

2014 -- H 7941 SUBSTITUTE A

=====
LC005163/SUB A/2
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

—————
A N A C T

RELATING TO HUMAN SERVICES - PUBLIC ASSISTANCE ACT

Introduced By: Representatives Corvese, Azzinaro, Malik, Ucci, and McLaughlin

Date Introduced: March 13, 2014

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 40-6 of the General Laws entitled "Public Assistance Act" is
2 hereby amended by adding thereto the following section:

3 **40-6-8.1. Prohibited uses of electronic benefit transfer cards.** – (a) The department
4 shall adopt rules prohibiting purchases with cash assistance funds held on electronic benefit
5 transfer cards in venues as described in this section.

6 (b) The department is hereby empowered, and shall maintain policies and practices as
7 necessary to prohibit cash assistance provided under this chapter from being used in any
8 electronic benefit transfer transaction at:

9 (1) Liquor stores;

10 (2) Casinos as defined by chapter 9.1 of title 41;

11 (3) Gambling facilities as defined by chapter 9 of title 41;

12 (4) Retail establishments which provide adult-oriented entertainment in which performers
13 disrobe or perform in an unclothed state for entertainment as defined in the Social Security Act,

14 42 U.S.C. 608(a);

15 (5) Adult bookstores or adult paraphernalia stores;

16 (6) Firearms dealers licensed under § 11-47-39;

17 (7) Tattoo parlor, or manicuring shops as defined in § 5-10-1; or

18 (8) Jewelry stores, or on cruise ships.

19 (c) Eligible recipients of direct cash assistance who use cash assistance funds held on

1 electronic benefit transfer cards in such establishments shall have their cash assistance reduced
2 for one (1) month by the portion of the family's benefit attributable to one parent, in accordance
3 with rules and regulations promulgated by the department, for a first offense; for three (3) months
4 by the portion of the family's benefit attributable to one parent for a second offense; and for one
5 (1) year by the portion of the family's benefit attributable to one parent for a third offense.

6 (d) A store owner who commits fraud against the department of human services by
7 violating § 11-41-33 and who also possesses a license to sell alcoholic beverages under chapter 7
8 of title 3 shall be referred to the appropriate licensing authority for possible disciplinary action
9 pursuant to title 3.

10 (e) A store owner who commits fraud against the department of human services by
11 violating § 11-41-33, and who also possesses a license to sell lottery tickets under chapter 61 of
12 title 42 shall be referred to the director of the state lottery for possible disciplinary action.

13 SECTION 2. Chapter 11-41 of the General Laws entitled "Theft, Embezzlement, False
14 Pretenses, and Misappropriation" is hereby amended by adding thereto the following section:

15 **11-41-33. Fraud against the department of human services.** – (a) The following
16 establishments and/or retail outlets are prohibited from accepting electronic benefit transfer cards
17 issued by the department of human services:

18 (1) Liquor stores;

19 (2) Casinos as defined by chapter 9.1 of title 41;

20 (3) Gambling facilities as defined by chapter 9 of title 41;

21 (4) Retail establishments which provide adult-oriented entertainment in which performers
22 disrobe or perform in an unclothed state for entertainment as defined in the Social Security Act,
23 42 U.S.C. 608(a);

24 (5) Adult bookstores or adult paraphernalia stores;

25 (6) Firearms dealers licensed under § 11-47-39;

26 (7) Tattoo parlors, or manicuring shops as defined in § 5-10-1; or

27 (8) Jewelry stores, or on cruise ships.

28 (b) A store owner who knowingly allows a prohibited electronic benefit transaction in
29 violation of this section shall be guilty of a misdemeanor and shall be punished by a fine of not
30 more than five hundred dollars (\$500) for a first offense, by a fine of not less than five hundred
31 dollars (\$500) nor more than two thousand five hundred dollars (\$2,500) for a second offense,
32 and for a third or subsequent offense shall be guilty of a felony and shall be punished by a fine of
33 not less than two thousand five hundred dollars (\$2,500).

34 (c) In addition to the penalties imposed by subsection (a), the department of human

1 [services is further authorized to suspend and/or revoke any license necessary to conduct business.](#)

2 SECTION 3. This act shall take effect upon passage.

=====
LC005163/SUB A/2
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO HUMAN SERVICES - PUBLIC ASSISTANCE ACT

1 This act would prohibit a recipient of direct cash assistance on electronic benefit cards
2 from utilizing that benefit card to purchase alcoholic beverages, lottery tickets or tobacco
3 products, and would establish penalties for violations by recipients. This act would also prohibit
4 store owners from accepting the benefit card for the purchase of the above items and provides for
5 penalties for violations, and would create a new criminal offense deeming such offenses as "fraud
6 against the department of human services."

7 This act would take effect upon passage.

=====
LC005163/SUB A/2
=====