintained by HHSC for the purpose of allowing persons to report suspected fraud in either the financial assistance program or the supplemental nutrition assistance program.

(c) Provides that a recipient, or other person authorized on the recipient's account, as appropriate, is exempt from the photograph requirement imposed by Subsection (b) if the person is 65 years of age or older, younger than 19 years of age, blind, disabled, or a victim of domestic violence.

(d) Requires the executive commissioner of HHSC to adopt rules necessary to implement Subsection (c).

SECTION 2. Provides that, notwithstanding Section 531.0911, Government Code, as added by this Act, HHSC is not required to issue electronic benefit transfer cards that comply with that section until September 1, 2018, but is required to begin issuing cards that comply with that section beginning on that date. Requires HHSC to ensure that on or before August 31, 2020, each electronic benefits transfer card used to deliver benefits to recipients under the financial assistance program under Chapter 31 (Financial Assistance and Service Programs), Human Resources Code, or the supplemental nutrition assistance program under Chapter 33 (Nutritional Assistance Programs), Human Resources Code, conforms to Section 531.0911, Government Code, as added by this Act.

SECTION 3. Requires a state agency, if necessary for implementation of a provision of this Act, to request a waiver or authorization from a federal agency, and authorizes a delay of implementation until such a waiver or authorization is granted.

SECTION 4. Effective date: September 1, 2017.