

# HOUSE BILL REPORT

## HB 2767

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**As Reported by House Committee On:**  
Children & Family Services

**Title:** An act relating to public assistance electronic benefit cards.

**Brief Description:** Prohibiting use of public assistance electronic benefit cards for specified purposes.

**Sponsors:** Representatives Orcutt, Tokuda, Darneille, Chase, Mielke and Boldt.

**Brief History:**

**Committee Activity:**

Children & Family Services: 2/6/02, 2/7/02 [DPS].

**Brief Summary of Substitute Bill**

- Prohibits public assistance recipients from using electronic benefits transfer (EBT) cards to participate in activities at gambling premises, for parimutuel wagering or to purchase lottery tickets or shares.
- Prohibits gambling premises, parimutuel wagering or lottery licensees from allowing EBT cards to be used to participate in activities at gambling premises, for parimutuel wagering or to purchase lottery tickets or shares.

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### HOUSE COMMITTEE ON CHILDREN & FAMILY SERVICES

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Tokuda, Chair; Kagi, Vice Chair; Boldt, Ranking Minority Member; Darneille, Dickerson, Miloscia, Morell, Nixon and Orcutt.

**Staff:** Deborah Frazier (786-7152).

**Background:**

Public assistance recipients receive and use their cash benefits and food stamp benefits through an EBT card. The card resembles a debit or credit card, and is used to purchase goods and services, and to obtain cash at ATMs.

Under current law and administrative rule, public assistance recipients can be assigned a

protective payee if the person receiving public assistance has demonstrated an inability to care for money. The state is required to pay all costs and fees associated with the services of the protective payee. Currently, protective payees such as social service agencies and guardians receive \$40 per month per client to perform these functions.

The Washington State Gambling Commission was created by the 1973 Legislature as a law enforcement agency with the responsibility of regulating social gambling activities authorized by the Legislature and controlling unauthorized gambling activities. In 1992 the Legislature added the responsibility to negotiate tribal/state compacts for casino gambling activities and to implement the terms of such agreements reached with tribes.

The Washington Horse Racing Commission was created by the Legislature in March of 1933 and is required to license, regulate and supervise all race meets held in the state.

The Lottery Commission was created by the Legislature in 1982, and is required to license, regulate and supervise all lottery games and the sales of tickets or shares.

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### **Summary of Substitute Bill:**

Public assistance recipients are prohibited from using EBT cards to participate in activities at gambling premises, for parimutuel wagering or to purchase lottery tickets or shares. Violators may be found guilty of a class 4 civil infraction for the first violation, and a class 3 civil infraction for the second and subsequent violations. The court is required to notify the Department of Social and Health Services (DSHS) of commissions of civil infractions, and the department must assign a protective payee to the recipient who committed the infraction.

Gambling premises, parimutuel wagering or lottery licensees are prohibited from allowing EBT cards to be used to participate in activities at gambling premises, for parimutuel wagering or to purchase lottery tickets or shares. Violators may be found guilty of a misdemeanor. If convicted, the court must notify the relevant commission of the conviction, and the commission must impose fines and/or penalties, up to and including revocation of the license.

The Gambling Commission is instructed to consider these provisions as elements to be negotiated with federally recognized Indian tribes during compact negotiations.

The DSHS is required to notify EBT cardholders of the prohibition on using the card for the various gambling activities identified in the bill.

### **Substitute Bill Compared to Original Bill:**

HB 2767 created a misdemeanor for public assistance recipients who violated the

prohibition against using EBT cards to participate in activities at gambling premises, for parimutuel wagering or to purchase lottery tickets or shares. The substitute bill makes the violation a class 4 civil infraction for the first violation, and a class 3 civil infraction for the second and subsequent violations.

Clarifying language was added to make explicit that the prohibited act on the part of licensees is accepting the EBT for gambling activities, not for other purposes such as grocery purchases. A section was added requiring the DSHS to notify EBT cardholders of the prohibition created by the bill.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:**

(With concerns) We support the idea of the bill but request clarifying language about which activities paid for by EBT cards are prohibited. We need to be clear that the EBT cards can be used for grocery purchases and other non-gambling activities.

**Testimony Against:** None.

**Testified:** (In support) Representative Orcutt, prime sponsor.

(With concerns) Kathy Kreiter, Washington State Lottery; and Ed Fleisher, Gambling Commission.