

2014 -- H 7941

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LC005163
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO HUMAN SERVICES - PUBLIC ASSISTANCE ACT

Introduced By: Representatives Corvese, Azzinaro, Malik, Ucci, and McLaughlin

Date Introduced: March 13, 2014

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 40-6 of the General Laws entitled "Public Assistance Act" is
2 hereby amended by adding thereto the following section:

3 **40-6-8.1. Prohibited uses of electronic benefit transfer cards. – (a) Notwithstanding**
4 any provision of the general or public laws to the contrary, eligible recipients of direct cash
5 assistance shall not use direct cash assistance funds held on electronic benefit transfer cards for
6 the purchase of alcoholic beverages, lottery tickets or tobacco products. An eligible recipient of
7 direct cash assistance who makes a purchase in violation of this section shall reimburse the
8 department for such purchase.

9 (b) Notwithstanding any provision of the general or public laws to the contrary, an
10 individual or store owner shall not accept direct cash assistance funds held on electronic benefit
11 transfer cards for the purchase of alcoholic beverages, lottery tickets, or tobacco products. An
12 individual or store owner who knowingly accepts electronic benefit transfer cards in violation of
13 this section shall be punished by a fine of not more than five hundred dollars (\$500) for the first
14 offense, a fine of not less than five hundred dollars (\$500), nor more than one thousand dollars
15 (\$1,000) for the second offense, and a fine of not less than one thousand dollars (\$1,000) for the
16 third or subsequent offense.

17 (c) The department shall adopt rules prohibiting purchases with cash assistance funds
18 held on electronic benefit transfer cards of products and services and in venues as described in
19 this section.

1 (d) The department is hereby empowered, and shall maintain policies and practices as
2 necessary to prevent cash assistance provided under this chapter from being used in any
3 electronic benefit transfer transaction at:

4 (1) Liquor stores;

5 (2) Casinos as defined by chapter 41-9.1;

6 (3) Gambling facilities as defined by chapter 41-9;

7 (4) Retail establishments which provide adult-oriented entertainment in which performers
8 disrobe or perform in an unclothed state for entertainment as defined in the Social Security Act,
9 section 42 U.S.C. 608(a);

10 (5) Adult bookstores or adult paraphernalia stores;

11 (6) Firearms dealers licensed under § 11-47-39;

12 (7) Tattoo parlors; manicuring shops, or esthetic shops as defined in § 5-10-1; or

13 (8) Rent-to-own stores, jewelry stores, or on cruise ships.

14 (e) Eligible recipients of direct cash assistance who use cash assistance funds held on
15 electronic benefit transfer cards in such establishments shall have their cash assistance reduced
16 for three (3) months by the portion of the family's benefit attributable to one parent, in
17 accordance with rules and regulations promulgated by the department, for a first offense; for six
18 (6) months by the portion of the family's benefit attributable to one parent for a second offense;
19 and, for a third offense, the department shall terminate assistance to that household.

20 (f) The establishments described in subsection (d) of this section shall not accept
21 electronic benefits transfer cards. A store owner who knowingly allows a prohibited electronic
22 benefit transaction in violation of this section shall be punished by a fine of not more than five
23 hundred dollars (\$500) for a first offense, by a fine of not less than five hundred dollars (\$500)
24 nor more than two thousand five hundred dollars (\$2,500) for a second offense, and by a fine of
25 not less than two thousand five hundred dollars (\$2,500) for a third or subsequent offense.

26 (g) A store owner who knowingly violates this section and who also possesses a license
27 to sell alcoholic beverages under chapter 3-7 shall be referred to the appropriate licensing
28 authority for possible disciplinary action pursuant to title 3.

29 (h) A store owner who knowingly violates this section, and who also possesses a license
30 to sell lottery tickets under chapter 42-61 shall be referred to the director of the state lottery for
31 possible disciplinary action.

32 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO HUMAN SERVICES - PUBLIC ASSISTANCE ACT

1 This act would prohibit a recipient of direct cash assistance on electronic benefit cards
2 from utilizing that benefit card to purchase alcoholic beverages, lottery tickets or tobacco
3 products, and would establish penalties for violations by recipients. This act would also prohibit
4 store owners from accepting the benefit card for the purchase of the above items and provides for
5 penalties for violations.

6 This act would take effect upon passage.

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