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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2081

02/01/2012 Authored by Daudt, Woodard, Gottwalt, Abeler, Benson, M. and others

The bill was read for the first time and referred to the Committee on Health and Human Services Reform

02/23/2012 Adoption of Report: Pass as Amended and re-referred to the Committee on Judiciary Policy and Finance

1.1 A bill for an act
1.2 relating to human services; modifying electronic benefit transfer cards; regulating
1.3 use of electronic benefit transfer cards; providing criminal penalties; amending
1.4 Minnesota Statutes 2011 Supplement, section 256.987, subdivisions 1, 2, by
1.5 adding subdivisions.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2011 Supplement, section 256.987, subdivision 1,
1.8 is amended to read:

1.9 Subdivision 1. **Electronic benefit transfer (EBT) card.** Cash benefits for the
1.10 general assistance and Minnesota supplemental aid programs under chapter 256D and
1.11 programs under chapter 256J must be issued on ~~a separate~~ an EBT card with the name of
1.12 the head of household printed on the card. The card must include the following statement:
1.13 "It is unlawful to use this card to purchase tobacco products or alcoholic beverages." This
1.14 card must be issued within 30 calendar days of an eligibility determination. During the
1.15 initial 30 calendar days of eligibility, a recipient may have cash benefits issued on an EBT
1.16 card without a name printed on the card. This card may be the same card on which food
1.17 support benefits are issued and does not need to meet the requirements of this section.

1.18 Sec. 2. Minnesota Statutes 2011 Supplement, section 256.987, subdivision 2, is
1.19 amended to read:

1.20 Subd. 2. **Prohibited purchases.** An individual with an EBT debit cardholders in
1.21 card issued for one of the programs listed under subdivision 1 ~~are~~ is prohibited from using
1.22 the EBT debit card to purchase tobacco products and alcoholic beverages, as defined in
1.23 section 340A.101, subdivision 2. ~~It is unlawful for an EBT cardholder to purchase or~~
1.24 ~~attempt to purchase tobacco products or alcoholic beverages with the cardholder's EBT~~

2.1 ~~card. Any unlawful use prohibited purchases made under this subdivision shall constitute~~
2.2 ~~fraud unlawful use and result in disqualification of the cardholder from the program under~~
2.3 ~~section 256.98, subdivision 8 as provided in subdivision 4.~~

2.4 Sec. 3. Minnesota Statutes 2011 Supplement, section 256.987, is amended by adding a
2.5 subdivision to read:

2.6 Subd. 3. **EBT use restricted to certain states.** EBT debit cardholders in programs
2.7 listed under subdivision 1 are prohibited from using the cash portion of the EBT card at
2.8 vendors and automatic teller machines located outside of Minnesota, Iowa, North Dakota,
2.9 South Dakota, or Wisconsin. This subdivision does not apply to the food portion.

2.10 Sec. 4. Minnesota Statutes 2011 Supplement, section 256.987, is amended by adding a
2.11 subdivision to read:

2.12 Subd. 4. **Disqualification.** (a) Any person found to be guilty of purchasing tobacco
2.13 products or alcoholic beverages with their EBT debit card by a federal or state court or
2.14 by an administrative hearing determination, or waiver thereof, through a disqualification
2.15 consent agreement, or as part of any approved diversion plan under section 401.065, or
2.16 any court-ordered stay which carries with it any probationary or other conditions, in
2.17 the: (1) Minnesota family investment program and any affiliated program to include
2.18 the diversionary work program and the work participation cash benefit program under
2.19 chapter 256J; (2) general assistance program under chapter 256D; or (3) Minnesota
2.20 supplemental aid program under chapter 256D, shall be permanently disqualified from
2.21 all of the listed programs.

2.22 (b) The needs of the disqualified individual shall not be taken into consideration in
2.23 determining the grant level for that assistance unit.

2.24 (c) Program disqualification shall begin on the date stipulated on the advance
2.25 notice of disqualification without possibility for postponement for administrative stay or
2.26 administrative hearing and shall continue through completion unless and until the findings
2.27 upon which the sanctions were imposed are reversed by a court of competent jurisdiction.
2.28 The period for which sanctions are imposed is not subject to review.

2.29 **EFFECTIVE DATE.** This section is effective June 1, 2012.

2.30 Sec. 5. Minnesota Statutes 2011 Supplement, section 256.987, is amended by adding a
2.31 subdivision to read:

2.32 Subd. 5. **Prohibited transfers.** It is a misdemeanor for an EBT debit cardholder in
2.33 programs listed under subdivision 1 to sell, barter, exchange, or transfer the EBT card to

3.1 another person unless the benefits contained on the card are solely expended to aid the
3.2 cardholder or a member of the cardholder's household.

3.3 Sec. 6. **REVISOR'S INSTRUCTION.**

3.4 The revisor of statutes shall change the term "assistance transaction card" or
3.5 similar terms to "electronic benefit transaction" or similar terms wherever they appear in
3.6 Minnesota Statutes, chapter 256. The revisor may make changes necessary to correct the
3.7 punctuation, grammar, or structure of the remaining text and preserve its meaning.