

MAINE STATE LEGISLATURE

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L.D. 1822

Date: 4-8-14

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
126TH LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT "E" to COMMITTEE AMENDMENT "A" to H.P. 1312,
L.D. 1822, Bill, "An Act To Increase Integrity in the Temporary Assistance for Needy
Families Program through Restriction of Expenditures "

Amend the amendment by striking out all of sections 1 to 5 and inserting the
following:

Sec. 1. 22 MRSA §23, sub-§1, ¶B, as corrected by RR 2011, c. 2, §23, is
amended to read:

B. A gambling facility, as defined in Title 8, section 1001, subsection 16, except that
use of the electronic benefits transfer system is permitted in any portion of the
premises of a gambling facility that is set aside separately for the sale primarily of
staple foods as defined in 7 United States Code, Section 2012(r); or

Sec. 2. 22 MRSA §23, sub-§1, ¶C, as enacted by PL 2011, c. 687, §4, is
amended to read:

C. A retail establishment that provides adult-oriented entertainment in which
performers disrobe or perform in an unclothed state for entertainment; or

Sec. 3. 22 MRSA §23, sub-§1, ¶D is enacted to read:

D. A tobacco specialty store, as defined in section 1541, subsection 7.

Sec. 4. 22 MRSA §3763, sub-§§11 and 12 are enacted to read:

11. Prohibited expenditures. The expenditure of TANF benefits is governed by
this subsection.

A. A recipient of TANF benefits is prohibited from expending TANF benefits on,
and retailers and vendors are prohibited from accepting TANF benefits through
electronic benefits transfer system debit cards for:

(1) Tobacco products, as defined in Title 22, section 1551, subsection 3;

(2) Imitation liquor and liquor, as defined in Title 28-A, section 2, subsections
13 and 16, respectively;

(3) Gambling activity, as defined in Title 8, section 1001, subsection 15;

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1 (4) Lotteries conducted by the State pursuant to Title 8, chapter 14-A or the Tri-
2 State Lotto Commission pursuant to Title 8, chapter 16; and

3 (5) Bail, as defined in Title 15, section 1003, subsection 1.

4 B. An eligible recipient of cash assistance from the TANF program who knowingly
5 makes a prohibited purchase in violation of paragraph A is subject to the following
6 penalties:

7 (1) For a first offense, a period of disqualification for benefits that does not
8 exceed 15 days;

9 (2) For a 2nd offense, a period of disqualification for benefits that does not
10 exceed one year;

11 (3) For a 3rd offense, a period of disqualification for benefits that does not
12 exceed 3 years; and

13 (4) For a 4th and subsequent offense, a disqualification for benefits for the
14 lifetime of the recipient.

15 The department may disqualify an eligible recipient only after notice and opportunity
16 for a hearing pursuant to rules adopted by the department.

17 12. Required agreement. A recipient of TANF benefits shall enter into an
18 agreement with a representative of the department that the recipient agrees not to expend
19 TANF benefits in violation of subsection 11 and agrees that a violation will result in the
20 penalties specified in subsection 11, paragraph B.

21 **Sec. 5. Department of Health and Human Services to educate recipients**
22 **of the Temporary Assistance for Needy Families program.** The Department of
23 Health and Human Services shall develop an education program for recipients of benefits
24 under the Temporary Assistance for Needy Families program, referred to in this section
25 as "TANF," that emphasizes that those benefits under TANF are to be used for supporting
26 dependent children. The program must educate TANF recipients regarding the agreement
27 entered into by the recipient pursuant to the Maine Revised Statutes, Title 22, section
28 3763, subsection 12, including but not limited to:

29 1. Appropriate, approved and specific uses of TANF benefits;

30 2. Refraining from using the electronic benefits transfer system to pay for tobacco
31 products, liquor products, gambling activities, lotteries or bail, including refraining from
32 using the electronic benefits transfer system at automated teller machines to withdraw
33 TANF benefits as cash, which is then used to pay for those products or activities; and

34 3. The prohibition on using the electronic benefits transfer system for transactions
35 for unauthorized spending pursuant to the Maine Revised Statutes, Title 22, section 23
36 and section 3763, subsection 11.

37 **Sec. 6. Department of Health and Human Services to collect information**
38 **on purchases of certain items.** The Department of Health and Human Services shall
39 collect information on the costs and impact of implementing and enforcing the

HOUSE AMENDMENT

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1 prohibitions set forth in the Maine Revised Statutes, Title 22, section 3763, subsection 11,
2 including the:

- 3 1. Administrative costs of implementation and costs of enforcing the prohibitions;
- 4 2. Number of recipients who have been finally determined by the department to have
5 violated the prohibitions;
- 6 3. Status of and final adjudication of any judicial appeals of determinations by the
7 department;
- 8 4. Number of individuals who have been penalized under Title 22, section 3763,
9 subsection 11, paragraph B, segregated by the categories of penalty described in that
10 paragraph; and
- 11 5. Dollar amount of any funds recovered as a result of enforcement of penalties
12 described in Title 22, section 3763, subsection 11, paragraph B.

13 The Department of Health and Human Services shall report this information, along
14 with recommendations and any suggested legislation, to the joint standing committee of
15 the Legislature having jurisdiction over health and human services matters no later than
16 March 15, 2015.'

17 **SUMMARY**

18 This amendment incorporates the substance of Senate Amendment "A" to Committee
19 Amendment "A" (S-505), except that it changes the penalties to:

- 20 1. For a first offense, a disqualification for benefits of no more than 15 days;
- 21 2. For a 2nd offense, a disqualification for benefits of no more than one year;
- 22 3. For a 3rd offense, a disqualification for benefits of no more than 3 years; and
- 23 4. For a 4th and subsequent offense, a disqualification for benefits for the lifetime of
24 the recipient.

25 Like Senate Amendment "A" to Committee Amendment "A," this amendment
26 prohibits recipients of TANF benefits from expending TANF benefits on, and retailers
27 and vendors from accepting TANF benefits through EBT debit cards for, tobacco, liquor
28 and imitation liquor, gambling, lotteries and bail.

29 **FISCAL NOTE REQUIRED**

30 (See attached)

31 SPONSORED BY: Shawn Macdonald
32 (Representative MACDONALD, S.)

33 TOWN: Old Orchard Beach



126th MAINE LEGISLATURE

LD 1822

LR 2777(20)

An Act To Increase Integrity in the Temporary Assistance for Needy Families Program through Restriction of Expenditures

Fiscal Note for House Amendment *E* to Committee Amendment "A"

Sponsor: Rep. MacDonald of Old Orchard Beach

Fiscal Note Required: Yes

Fiscal Note

Potential current biennium savings - Federal Block Grant Fund
Minor cost increase - General Fund

Fiscal Detail and Notes

The amendment may increase the potential for Federal Block Grant Fund savings. Additional administrative costs for the Department of Health and Human Services are assumed to be minor and can be absorbed within existing budgeted resources.