

MAINE STATE LEGISLATURE

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2 Date: 4/7/14

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4 STATE OF MAINE
5 SENATE
6 126TH LEGISLATURE
7 SECOND REGULAR SESSION

8 SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P.
9 1312, L.D. 1822, Bill, "An Act To Increase Integrity in the Temporary Assistance for
10 Needy Families Program through Restriction of Expenditures"

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

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

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

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

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

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

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

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

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

28 A. TANF benefits may not be expended on, and retailers and vendors may not accept
29 TANF benefits through electronic benefits transfer system debit cards for:

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

31 (2) Imitation liquor and liquor, as defined in Title 28-A, section 2, subsections
32 13 and 16, respectively;

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

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; or

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 warning that includes an explanation, both orally and in
8 writing, of the purposes of the TANF program and a clear delineation of those
9 items for which TANF benefits may not be expended;

10 (2) For a 2nd offense, a period of disqualification for benefits that does not
11 exceed 3 months; and

12 (3) For a 3rd and subsequent offense, a period of disqualification for benefits that
13 does not exceed 6 months.

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

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

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

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

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

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

36 **Sec. 6. Department of Health and Human Services to collect information**
37 **on purchases of certain items.** The Department of Health and Human Services shall
38 collect information on the costs and impact of implementing and enforcing the
39 prohibitions set forth in the Maine Revised Statutes, Title 22, section 3763, subsection 11,
40 including the:

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

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

15 **SUMMARY**

16 This amendment restores the provisions of the bill that prohibit benefits under the
17 Temporary Assistance for Needy Families program from being expended on tobacco,
18 imitation liquor, liquor, gambling, lotteries or bail. In addition, this amendment provides
19 that retailers and vendors may not accept TANF benefits through electronic benefits
20 transfer system debit cards for those prohibited expenditures. This amendment specifies
21 that the recipient of Temporary Assistance for Needy Families program benefits must
22 agree to refrain from expending the benefits in violation of the law. This amendment
23 provides for the education of Temporary Assistance for Needy Families program
24 recipients regarding the appropriate, approved and prohibited uses of Temporary
25 Assistance for Needy Families program benefits. In addition, the Department of Health
26 and Human Services is directed to collect information on the cost and impact of
27 implementing and enforcing the restrictions on the use of Temporary Assistance for
28 Needy Families program benefits for tobacco and liquor products, gambling activities,
29 lotteries and bail. The department is required to report its findings, including
30 recommendations and suggested legislation, to the joint standing committee of the
31 Legislature having jurisdiction over health and human services matters no later than
32 March 15, 2015.

33 **FISCAL NOTE REQUIRED**

34 (See attached)

35 SPONSORED BY: 

36 (Senator PATRICK)

37 COUNTY: Oxford



126th MAINE LEGISLATURE

LD 1822

LR 2777(17)

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

Fiscal Note for Senate Amendment "A" to Committee Amendment "A"

Sponsor: Sen. Patrick of Oxford

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.