By: Zaffirini S.B. No. 374

A BILL TO BE ENTITLED

AN ACT

relating to requiring the inclusion of certain chip technology in electronic benefits transfer cards issued under the financial assistance and supplemental nutrition assistance programs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 545, Government Code, is amended by adding Section 545.0059 to read as follows:

Sec. 545.0059. ELECTRONIC BENEFITS TRANSFER CARD: REQUIRED CHIP TECHNOLOGY. (a) In this section:

(1) "Chip technology" means an integrated electronic chip embedded in an electronic benefits transfer card that is capable of conducting a transaction by insertion of the card into a card reader or through near field communication.

(2) "Financial assistance program" means the financial assistance program established under Chapter 31, Human Resources Code.

(3) "Recipient" means a person who receives benefits under the financial assistance program or the supplemental nutrition assistance program.

(4) "Supplemental nutrition assistance program" has the meaning assigned by Section 33.0005, Human Resources Code.

(b) The commission shall ensure that each electronic benefits transfer card issued to a recipient for purposes of accessing benefits under the financial assistance program or

supplemental nutrition assistance program includes chip technology.

SECTION 2. Notwithstanding Section 545.0059, Government Code, as added by this Act, the Health and Human Services Commission:

(1) is not required to issue electronic benefits transfer cards that comply with that section until September 1, 2028, but is required to begin issuing cards that comply with that section beginning on that date; and

(2) shall ensure that on or before March 1, 2029, each electronic benefits transfer card used to access benefits under the financial assistance program under Chapter 31, Human Resources Code, or the supplemental nutrition assistance program under Chapter 33, Human Resources Code, conforms to Section 545.0059, Government Code, as added by this Act.

SECTION 3. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 4. This Act takes effect September 1, 2027.