

BILL ANALYSIS

Senate Research Center
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S.B. 866
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Health & Human Services
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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 Supplemental Nutrition Assistance Program (SNAP) food benefits and Temporary Assistance for Needy Families (TANF) 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.

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. 866 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.

As proposed, S.B. 866 amends current law relating to electronic benefits transfer cards used by or 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 Sections 531.0911 and 531.0912, 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 Health and Human Services Commission (HHSC), subject to Subsection (d), to ensure that the front side of each electronic benefits transfer (EBT) card used by a recipient or other person authorized on the recipient's account for purposes of receiving benefits under temporary assistance for needy families (TANF) program or the supplemental nutrition assistance program (SNAP) displays:

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

(2) the words "Fraud Hotline" followed by the telephone number of HHSC's toll-free hotline for reporting suspected fraud required under Section 531.108(b)(2) (relating to the toll-free fraud hotline maintained by HHSC) ; and

(3) the Internet website address maintained by HHSC for the purpose of allowing persons to report suspected fraud in either TANF or SNAP.

(c) Requires the Department of Public Safety of the State of Texas (DPS) to provide to HHSC the photographs of a recipient and each person authorized on the recipient's account that DPS has in its records. Requires HHSC to use the photographs for purposes of complying with Subsection (b)(1). Authorizes HHSC and DPS to enter into a memorandum of understanding for purposes of this subsection.

(d) Provides that a recipient or other person authorized on the recipient's account is exempt from the photograph requirement imposed by Subsection (b) if:

(1) the recipient or other authorized person meets certain criteria; or

(2) DPS does not provide a photograph of the recipient or other authorized person to HHSC under Subsection (c).

(e) Authorizes the executive commissioner of HHSC to adopt rules necessary to implement this section.

Sec. 531.0912. MONITORING AND REPORTING OF ELECTRONIC BENEFITS TRANSFER CARD REPLACEMENT REQUESTS. (a) Defines "financial assistance program," "recipient," and "supplemental nutrition assistance program."

(b) Requires HHSC to monitor the frequency with which recipients request replacements of their EBT cards used for purposes of receiving benefits under TANF or SNAP. Requires HHSC, not later than December 1 of each year, to submit a report regarding that frequency to the standing committees of the Texas House of Representatives and the Texas Senate with jurisdiction over TANF and SNAP.

SECTION 2. Amends Section 730.007(c), Transportation Code, to provide that Section 730.007 (Permitted Disclosures) does not prohibit the disclosure of a person's photographic image to HHSC for use on an EBT card as required by Section 531.0911, Government Code. Makes a nonsubstantive change.

SECTION 3. Provides that HHSC, notwithstanding Section 531.0911, Government Code, as added by this Act:

(1) is not required to issue EBT cards that comply with that section until September 1, 2022, but is required to begin issuing cards that comply with that section beginning on that date; and

(2) is required to ensure that on or before August 31, 2024, each EBT card used to deliver benefits to recipients under TANF under Chapter 31 (Financial Assistance and Service Programs), Human Resources Code, or SNAP under Chapter 33 (Nutritional Assistance Programs), Human Resources Code, conforms to Section 531.0911, Government Code, as added by this Act.

SECTION 4. Requires HHSC, notwithstanding Section 531.0912, Government Code, as added by this Act, to submit the first report required by that section not later than December 1, 2022.

SECTION 5. 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 delay of implementation until such a waiver or authorization is granted.

SECTION 6. Effective date: September 1, 2021.