

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND AND SIXTEEN

—
S.P. 384 - L.D. 1097

An Act To Improve the Integrity of Maine's Welfare Programs

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 22 MRSA §3763, sub-§§11 and 12 are enacted to read:

11. Restrictions on use of electronic benefits transfer system. A recipient of benefits under this chapter may not expend those benefits using the electronic benefits transfer system established in section 22 for the purchase of the following:

- A. Tobacco products, as defined in section 1551, subsection 3;
- B. Imitation liquor or liquor, as defined in Title 28-A, section 2, subsections 13 and 16, respectively;
- C. Gambling activity, as defined in Title 8, section 1001, subsection 15;
- D. Lotteries conducted by the State pursuant to Title 8, chapter 14-A or the Tri-State Lotto Commission pursuant to Title 8, chapter 16;
- E. Bail, as defined by Title 15, section 1003, subsection 1;
- F. Firearms or ammunition;
- G. Vacation or travel services;
- H. Publications, services or entertainment that contain or promote obscene matter. For purposes of this paragraph, "obscene matter" has the same meaning as in Title 17, section 2911, subsection 1, paragraph D; or
- I. Tattoos, as defined by Title 32, section 4201, or body art.

A person who violates this subsection is subject to those penalties specified in subsection 12.

12. Penalties. When the department determines based on clear and convincing documentary evidence that a recipient of benefits under this chapter has knowingly purchased a product or service in violation of subsection 11, that recipient is deemed to have received an overpayment in the amount of the prohibited purchase, which may be

recovered by the department pursuant to chapter 1055-A. The recipient is also subject to the following additional penalties:

A. For the 1st offense, the recipient may be disqualified from receiving benefits under this chapter for a period that does not exceed 3 months;

B. For the 2nd offense, the recipient may be disqualified from receiving benefits under this chapter for a period that does not exceed 12 months; and

C. For the 3rd and subsequent offenses, the recipient may be disqualified from receiving benefits under this chapter for a period that does not exceed 24 months.

The department shall initiate an administrative hearing for a recipient of benefits who the department has determined has violated subsection 11. The notice and hearing must be conducted consistent with the department rules governing notice and hearing required for an intentional program violation.

Sec. 2. Blocking prohibited purchases through technological means. No later than October 1, 2016, notwithstanding Joint Rule 353, the Commissioner of Health and Human Services shall convene a working group, referred to in this section as "the feasibility working group," to determine feasible options for preventing Temporary Assistance for Needy Families program benefits, through electronic benefits transfer cards, from being used to purchase the prohibited products or services listed in the Maine Revised Statutes, Title 22, section 3763, subsection 11, referred to in this section as "prohibited products or services."

1. Members. The feasibility working group consists of the following members:

A. The Commissioner of Health and Human Services or the commissioner's designee;

B. Two members of the House of Representatives, including a member from each of the 2 parties holding the largest number of seats in the Legislature, appointed by the Speaker of the House;

C. Two members of the Senate, including a member from each of the 2 parties holding the largest number of seats in the Legislature, appointed by the President of the Senate; and

D. Three members appointed by the Commissioner of Health and Human Services as follows:

(1) A representative of retailers in the State;

(2) A representative of the financial industry familiar with electronic commerce; and

(3) A representative of individuals receiving cash assistance through the TANF program.

2. Duties. The feasibility working group shall research, evaluate, determine and recommend the most effective means of ensuring that electronic benefits transfer cards block at the point of sale the use of TANF benefits to purchase prohibited products or services. The feasibility working group shall determine the cost of any system that it

recommends and shall analyze the impact of its recommendation on business establishments of varying sizes doing business in the State.

3. Report. The feasibility working group shall submit a report of its findings and recommendations, together with any legislation necessary to implement the recommendations, to the joint standing committee of the Legislature having jurisdiction over health and human services matters no later than December 15, 2016.