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HOUSE BILL 2584

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State of Washington                      62nd Legislature                      2012 Regular Session

By Representatives Hurst, Parker, Takko, Blake, Pearson, Eddy, Finn, Kelley, and Dahlquist

Read first time 01/18/12. Referred to Committee on Early Learning & Human Services.

1            AN ACT Relating to termination of public assistance benefits;  
2 amending RCW 74.08.580, 74.04.004, and 74.08.025; adding a new section  
3 to chapter 74.08 RCW; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            **Sec. 1.** RCW 74.08.580 and 2011 1st sp.s. c 42 s 14 are each  
6 amended to read as follows:

7            (1) Any person receiving public assistance, as defined in RCW  
8 74.04.004, is prohibited from using electronic benefit cards or cash  
9 obtained with electronic benefit cards:

10            (a) For the purpose of participating in any of the activities  
11 authorized under chapter 9.46 RCW;

12            (b) For the purpose of parimutuel wagering authorized under chapter  
13 67.16 RCW;

14            (c) To purchase lottery tickets or shares authorized under chapter  
15 67.70 RCW;

16            (d) For the purpose of participating in or purchasing any  
17 activities located in a tattoo, body piercing, or body art shop  
18 licensed under chapter 18.300 RCW;

1 (e) To purchase cigarettes as defined in RCW 82.24.010 or tobacco  
2 products as defined in RCW 82.26.010;

3 (f) To purchase any items regulated under Title 66 RCW; or

4 (g) For the purpose of purchasing or participating in any  
5 activities in any location listed in subsection (2) of this section.

6 (2) On or before January 1, 2012, the businesses listed in this  
7 subsection must disable the ability of ATM and point-of-sale machines  
8 located on their business premises to accept the electronic benefit  
9 card. The following businesses are required to comply with this  
10 mandate:

11 (a) Taverns licensed under RCW 66.24.330;

12 (b) Beer/wine specialty stores licensed under RCW 66.24.371;

13 (c) Nightclubs licensed under RCW 66.24.600;

14 (d) Contract liquor stores defined under RCW 66.04.010;

15 (e) Bail bond agencies regulated under chapter 18.185 RCW;

16 (f) Gambling establishments licensed under chapter 9.46 RCW;

17 (g) Tattoo, body piercing, or body art shops regulated under  
18 chapter 18.300 RCW;

19 (h) Adult entertainment venues with performances that contain  
20 erotic material where minors under the age of eighteen are prohibited  
21 under RCW 9.68A.150; and

22 (i) Any establishments where persons under the age of eighteen are  
23 not permitted.

24 (3) The department must notify the licensing authority of any  
25 business listed in subsection (2) of this section that such business  
26 has continued to allow the use of the electronic benefit card in  
27 violation of subsection (2) of this section.

28 (4) Only the recipient, an eligible member of the household, or the  
29 recipient's authorized representative may use an electronic benefit  
30 card or the benefit and such use shall only be for the respective  
31 benefit program purposes. The recipient shall not sell, or attempt to  
32 sell, exchange, or donate an electronic benefit card or any benefits to  
33 any other person or entity.

34 ~~(5) ((The first violation of subsection (1) or (4) of this section~~  
35 ~~by a recipient constitutes a class 4 civil infraction under RCW~~  
36 ~~7.80.120. Second and subsequent violations of subsection (1) or (4) of~~  
37 ~~this section constitute a class 3 civil infraction under RCW 7.80.120.~~

1       ~~(a) The department shall notify, in writing, all recipients of~~  
2 ~~electronic benefit cards that any violation of subsection (1) or (4) of~~  
3 ~~this section could result in legal proceedings and forfeiture of all~~  
4 ~~cash public assistance.~~

5       ~~(b))~~ Whenever the department receives notice that a person has  
6 violated subsection (1) or (4) of this section, the department shall  
7 terminate the recipient's public assistance benefits, and notify the  
8 ~~((person))~~ recipient in writing ~~((that the violation could result in~~  
9 ~~legal proceedings and forfeiture of all cash public assistance.~~

10       ~~(c) The department shall assign a protective payee to the person~~  
11 ~~receiving public assistance who violates subsection (1) or (4) of this~~  
12 ~~section two or more times))~~ of the termination.

13       (6) A person whose benefits have been terminated pursuant to  
14 subsection (5) of this section is not eligible for public assistance  
15 benefits as defined in RCW 74.04.004.

16       **Sec. 2.** RCW 74.04.004 and 2011 1st sp.s. c 42 s 21 are each  
17 amended to read as follows:

18       The definitions in this section apply throughout this chapter  
19 unless the context clearly requires otherwise.

20       (1) "Abuse" means any intentional use of public assistance benefits  
21 that constitutes a violation of any state statute or regulation  
22 relating to the use of public assistance benefits. This definition  
23 excludes medicaid and other medical programs as defined in chapter  
24 74.09 RCW, and fraud and abuse committed by medical providers and  
25 recipients of medicaid and other medical program services.

26       (2) "Disclosable information" means public information that (a) is  
27 not exempt from disclosure under chapter 42.56 RCW; and (b) does not  
28 pertain to an ongoing investigation.

29       (3) "Fraud" means an intentional deception or misrepresentation  
30 made by a person with the knowledge that the deception could result in  
31 some unauthorized benefit to himself or herself or some other person.

32       (4) "Office" means the office of fraud and accountability.

33       (5) "Public assistance" or "public assistance programs" means  
34 public aid to persons in need including assistance grants, food  
35 assistance, work relief, ~~((disability lifeline))~~ benefits received  
36 pursuant to RCW 74.62.030, temporary assistance for needy families,  
37 and, for purposes of this section, working connections child care

1 subsidies. This definition excludes medicaid and other medical  
2 programs as defined in chapter 74.09 RCW, and fraud and abuse committed  
3 by medical providers and recipients of medicaid and other medical  
4 program services.

5 NEW SECTION. **Sec. 3.** A new section is added to chapter 74.08 RCW  
6 to read as follows:

7 (1) Any person who has been found, in a civil administrative  
8 hearing or in a criminal court, to have made a willful or intentional  
9 false statement or misrepresentation, failed to reveal any material  
10 fact, for the purposes of obtaining an unauthorized benefit for himself  
11 or herself or some other person, or otherwise committed fraud, is not  
12 eligible to receive public assistance as defined in RCW 74.04.004.

13 (2) Whenever the department receives notice that a person has been  
14 found to have committed fraud pursuant to subsection (1) of this  
15 section, the department shall terminate the recipient's public  
16 assistance benefits, as defined in RCW 74.04.004, and notify the  
17 recipient in writing of the termination.

18 NEW SECTION. **Sec. 4.** If any part of this act is found to be in  
19 conflict with federal requirements that are a prescribed condition to  
20 the allocation of federal funds to the state, the conflicting part of  
21 this act is inoperative solely to the extent of the conflict and with  
22 respect to the agencies directly affected, and this finding does not  
23 affect the operation of the remainder of this act in its application to  
24 the agencies concerned. Rules adopted under this act must meet federal  
25 requirements that are a necessary condition to the receipt of federal  
26 funds by the state.

27 **Sec. 5.** RCW 74.08.025 and 2011 1st sp.s. c 42 s 7 are each amended  
28 to read as follows:

29 (1) Public assistance may be awarded to any applicant:

30 (a) Who is in need and otherwise meets the eligibility requirements  
31 of department assistance programs; (~~and~~)

32 (b) Who has not made a voluntary assignment of property or cash for  
33 the purpose of qualifying for an assistance grant; (~~and~~)

34 (c) Who is not an inmate of a public institution except as a  
35 patient in a medical institution or except as an inmate in a public

1 institution who could qualify for federal aid assistance: PROVIDED,  
2 That the assistance paid by the department to recipients in nursing  
3 homes, or receiving nursing home care, may cover the cost of clothing  
4 and incidentals and general maintenance exclusive of medical care and  
5 health services. The department may pay a grant to cover the cost of  
6 clothing and personal incidentals in public or private medical  
7 institutions and institutions for tuberculosis. The department shall  
8 allow recipients in nursing homes to retain, in addition to the grant  
9 to cover the cost of clothing and incidentals, wages received for work  
10 as a part of a training or rehabilitative program designed to prepare  
11 the recipient for less restrictive placement to the extent permitted  
12 under Title XIX of the federal social security act;

13 (d) Who has not been terminated from public assistance pursuant to  
14 RCW 74.08.580; and

15 (e) Who has not been terminated from public assistance benefits  
16 pursuant to section 3 of this act.

17 (2) Any person otherwise qualified for temporary assistance for  
18 needy families under this title who has resided in the state of  
19 Washington for fewer than twelve consecutive months immediately  
20 preceding application for assistance is limited to the benefit level in  
21 the state in which the person resided immediately before Washington,  
22 using the eligibility rules and other definitions established under  
23 this chapter, that was obtainable on the date of application in  
24 Washington state, if the benefit level of the prior state is lower than  
25 the level provided to similarly situated applicants in Washington  
26 state. The benefit level under this subsection shall be in effect for  
27 the first twelve months a recipient is on temporary assistance for  
28 needy families in Washington state.

29 (3) Any person otherwise qualified for temporary assistance for  
30 needy families who is assessed through the state alcohol and substance  
31 abuse program as drug or alcohol-dependent and requiring treatment to  
32 become employable shall be required by the department to participate in  
33 a drug or alcohol treatment program as a condition of benefit receipt.

34 (4) The department may implement a permanent disqualification for  
35 adults who have been terminated due to WorkFirst noncompliance sanction  
36 three or more times since March 1, 2007. A household that includes an  
37 adult who has been permanently disqualified from receiving temporary

1 assistance for needy families shall be ineligible for further temporary  
2 assistance for needy families assistance.

3 (5) Pursuant to 21 U.S.C. 862a(d)(1), the department shall exempt  
4 individuals from the eligibility restrictions of 21 U.S.C. 862a(a)(1)  
5 and (2) to ensure eligibility for temporary assistance for needy  
6 families benefits and federal food assistance.

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