
**Early Learning & Human Services
Committee**

ESSB 5279

Brief Description: Limiting use of public assistance benefits.

Sponsors: Senate Committee on Human Services & Corrections (originally sponsored by Senators Carrell, Baumgartner, Smith, Becker, Schoesler, Sheldon, Rivers, Delvin, Tom, Braun, Padden, Bailey and Hill).

Brief Summary of Engrossed Substitute Bill

- Prohibits the purchase of marijuana or any paraphernalia associated with the use of marijuana with an Electronic Benefit Transfer (EBT) card or with cash obtained with an EBT card.
- Prohibits an establishment which holds a retail license for the sale of spirits from accepting an EBT card for the purchase of spirits.

Hearing Date: 3/26/13

Staff: Linda Merelle (786-7092).

Background:

Basic Food Program.

The Basic Food Program provides benefits under the federally funded Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) and the state-funded Food Assistance Program for legal immigrants who meet federal income requirements for eligibility but do not meet federal immigrant eligibility requirements for SNAP. The benefits under this program may not be used to purchase alcohol, food that will be eaten in the store, or nonfood items, such as pet foods, soaps, and household supplies, vitamins, medicines.

Temporary Assistance for Needy Families.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Temporary Assistance for Needy Families (TANF) is a federal block grant established under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The TANF program replaced the Aid to Families with Dependent Children program, which had provided grants to poor families with children since the 1930s. States use TANF block grants to operate their own programs. State programs differ, but they operate in accordance to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives and to end the dependence of needy parents on government benefits by promoting job preparation and work. The TANF benefit is a cash grant.

Electronic Benefit Cards.

Public assistance benefits under both the Basic Food Program and Temporary Assistance for Needy Families are provided to recipients through an electronic benefits transfer (EBT) card. The benefit amount is electronically added to the card each month. The EBT card may be used at Automatic Teller Machines (ATMs) and also at stores through a point of sale machine, similar to how debit cards are used.

In 2011 the Legislature passed Engrossed Substitute Senate Bill 5921 (ESSB 5921). Under the provisions of that bill, a person receiving public assistance benefits is prohibited from using an EBT card or cash obtained with an EBT card to participate in a gambling activity or parimutuel wagering activity; to purchase any activity in a tattoo, body piercing, or body art shop; to purchase tobacco products or alcohol; or to purchase lottery tickets. The DSHS must notify EBT cardholders that using an EBT card or cash obtained with an EBT card for any of the prohibited activities could result in legal proceedings and the forfeiture of all cash benefits.

Automatic Teller Machines.

The provisions of ESSB 5921 also required a specified list of business to disable their ATMs and point-of-sale machines on their premises so that the machines would not accept EBTs. The businesses affected included taverns, beer and wine specialty stores, nightclubs, contract liquor stores, bail bond agencies, gambling establishments, tattoo, body piercing, or body art shops, adult entertainment venues, and any establishments where persons under age 18 are not admitted.

Initiative 1183.

Voters passed Initiative 1183 in November 2011. By June 1, 2012, the Washington State Liquor Control Board (Board) was required to complete a transition from a state-controlled system for the distribution and retail sale of spirits to a private licensee system. Spirits are defined as any beverage which contains alcohol obtained by distillation, including wines exceeding twenty-four percent of alcohol by volume, but not flavored malt beverages. As a result of the privatization, contract liquor stores, which were businesses that sold liquor on behalf of the Board under contract, ceased to exist.

Initiative 502.

Initiative 502 became law in November 2012. Among other things, the provisions of the iniestablished a system, overseen by the Washington State Liquor Control Board, to license,

regulate, and tax the production, processing, and wholesale and retail sales of marijuana. A retail buyer may legally purchase up to one ounce of marijuana.

Summary of Bill:

Recipients of public assistance may not use EBT cards to purchase marijuana or any paraphernalia associated with the use of marijuana with an EBT card or cash obtained with an EBT card.

The statutory reference to contract liquor stores has been removed from statute since they no longer exist under the private licensee system for the distribution of spirits that went into effect.

On or before January 1, 2014, any establishment holding a retail license for sale of spirits is prohibited from accepting an EBT card for the purchase of spirits. The Department of Social and Health Services must notify the licensing authority of any business that violates this prohibition.

Appropriation: None.

Fiscal Note: Requested on March 25, 2013.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.