

BILL ANALYSIS

Senate Research Center
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S.B. 671
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

BACKGROUND AND PURPOSE

The Texas Electronic Benefit Transfer (EBT) system uses the Lone Star Card to provide access to SNAP (Supplemental Nutrition Assistance Program) food benefits and TANF (Temporary Assistance for Needy Families) 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, and the amount of the purchase is taken out of the Lone Star Card account. Applicants who are eligible for TANF or SNAP benefits receive a Lone Star Card from their local Health and Human Services Commission (HHSC) benefit office or by mail.

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. 671 addresses this issue by requiring Lone Star Cards to display a photograph of recipients or other authorized persons. This change will help to ensure benefits go to intended recipients and that taxpayer resources are used for their intended purpose.

S.B. 671 also requires HHSC to monitor replacement card request and report back to the legislature.

ANALYSIS

S.B. 671 amends Chapter 531, Government Code, to require HHSC to ensure that the front side of each electronic benefits transfer card used for purposes of receiving benefits under TANF or SNAP displays the name and photograph of the recipient or other authorized person, as appropriate.

S.B. 671 also requires the cards to display the words "Fraud Hotline" followed by the telephone number of HHSC's toll-free hotline for reporting suspected fraud and the Internet website address maintained by HHSC for the purpose of allowing persons to report suspected TANF or SNAP fraud.

S.B. 671 exempts the following recipients from the photograph requirement: recipients who are 65 years of age or older, younger than 19 years of age, blind, disabled, or a victim of domestic violence. S.B. 671 authorizes the executive commissioner of HHSC to adopt rules necessary to implement this exemption.

As proposed, S.B. 671 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, for purposes of this section, "financial assistance program" as the financial assistance program established under Chapter 31 (Financial Assistance and Service Programs), Human Resources Code, defines "recipient," and defines "supplemental nutrition assistance program" as having meanings assigned by Section 33.0005 (Definitions), Human Resources Code.

(b) Requires the Health and Human Services Commission (HHSC), subject to Subsection (d), to ensure that the front side of each electronic benefits transfer card used by a recipient or other person authorized on the recipient's account for purposes of receiving benefits under the financial assistance program or the supplemental nutrition assistance program 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 HHSC's requirement to ensure that a toll-free hotline for reporting suspected fraud in programs administered by HHSC or a health and human services agency is maintained and promoted, either by HHSC or by a health and human services agency); and

(3) the Internet website address maintained by HHSC for the purpose of allowing persons to report suspected fraud in either the financial assistance program or the supplemental nutrition assistance program.

(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 is:

(A) 65 years of age or older;

(B) younger than 19 years of age;

(C) blind;

(D) disabled;

(E) a victim of domestic violence;

(F) homeless; or

(G) issued the electronic benefits transfer card at a field, regional, or other local HHSC office; 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 (executive commissioner) to adopt rules necessary to implement this section.

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

(b) Requires HHSC to monitor the frequency with which recipients request replacements of their electronic benefits transfer cards used for purposes of receiving benefits under the financial assistance program or the supplemental nutrition assistance program. Requires HHSC, not later than December 1 of each year, to submit a report regarding that frequency to the standing committees of the house of representatives and the senate with jurisdiction over the financial assistance and supplemental nutrition assistance programs.

SECTION 2. Amends Section 730.007(c), Transportation Code, as follows:

(c) Provides that this section does not:

(1) prohibit the disclosure of a person's photographic image to:

(A) makes no changes to this paragraph;

(B) makes a nonsubstantive change;

(C) makes no changes to this paragraph; or

(D) HHSC for use on an electronic benefits transfer card as required by Section 531.0911, Government Code; or

(2) makes no changes to this subdivision.

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

(1) is not required to issue electronic benefits transfer cards that comply with that section until September 1, 2020, 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, 2022, each electronic benefits transfer card used to deliver benefits to recipients under the financial assistance program under Chapter 31, Human Resources Code, or the supplemental nutrition assistance program 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, 2020.

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

SECTION 6. Effective date: September 1, 2019.