

REFERENCE TITLE: public assistance; limitations; benefit card

State of Arizona
House of Representatives
Fifty-second Legislature
Second Regular Session
2016

HB 2596

Introduced by
Representative Olson

AN ACT

AMENDING TITLE 46, CHAPTER 2, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 46-219 AND 46-220; AMENDING SECTION 46-297, ARIZONA REVISED STATUTES; AMENDING TITLE 46, CHAPTER 2, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 46-297.01 AND 46-297.02; AMENDING SECTION 46-300, ARIZONA REVISED STATUTES; RELATING TO PUBLIC BENEFITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 46, chapter 2, article 1, Arizona Revised Statutes, is amended by adding sections 46-219 and 46-220, to read:

46-219. Supplemental nutrition assistance program: limitations

THE DEPARTMENT MAY NOT APPLY FOR, ACCEPT OR RENEW ANY WAIVER OF THE REQUIREMENTS ESTABLISHED PURSUANT TO 7 UNITED STATES CODE SECTION 2015(o). THE DEPARTMENT SHALL ADMINISTER THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM WITHIN THE FOLLOWING LIMITATIONS:

1. CATEGORICAL ELIGIBILITY PURSUANT TO 7 UNITED STATES CODE SECTION 2014(a) AND ANY REGULATIONS ADOPTED UNDER THAT SECTION MAY NOT BE GRANTED FOR ANY NONCASH, IN-KIND OR OTHER BENEFIT UNLESS EXPRESSLY REQUIRED BY FEDERAL LAW.

2. THE GROSS INCOME STANDARDS OF THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM MAY NOT EXCEED THE STANDARDS SPECIFIED IN 7 UNITED STATES CODE SECTION 2014(c) UNLESS EXPRESSLY REQUIRED BY FEDERAL LAW.

3. THE FINANCIAL RESOURCE LIMIT STANDARDS OF THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM MAY NOT EXCEED THE STANDARDS SPECIFIED IN 7 UNITED STATES CODE SECTION 2014(g)(1) UNLESS EXPRESSLY REQUIRED BY FEDERAL LAW.

4. CATEGORICAL ELIGIBILITY EXEMPTING HOUSEHOLDS FROM THE GROSS INCOME STANDARDS REQUIREMENTS OR THE RESOURCE LIMITS SPECIFIED IN THIS SECTION MAY NOT BE GRANTED FOR ANY NONCASH, IN-KIND OR OTHER BENEFIT UNLESS EXPRESSLY REQUIRED BY FEDERAL LAW.

46-220. Supplemental nutrition assistance program: disqualification period

THE DEPARTMENT SHALL SET DISQUALIFICATION PERIODS FOR ALL INSTANCES OF NONCOMPLIANCE WITH ANY SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM REQUIREMENT, UNLESS EXPRESSLY PROHIBITED BY FEDERAL LAW, INCLUDING:

1. A THREE-MONTH, FULL-HOUSEHOLD DISQUALIFICATION PERIOD FOR THE FIRST INSTANCE OF NONCOMPLIANCE, UNLESS EXPRESSLY PROHIBITED BY FEDERAL LAW.

2. A SIX-MONTH, FULL-HOUSEHOLD DISQUALIFICATION PERIOD FOR THE SECOND INSTANCE OF NONCOMPLIANCE, UNLESS EXPRESSLY PROHIBITED BY FEDERAL LAW.

3. A PERMANENT DISQUALIFICATION PERIOD FOR THE THIRD INSTANCE OF NONCOMPLIANCE, UNLESS EXPRESSLY PROHIBITED BY FEDERAL LAW.

Sec. 2. Section 46-297, Arizona Revised Statutes, is amended to read:

46-297. Electronic benefit transfers; prohibitions; penalties; definitions

A. A head of household who receives cash assistance pursuant to this ~~section~~ ARTICLE, or on behalf of another person, and any person authorized by the head of household shall not conduct an electronic benefit transfer CARD transaction at any of the following:

1. A liquor store ~~as defined in this section.~~

2. A commercial horse racing or dog racing facility as defined in section 5-101.

3. A casino, gambling casino or gaming establishment or a gaming facility located on Indian lands pursuant to section 5-601.02.

4. An adult oriented entertainment establishment.

5. A JEWELRY STORE.

6. A TATTOO PARLOR.

7. A MASSAGE PARLOR.

8. A BODY PIERCING PARLOR.

9. A SPA AND NAIL SALON.

10. A LINGERIE SHOP.

11. A TOBACCO PARAPHERNALIA OR VAPOR CIGARETTE STORE.

12. A PSYCHIC AND FORTUNE TELLING BUSINESS.

13. A BAIL BOND OFFICE.

14. A MOVIE THEATER.

15. A PUBLIC SWIMMING POOL.

16. A CRUISE SHIP.

17. A THEME PARK.

B. IN ADDITION TO THE RESTRICTIONS PRESCRIBED IN SUBSECTION A OF THIS SECTION, A HEAD OF HOUSEHOLD WHO RECEIVES CASH ASSISTANCE PURSUANT TO THIS ARTICLE, OR ON BEHALF OF ANOTHER PERSON, AND ANY PERSON AUTHORIZED BY THE HEAD OF HOUSEHOLD SHALL NOT USE AN ELECTRONIC BENEFIT TRANSFER CARD FOR ANY OF THE FOLLOWING:

1. THE PURCHASE OF CIGARETTES OR ANY OTHER TOBACCO PRODUCTS.

2. BAIL.

3. TRAVEL SERVICES PROVIDED BY A TRAVEL AGENT.

4. TATTOOS.

5. THE PURCHASE OF LOTTERY TICKETS.

6. THE PURCHASE OF SEXUALLY-ORIENTED ADULT MATERIALS.

7. THE PURCHASE OF TICKETS FOR A CONCERT, SPORTING EVENT OR OTHER ENTERTAINMENT EVENT.

~~B.~~ C. It is unlawful for an adult oriented entertainment establishment to operate on the licensed or permitted premises an automatic teller machine or a point-of-sale terminal that accepts electronic benefit transfer cards issued under this title or that processes electronic benefit ~~TRANSFER~~ card transactions. A violation of this subsection is a permit or license violation. A municipality that licenses or regulates adult oriented entertainment establishments shall do all of the following:

1. Ensure that on or before February 1, 2014 all adult oriented entertainment establishments in the municipality's jurisdiction disable the ability of automatic teller machines and point-of-sale terminals operated on the business's premises to accept the electronic benefit transfer card or process an electronic benefit transfer card transaction.

2. Enforce the continued prohibition on the use of the electronic benefit transfer card.

3. Enact ordinances necessary to ensure compliance with this section.

~~C.~~ D. The department shall notify electronic benefit transfer card recipients of the restrictions prescribed in ~~subsection~~ SUBSECTIONS A AND B of this section. A RECIPIENT IS SUBJECT TO THE FOLLOWING FOR ANY VIOLATION OF SUBSECTION A OR B OF THIS SECTION:

1. FOR AN INITIAL VIOLATION, A WRITTEN WARNING.
2. FOR A SECOND VIOLATION, A THREE-MONTH, FULL-HOUSEHOLD DISQUALIFICATION PERIOD, UNLESS EXPRESSLY PROHIBITED BY FEDERAL LAW.
3. FOR A THIRD VIOLATION, A PERMANENT DISQUALIFICATION PERIOD, UNLESS EXPRESSLY PROHIBITED BY FEDERAL LAW.

~~D.~~ E. An adult oriented entertainment establishment that violates this section ~~is~~ MAY BE subject to licensing or permit action.

~~E.~~ F. For the purposes of this section:

1. "Adult oriented entertainment establishment" means an entertainment business at which performers disrobe or perform in an unclothed state.

2. Casino, gambling casino and gaming establishment do not include either of the following:

(a) A grocery store that sells groceries, including staple foods, and that is located in the same building or complex as a casino, gambling casino or gaming establishment.

(b) Any other business that offers gambling or gaming activities incidental to the principal purpose of the business.

3. "Electronic benefit transfer card transaction" means the use of a credit or debit card service, automated teller machine or point-of-sale terminal or access to an online system for the withdrawal of cash assistance provided pursuant to this article or for the processing of a payment for merchandise or a service from cash assistance provided pursuant to this article.

4. "Liquor" means the following substances as defined in section 4-101:

- (a) Beer.
- (b) Wine.
- (c) Distilled spirits.
- (d) Spirituous liquor.

5. "Liquor store" means:

(a) A retail establishment that exclusively or primarily sells liquor, but does not include a grocery store that sells both liquor and groceries, including staple foods.

(b) An on-sale retailer as defined in section 4-101 if the on-sale retailer sells liquor in the original container for consumption off premises.

6. "Staple food" means food in any of the following categories except accessory food items such as coffee, tea, cocoa, carbonated and uncarbonated drinks, candy, condiments and spices:

- (a) Meat, poultry or fish.
- (b) Bread or cereals.

1 (c) Vegetables or fruits.

2 (d) Dairy products.

3 Sec. 3. Title 46, chapter 2, article 5, Arizona Revised Statutes, is
4 amended by adding sections 46-297.01 and 46-297.02, to read:

5 46-297.01. Electronic benefit transfer card: photograph: loss:
6 number of users

7 A. EACH ELECTRONIC BENEFIT TRANSFER CARD THAT IS ISSUED BY THE
8 DEPARTMENT SHALL HAVE A COLOR PHOTOGRAPH OF THE RECIPIENT AND THE RECIPIENT'S
9 NAME ON THE CARD, UNLESS THE RECIPIENT DECLINES TO HAVE THE PHOTOGRAPH
10 INCLUDED. IF A RECIPIENT IS A MINOR OR OTHERWISE INCAPACITATED PERSON, THE
11 RECIPIENT'S PARENT OR LEGAL GUARDIAN MAY HAVE THAT PERSON'S PHOTOGRAPH PLACED
12 ON THE CARD. THE DEPARTMENT MAY ENTER INTO A MEMORANDUM OF UNDERSTANDING
13 WITH OTHER STATE AGENCIES, INCLUDING THE MOTOR VEHICLE DIVISION, TO SHARE
14 PHOTOGRAPHS WHEN AVAILABLE.

15 B. THE DEPARTMENT SHALL SEND EACH RECIPIENT WHO REQUESTS THREE
16 REPLACEMENT CARDS WITHIN A TWELVE-MONTH PERIOD A LETTER INFORMING THE
17 RECIPIENT THAT ANOTHER REQUEST WILL REQUIRE PARTICIPATION IN A FACE-TO-FACE
18 INTERVIEW WITH A FRAUD INVESTIGATOR AND ELIGIBILITY EXPERT. IF A THIRD-PARTY
19 VENDOR IS ADMINISTERING REPLACEMENT CARDS DIRECTLY TO RECIPIENTS, THE VENDOR
20 SHALL NOTIFY THE DEPARTMENT AFTER A RECIPIENT REQUESTS A THIRD REPLACEMENT
21 CARD IN A TWELVE-MONTH PERIOD AND MAKES ANY SUBSEQUENT REQUEST THEREAFTER.

22 C. AFTER A RECIPIENT'S REQUEST FOR A FOURTH REPLACEMENT CARD WITHIN
23 ANY TWELVE-MONTH PERIOD, AND ANY SUBSEQUENT REQUEST THEREAFTER, THE
24 DEPARTMENT SHALL SCHEDULE AN INTERVIEW WITH A FRAUD INVESTIGATOR AND
25 ELIGIBILITY EXPERT BEFORE ISSUING ANOTHER NEW CARD. IF A RECIPIENT FAILS TO
26 APPEAR AT THE SCHEDULED INTERVIEW, THE DEPARTMENT SHALL TERMINATE THE
27 RECIPIENT'S BENEFITS WITHIN TEN DAYS AFTER THE SCHEDULED INTERVIEW, UNLESS
28 EXPRESSLY PROHIBITED BY FEDERAL LAW.

29 D. THE DEPARTMENT SHALL LIMIT THE NUMBER OF AUTHORIZED REPRESENTATIVES
30 ON ANY ELECTRONIC BENEFIT TRANSFER CARD TO NOT MORE THAN FOUR INDIVIDUALS AT
31 ANY GIVEN TIME. THE DEPARTMENT SHALL COMPILE THE LIST OF AUTHORIZED USERS AT
32 THE TIME OF APPLICATION AND UPDATE THE LIST DURING EVERY RECERTIFICATION.
33 RECIPIENTS MAY ADD OR CHANGE AUTHORIZED REPRESENTATIVES BY FILING A WRITTEN
34 REQUEST.

35 46-297.02. Electronic benefit transfer card: spending report

36 A. THE DEPARTMENT SHALL POST ON THE DEPARTMENT'S WEBSITE AND MAKE
37 AVAILABLE ON AN ANNUAL BASIS TO THE JOINT LEGISLATIVE BUDGET COMMITTEE, THE
38 SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE MINORITY LEADER IN THE HOUSE OF
39 REPRESENTATIVES, THE PRESIDENT OF THE SENATE AND THE MINORITY LEADER IN THE
40 SENATE A SPENDING REPORT OF THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM AND
41 TEMPORARY ASSISTANCE TO NEEDY FAMILIES BENEFIT. THE SPENDING REPORT SHALL
42 INCLUDE ALL OF THE FOLLOWING:

43 1. THE DOLLAR AMOUNT AND NUMBER OF TRANSACTIONS OF SUPPLEMENTAL
44 NUTRITION ASSISTANCE PROGRAM BENEFITS THAT ARE ACCESSED OR SPENT OUTSIDE THIS
45 STATE, DISAGGREGATED BY STATE.

2. THE DOLLAR AMOUNT AND NUMBER OF TRANSACTIONS OF TEMPORARY ASSISTANCE TO NEEDY FAMILIES BENEFITS THAT ARE ACCESSED OR SPENT OUTSIDE THIS STATE, DISAGGREGATED BY STATE.

3. THE DOLLAR AMOUNT, NUMBER OF TRANSACTIONS AND TIMES OF TRANSACTIONS OF SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS THAT ARE ACCESSED OR SPENT IN THIS STATE, DISAGGREGATED BY RETAILER, INSTITUTION OR LOCATION.

4. THE DOLLAR AMOUNT, NUMBER OF TRANSACTIONS AND TIMES OF TRANSACTIONS OF TEMPORARY ASSISTANCE TO NEEDY FAMILIES BENEFITS THAT ARE ACCESSED OR SPENT IN THIS STATE, DISAGGREGATED BY RETAILER, INSTITUTION OR LOCATION.

B. THE SPENDING REPORT SHALL BE DE-IDENTIFIED TO PREVENT IDENTIFICATION OF INDIVIDUAL RECIPIENTS.

Sec. 4. Section 46-300, Arizona Revised Statutes, is amended to read:

46-300. Sanctions

A. The department shall impose a series of graduated sanctions as described in subsection C of this section for any noncompliance with:

~~1. The child support enforcement efforts required by section 46-292, subsection D unless good cause is established as provided in section 46-292, subsections F and G.~~

~~2.~~ 1. The work activities requirements described in section 46-299, unless good cause is established as provided in section 46-299, subsection H and department rules. A recipient who does not comply with the work activities requirements shall demonstrate compliance with the work activities requirements in order to continue benefit eligibility and to avoid sanctions.

~~3.~~ 2. The school enrollment and attendance requirements of section 46-292, subsection S.

~~4.~~ 3. The immunization requirements of section 46-292, subsection T.

B. Noncompliance with one or more of the requirements listed in subsection A of this section during any calendar month is deemed to be a month of noncompliance and shall result in the sanctions prescribed in subsection C of this section. The department shall impose these graduated sanctions even if the instances of noncompliance do not occur in consecutive months.

C. The department shall impose the following sanctions:

1. For the first instance of noncompliance, the department shall reduce the household's cash assistance grant by twenty-five ~~per cent~~ PERCENT for one month.

2. For a second instance of noncompliance that occurs in a month other than the month in which the first noncompliance occurred, the department shall reduce the household's cash assistance grant by fifty ~~per cent~~ PERCENT for one month.

3. For a third instance of noncompliance that occurs in a month other than the month in which the second noncompliance occurred and any instance of noncompliance thereafter, the department shall terminate the household's cash assistance grant for at least one month or until the household complies.

1 D. THE DEPARTMENT SHALL TERMINATE BENEFITS FOR ANY RECIPIENT WHO FAILS
2 TO COMPLY WITH THE CHILD SUPPORT ENFORCEMENT EFFORTS PRESCRIBED BY SECTION
3 46-292, SUBSECTION D UNLESS GOOD CAUSE IS ESTABLISHED PURSUANT TO SECTION
4 46-292, SUBSECTIONS F AND G OR WHO IS DELINQUENT ON ANY COURT ORDERED CHILD
5 SUPPORT PAYMENTS, INCLUDING ARREARS, UNLESS EXPRESSLY PROHIBITED BY FEDERAL
6 LAW. THE PERIOD OF DISQUALIFICATION FOR A RECIPIENT WHO IS TERMINATED UNDER
7 THIS SUBSECTION ENDS ONCE THE DEPARTMENT DETERMINES THAT THE PERSON IS
8 COOPERATING WITH CHILD SUPPORT SERVICES AND IS NO LONGER DELINQUENT ON ANY
9 COURT ORDERED CHILD SUPPORT PAYMENTS, INCLUDING ARREARS.