

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

‘**Sec. 1. 22 MRSA §3763, sub-§§11 to 13** are enacted to read:

**11. Restrictions on use of electronic benefits transfer system.** A recipient of benefits under this chapter may not expend those benefits using the electronic benefits transfer system established in section 22 for the purchase of the following:

- A. Tobacco products, as defined in section 1551, subsection 3;
- B. Imitation liquor or liquor, as defined in Title 28-A, section 2, subsections 13 and 16, respectively;
- C. Gambling activity, as defined in Title 8, section 1001, subsection 15;
- D. Lotteries conducted by the State pursuant to Title 8, chapter 14-A or the Tri-State Lotto Commission pursuant to Title 8, chapter 16;
- E. Bail, as defined by Title 15, section 1003, subsection 1;
- F. Firearms or ammunition;
- G. Vacation or travel services;
- H. Publications, services or entertainment that contain or promote obscene matter. For purposes of this paragraph, "obscene matter" has the same meaning as in Title 17, section 2911, subsection 1, paragraph D; or
- I. Tattoos, as defined by Title 32, section 4201, or body art.

A person who violates this subsection is subject to those penalties specified in subsection 13.

**12. Point of sale restrictions.** The department by rule shall establish a system to electronically block the purchase of the products and services listed in subsection 11, paragraphs A to I at the point of sale. Rules adopted pursuant to this subsection are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A.

**13. Penalties.** A recipient of benefits under this chapter who knowingly purchases a product or service in violation of subsection 11 is deemed to have received an overpayment in the amount of the prohibited purchase, which may be recovered by the department pursuant to chapter 1055-A by requiring direct repayment by the recipient or through a reduction in the amount of benefits provided under TANF or the Parents as Scholars Program under chapter 1054-B in accordance with rules that apply to the maximum recovery amount for all other TANF overpayments. The recipient is also subject to the following additional penalties:

A. For the 2nd offense, the recipient may be disqualified from receiving benefits under this chapter for a period that does not exceed 3 months; and

B. For the 3rd and subsequent offenses, the recipient may be disqualified from receiving benefits under this chapter for a period that does not exceed 6 months.

The department shall provide prior notice of a disqualification under this subsection to the recipient and provide an opportunity for an administrative hearing. The department shall adopt rules governing the notice and hearing. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

**Sec. 2. Blocking prohibited purchases through technological means.** No later than October 1, 2016, notwithstanding Joint Rule 353, the Commissioner of Health and Human Services shall convene a committee, referred to in this section as "the implementation committee," to determine feasible options for preventing Temporary Assistance for Needy Families program benefits, through electronic benefits transfer cards, from being used to purchase the prohibited products or services listed in the Maine Revised Statutes, Title 22, section 3763, subsection 11, referred to in this section as "prohibited products or services."

**1. Members.** The implementation committee consists of the following members:

A. The Commissioner of Health and Human Services or the commissioner's designee;

B. Two members of the House of Representatives, including a member from each of the 2 parties holding the largest number of seats in the Legislature, appointed by the Speaker of the House;

C. Two members of the Senate, including a member from each of the 2 parties holding the largest number of seats in the Legislature, appointed by the President of the Senate; and

D. Three members appointed by the Commissioner of Health and Human Services as follows:

(1) A representative of retailers in the State;

(2) A representative of the financial industry familiar with electronic commerce; and

(3) A representative of individuals receiving cash assistance through the TANF program.

**2. Duties.** The implementation committee shall research, evaluate, determine and recommend the most effective means of ensuring that electronic benefits transfer cards block at the point of sale the use of TANF benefits to purchase prohibited products or services. The implementation committee shall determine the cost of any system that it recommends and shall analyse the impact of its recommendation on business establishments of varying sizes doing business in the State.

**3. Report.** The implementation committee shall submit a report of its findings and recommendation, together with any legislation necessary to implement the recommendation, to the joint standing committee of the Legislature having jurisdiction over health and human services matters no later than December 15, 2016. The implementation committee may also provide advice to the Commissioner of Health and

Human Services with respect to the development of major substantive rules under Title 22, section 3763, subsection 11. The joint standing committee may report out a bill relating to the subject matter of the report to the First Regular Session of the 128th Legislature.

**Sec. 3. Appropriations and allocations.** The following appropriations and allocations are made.

**HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**

**Office for Family Independence Z020**

Initiative: Provides funding to restrict purchases at the point of sale.

<b>GENERAL FUND</b>	<b>2015-16</b>	<b>2016-17</b>
All Other	\$0	\$500,000
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<b>GENERAL FUND TOTAL</b>	<b>\$0</b>	<b>\$500,000</b>

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2015-16</b>	<b>2016-17</b>
All Other	\$0	\$516,135
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<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<b>\$0</b>	<b>\$516,135</b>

**Temporary Assistance for Needy Families 0138**

Initiative: Provides a Federal Block Grant Fund allocation to update the Automated Client Eligibility System to identify violations and provide notice of penalties under the program and to pay for the technology consultant to attend the implementation committee meetings.

<b>FEDERAL BLOCK GRANT FUND</b>	<b>2015-16</b>	<b>2016-17</b>
All Other	\$0	\$115,739
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<b>FEDERAL BLOCK GRANT FUND TOTAL</b>	<b>\$0</b>	<b>\$115,739</b>

**HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**

<b>DEPARTMENT TOTALS</b>	<b>2015-16</b>	<b>2016-17</b>
<b>GENERAL FUND</b>	<b>\$0</b>	<b>\$500,000</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$0</b>	<b>\$516,135</b>
<b>FEDERAL BLOCK GRANT FUND</b>	<b>\$0</b>	<b>\$115,739</b>
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<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$1,131,874</b>

## **SUMMARY**

This amendment is the majority report of the committee. Like the bill, the amendment prohibits the expenditure of benefits received by recipients under the Temporary Assistance for Needy Families program, using the electronic benefits transfer system, for products or services such as tobacco products, liquor and lottery tickets. The amendment requires the Department of Health and Human Services to develop a system to prevent the use of the electronic benefits transfer system for such purchases by blocking the purchases at the point of sale. It establishes penalties for violations. It requires the Commissioner of Health and Human Services to create an implementation committee to determine the most effective system to prevent prohibited expenditures at the point of sale. It directs the implementation committee to report to the joint standing committee of the Legislature having jurisdiction over health and human services matters no later than December 15, 2016. The implementation committee report may include any legislation necessary to implement the system.

## **FISCAL NOTE REQUIRED**

**(See attached)**