

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 22, 2013

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB523** by Canales (Relating to prohibiting the purchase of energy drinks under the supplemental nutrition assistance program.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would add a new section to Chapter 33 of the Human Resources Code to prohibit the use of supplemental nutritional assistance program (SNAP) benefits for the purchase of certain beverages. The bill would take effect on September 1, 2013.

Federal law, Title 7, United States Code, Chapter 51, Section 2012(k), and Title 7, Code of Federal Regulations, Section 271.2, define eligible foods as "any food or food product intended for human consumption except alcoholic beverages, tobacco, and hot foods and hot food products prepared for immediate consumption." Federal law also requires that retailers accept Electronic Benefit Transfer (EBT) cards from all states and jurisdictions. Food and Nutrition Services (FNS) has not allowed any State to restrict allowable food purchases beyond the eligible food items defined by Congress.

This analysis assumes HHSC would be required to seek federal approval from FNS for a waiver to implement the provisions of the bill. It is assumed that any additional work resulting from the passage of the bill could be reasonably absorbed within current resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, CL, ES, VJC