

HOUSE BILL REPORT

SB 6136

As Passed House:
March 3, 2020

Title: An act relating to updating restrictions on electronic benefit cards.

Brief Description: Updating restrictions on electronic benefit cards.

Sponsors: Senators Nguyen and O'Ban.

Brief History:

Committee Activity:

Human Services & Early Learning: 2/21/20, 2/26/20 [DP].

Floor Activity:

Passed House: 3/3/20, 92-4.

Brief Summary of Bill

- Exempts certain beer and/or wine specialty stores from the requirement to disable automated teller machines or point-of sale machines from accepting Electronic Benefit Transfer Cards.

HOUSE COMMITTEE ON HUMAN SERVICES & EARLY LEARNING

Majority Report: Do pass. Signed by 12 members: Representatives Senn, Chair; Callan, Vice Chair; Frame, Vice Chair; Dent, Ranking Minority Member; Eslick, Assistant Ranking Minority Member; McCaslin, Assistant Ranking Minority Member; Corry, Goodman, Griffey, Kilduff, Lovick and Ortiz-Self.

Minority Report: Do not pass. Signed by 1 member: Representative Klippert.

Staff: Nico Wedekind (786-7290) and Dawn Eychaner (786-7135).

Background:

Temporary Assistance for Needy Families (TANF) provides temporary benefits to low-income families with children. The Supplemental Nutrition Assistance Program (SNAP) provides benefits for recipients to use for the purchase of foods. The Special Supplemental

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Nutrition Program for Women, Infants, and Children (WIC) provides low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, as well as infants and children up to age 5, with benefits, including supplemental foods, health care referrals, and nutrition education.

An Electronic Benefits Transfer (EBT) Card is used to distribute food benefits to SNAP recipients and cash benefits for TANF recipients. The benefit amount is electronically added to the card each month. The EBT card can be used at automated teller machines (ATMs) and at stores through a point-of-sale machine, similar to how debit cards are used. The EBT funds can be used to purchase food items from retailers authorized under the SNAP and WIC programs.

The federal government sets eligibility standards for stores to become an authorized SNAP retailer, while states are responsible for determining eligibility standards to authorize retailers to participate in the WIC program. The standards concern the variety and quantity of foods available for purchase in the store.

The federal government requires states receiving TANF block grants to maintain policies and practices to prevent EBT cards from being used in any liquor store, casino, gaming establishment, or any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment. Grocery stores that sell both intoxicating liquor and groceries including staple foods, are exempt. The Department of Social and Health Services (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.

Washington requires the businesses listed below to disable the ability of the ATMs and point-of-sale machines located on their business premises to accept EBT cards:

- taverns;
- beer/wine specialty stores;
- nightclubs;
- contract liquor stores;
- bail bond agencies;
- gambling establishments;
- tattoo, body piercing, or body art shops;
- adult entertainment venues with performances that contain erotic material where minors under age 18 are prohibited; and
- any establishments where persons under age 18 are not permitted.

The DSHS notifies the licensing board of any of the listed business establishments if they do not comply with the requirement to disable ATM and point-of-sale machines on their business premises from accepting EBT cards.

Beer and/or wine specialty stores are stores licensed to sell beer and/or wine in bottles, cans, and original containers, not to be consumed upon the premises where sold. To obtain or maintain a beer/wine specialty store license, the premises must be stocked with an inventory of beer and/or wine in excess of \$3,000 wholesale value.

Contract liquor stores were privately owned businesses that had a contract to sell liquor on behalf of the state. However, Initiative Measure No. 1183, approved by the voters in November 2011, privatized the sale of liquor.

Summary of Bill:

Any beer and/or wine specialty store that is also an authorized SNAP or WIC retailer is excluded from having to disable ATM or point-of-sale machines located on their business premises from accepting EBT Cards.

Contract liquor stores are removed from the list of businesses required to disable ATM or point-of-sale machines located on their business premises from accepting EBT cards.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) In some communities, there are food deserts where the only access to groceries is at little corner shops. Often, individuals are prohibited from using EBT cards because these stores also sell alcohol. The process to become licensed as a grocery store may be too cumbersome for a lot of these small stores. The changes made by this bill would make it easier to access basic food and provide for basic needs in rural communities and communities that do not have access to large grocery stores. Alcohol laws have changed in Washington to allow for the privatized sale of alcohol, but there is a need to update other laws to ensure that smaller grocery stores can still accept these benefits while also being licensed to sell alcohol. The bill reflects current practice in Washington and would align Washington law with federal law.

(Opposed) None.

Persons Testifying: Senator Nguyen, prime sponsor; and Catherine Holm, Washington Food Industry Association.

Persons Signed In To Testify But Not Testifying: None.