

BILL ANALYSIS

Senate Research Center

C.S.S.B. 191
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Health & Human Services
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas operates the Temporary Assistance for Needy Families (TANF) program and the Supplemental Nutritional Assistance Program (SNAP) program per federal law. The Lone Star Card is the distribution mechanism for these benefits. Each month, an approved monthly benefit amount is placed in the card's account. When an eligible individual pays for approved SNAP food or TANF items, the individual swipes the Lone Star Card through an electronic device and enters a unique personal identification number (PIN) and the amount of the purchase is automatically subtracted from the appropriate benefit account.

SNAP provides a monthly food benefit to qualified applicants that can be used to purchase eligible food items from participating retailers. The United States Department of Agriculture-Food and Nutrition Service (USDA-FNS) defines eligible items as food items intended to be eaten at home, and seeds and plants that can be grown to provide food for the family.

TANF provides time-limited cash assistance to needy dependent children and the parents or relatives with whom they are living. The most common form of TANF assistance is a monthly grant based on family size and income. TANF assistance helps to pay for clothing, housing, utilities, furniture, transportation, telephone, laundry, household equipment, and medical supplies not paid for by Medicaid.

The limitation to restricting what TANF benefits are spent on is that, by definition, it is a cash benefit. So, while we restrict where an eligible individual can get cash back, we cannot track how cash is spent. This makes enforcement of a penalty very difficult.

Texas does not require the display of photo identification (ID) beyond the point of issuance of a client's Lone Star Card. If clients must present a photo ID to be issued a Lone Star Card then any individual with a Lone Star card has proven the possession of a photo ID. Requiring the use of a photo ID for purchases or cash withdrawals from a Lone Star Card would cut down on fraud and enhance the integrity of the program.

C.S.S.B. 191 amends current law relating to Temporary Assistance for Needy Families benefits accounts.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 31.0355(b), Human Resources Code, as follows:

(b) Authorizes a recipient, if the recipient is a recipient of financial assistance who receives the assistance by electronic benefits transfer to an account who is authorized to make a cash withdrawal from the account through a provider of the goods or services described by Subsection (a) (relating to authorizing financial assistance granted to a person under this chapter (Financial Assistance and Service Programs) to be used only to purchase certain goods and services), to make the cash withdrawal only at the customer

service department of the provider and not at the provider's point-of-sale terminal, and after the provider verifies the recipient's identity in accordance with Section 31.0356, if applicable. Makes nonsubstantive changes.

SECTION 2. Amends Subchapter B, Chapter 31, Human Resources Code, by adding Sections 31.0356 and 31.0357, as follows:

Sec. 31.0356. PHOTO IDENTIFICATION FOR CERTAIN CASH WITHDRAWALS.

(a) Defines "photo identification " in this section.

(b) Prohibits a recipient of financial assistance who receives the assistance by electronic benefits transfer to an account from making a cash withdrawal from the account through a provider of the goods or services described by Section 31.0355(a) using an electronic benefits transfer card subject to Section 31.0357(a) unless the recipient presents photo identification verifying the recipient's identity as the card holder. Authorizes a provider to presume that an electronic benefits transfer card that does not display the name of a recipient and any other authorized person is not subject to Section 31.0357(a) for purposes of this section.

Sec. 31.0357. NAMES ON ELECTRONIC BENEFITS TRANSFER CARDS. (a)

Requires that each electronic benefits transfer card issued to a recipient, or other person authorized on the recipient's account, for purposes of delivering benefits under the financial assistance program, display the name of the recipient and any other authorized person, if applicable.

(b) Provides that an electronic benefits transfer card issued by a local commission eligibility office is not subject to Subsection (a).

SECTION 3. Requires the Health and Human Services Commission, not later than December 1, 2013, to ensure that electronic benefits transfer cards issued for purposes of delivering benefits to recipients under the financial assistance program under Chapter 31, Human Resources Code, conform to Section 31.0357(a), Human Resources Code, as added by this Act.

SECTION 4. 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 5. Effective date: September 1, 2013.