



NEW YORK STATE SENATOR

Betty Little

Senate bill would curb public assistance abuse

BETTY LITTLE February 4, 2014

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The State Senate today passed legislation to prohibit the use of public assistance benefits for purchasing alcohol, tobacco products or lottery tickets. The legislation also would prohibit the use of Electronic Benefit Transfer (EBT) cards at liquor stores, casinos or establishments providing adult-oriented entertainment.

“Abuse of public assistance benefits robs taxpayers who fund the programs,” said Senator Betty Little, a co-sponsor of the measure. “Clearly the intention is to help someone in need pay for essential items, not buy alcohol, lottery tickets or cigarettes, but no state law exists that limits the use of benefits. Our legislation would bring some long-needed accountability to the system and also bring the state into compliance with federal law.”

Section 4004 of the federal Middle Class Tax relief and Job Creation Act of 2012 requires states to maintain policies and practices as necessary to prevent public assistance provided through the federal programs from being used in any electronic benefit transfer transaction in any liquor store or casino. The Assembly would need to act within the next few weeks to permit time for adoption by the federal deadline of February 22, 2014.

Those found violating the law proposed by Senate Republicans would be disqualified from receiving public assistance benefits by means of direct cash payment or electronic benefits card for one month. A second violation would result in a three month suspension and a third violation would permanently disqualify the individual from receiving the benefits. Those accused of violating the law would have a right to a fair hearing.

The proposed law also includes civil fines for those who sell alcohol, tobacco or lottery tickets in exchange for public assistance benefits. The commissioner of the Office of Temporary and Disability Assistance would promulgate rules and regulations and establish

training criteria to apprise businesses of what does not qualify as a legitimate use of public assistance benefits.

The legislation passed the Senate by a vote of 53 to four and has been forwarded to the State Assembly.