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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH
SESSION

HOUSE FILE No. 171

January 20, 2011

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The bill was read for the first time and referred to the Committee on Health and Human Services Reform

March 17, 2011

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Health and Human Services Finance

1.1 A bill for an act
1.2 relating to human services; modifying MFIP electronic benefit transfers;
1.3 requiring photo identification; changing residency requirements for general
1.4 assistance, general assistance medical care, and MFIP; amending Minnesota
1.5 Statutes 2010, sections 256D.02, subdivision 12a; 256J.12, subdivisions 1a, 2;
1.6 proposing coding for new law in Minnesota Statutes, chapter 256; repealing
1.7 Minnesota Statutes 2010, section 256.9862, subdivision 2.

1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.9 Section 1. **[256.9870] ELECTRONIC BENEFIT TRANSFER DEBIT CARD.**

1.10 Subdivision 1. **Electronic benefit transfer or EBT debit card.** (a) Electronic
1.11 benefit transfer (EBT) debit cardholders in the general assistance program and the
1.12 Minnesota supplemental aid program under chapter 256D and programs under chapter
1.13 256J are prohibited from withdrawing cash from an automatic teller machine or receiving
1.14 cash from vendors with the EBT debit card. The EBT debit card may only be used as a
1.15 debit card.

1.16 (b) Beginning July 1, 2011, cash benefits for programs listed under paragraph (a)
1.17 must be issued on a separate EBT card with the head of household's name printed on the
1.18 card. The card must also state that "It is unlawful to use this card to purchase tobacco
1.19 products or alcoholic beverages." This card must be issued within 30 calendar days of
1.20 an eligibility determination. During the initial 30 calendar days of eligibility, a recipient
1.21 may have cash benefits issued on an EBT card without the recipient's name printed on the
1.22 card. This card may be the same card on which food support is issued and does not need
1.23 to meet the requirements of this section.

2.1 (c) Notwithstanding paragraph (a), EBT cardholders may opt to have up to \$20
2.2 per month accessible via automatic teller machine or receive up to \$20 cash back from
2.3 a vendor.

2.4 Subd. 2. **Photo identification.** Retailers at a point-of-sale may request a photo
2.5 identification card when an EBT card is presented for payment. It is unlawful for an EBT
2.6 cardholder to allow another person to use the cardholder's card.

2.7 Subd. 3. **Prohibited purchases.** EBT debit cardholders in programs under
2.8 subdivision 1 are prohibited from using the EBT debit card to purchase tobacco products
2.9 and alcoholic beverages, as defined in section 340A.101, subdivision 2. It is unlawful for
2.10 an EBT cardholder to purchase or attempt to purchase tobacco products or alcoholic
2.11 beverages with the cardholder's EBT card.

2.12 Subd. 4. **EBT use restricted to Minnesota vendors.** EBT debit cardholders in
2.13 programs under subdivision 1 are prohibited from using the EBT debit card at vendors
2.14 located outside of Minnesota. This subdivision does not apply to the food portion.

2.15 Subd. 5. **Fraud reports.** Retailers who report to the commissioner substantiated
2.16 incidents of EBT card fraud shall receive five percent of any recovered funds.

2.17 Sec. 2. Minnesota Statutes 2010, section 256D.02, subdivision 12a, is amended to read:

2.18 Subd. 12a. **Resident.** (a) For purposes of eligibility for general assistance and
2.19 general assistance medical care, a person must be a resident of this state.

2.20 (b) A "resident" is a person living in the state for at least ~~30~~ 90 days with the
2.21 intention of making the person's home here and not for any temporary purpose. Time
2.22 spent in a shelter for battered women shall count toward satisfying the ~~30-day~~ 90-day
2.23 residency requirement. All applicants for these programs are required to demonstrate the
2.24 requisite intent and can do so in any of the following ways:

2.25 (1) by showing that the applicant maintains a residence at a verified address, other
2.26 than a place of public accommodation. An applicant may verify a residence address by
2.27 presenting a valid state driver's license, a state identification card, a voter registration card,
2.28 a rent receipt, a statement by the landlord, apartment manager, or homeowner verifying
2.29 that the individual is residing at the address, or other form of verification approved by
2.30 the commissioner; or

2.31 (2) by verifying residence according to Minnesota Rules, part 9500.1219, subpart
2.32 3, item C.

2.33 (c) For general assistance medical care, a county agency shall waive the ~~30-day~~
2.34 90-day residency requirement in cases of medical emergencies. For general assistance,
2.35 a county shall waive the ~~30-day~~ 90-day residency requirement where unusual hardship

3.1 would result from denial of general assistance. For purposes of this subdivision, "unusual
3.2 hardship" means the applicant is without shelter or is without available resources for food.

3.3 The county agency must report to the commissioner within 30 days on any waiver
3.4 granted under this section. The county shall not deny an application solely because the
3.5 applicant does not meet at least one of the criteria in this subdivision, but shall continue to
3.6 process the application and leave the application pending until the residency requirement
3.7 is met or until eligibility or ineligibility is established.

3.8 (d) For purposes of paragraph (c), the following definitions apply (1) "metropolitan
3.9 statistical area" is as defined by the United States Census Bureau; (2) "shelter" includes
3.10 any shelter that is located within the metropolitan statistical area containing the county
3.11 and for which the applicant is eligible, provided the applicant does not have to travel more
3.12 than 20 miles to reach the shelter and has access to transportation to the shelter. Clause (2)
3.13 does not apply to counties in the Minneapolis-St. Paul metropolitan statistical area.

3.14 (e) Migrant workers as defined in section 256J.08 and, until March 31, 1998, their
3.15 immediate families are exempt from the residency requirements of this section, provided
3.16 the migrant worker provides verification that the migrant family worked in this state
3.17 within the last 12 months and earned at least \$1,000 in gross wages during the time the
3.18 migrant worker worked in this state.

3.19 (f) For purposes of eligibility for emergency general assistance, the ~~30-day~~ 90-day
3.20 residency requirement under this section shall not be waived.

3.21 (g) If any provision of this subdivision is enjoined from implementation or found
3.22 unconstitutional by any court of competent jurisdiction, the remaining provisions shall
3.23 remain valid and shall be given full effect.

3.24 Sec. 3. Minnesota Statutes 2010, section 256J.12, subdivision 1a, is amended to read:

3.25 Subd. 1a. ~~30-day~~ 90-day **residency requirement.** An assistance unit is considered
3.26 to have established residency in this state only when a child or caregiver has resided in this
3.27 state for at least ~~30~~ 90 consecutive days with the intention of making the person's home
3.28 here and not for any temporary purpose. The birth of a child in Minnesota to a member
3.29 of the assistance unit does not automatically establish the residency in this state under
3.30 this subdivision of the other members of the assistance unit. Time spent in a shelter for
3.31 battered women shall count toward satisfying the ~~30-day~~ 90-day residency requirement.

3.32 Sec. 4. Minnesota Statutes 2010, section 256J.12, subdivision 2, is amended to read:

3.33 Subd. 2. **Exceptions.** (a) A county shall waive the ~~30-day~~ 90-day residency
3.34 requirement where unusual hardship would result from denial of assistance.

4.1 (b) For purposes of this section, unusual hardship means an assistance unit:

4.2 (1) is without alternative shelter; or

4.3 (2) is without available resources for food.

4.4 (c) For purposes of this subdivision, the following definitions apply (1) "metropolitan
4.5 statistical area" is as defined by the U.S. Census Bureau; (2) "alternative shelter" includes
4.6 any shelter that is located within the metropolitan statistical area containing the county and
4.7 for which the family is eligible, provided the assistance unit does not have to travel more
4.8 than 20 miles to reach the shelter and has access to transportation to the shelter. Clause (2)
4.9 does not apply to counties in the Minneapolis-St. Paul metropolitan statistical area.

4.10 (d) Applicants are considered to meet the residency requirement under subdivision
4.11 1a if they once resided in Minnesota and:

4.12 (1) joined the United States armed services, returned to Minnesota within 30 days of
4.13 leaving the armed services, and intend to remain in Minnesota; or

4.14 (2) left to attend school in another state, paid nonresident tuition or Minnesota
4.15 tuition rates under a reciprocity agreement, and returned to Minnesota within 30 days of
4.16 graduation with the intent to remain in Minnesota.

4.17 (e) The ~~30-day~~ 90-day residence requirement is met when:

4.18 (1) a minor child or a minor caregiver moves from another state to the residence of
4.19 a relative caregiver; and

4.20 (2) the relative caregiver has resided in Minnesota for at least ~~30~~ 90 consecutive
4.21 days and:

4.22 (i) the minor caregiver applies for and receives MFIP; or

4.23 (ii) the relative caregiver applies for assistance for the minor child but does not
4.24 choose to be a member of the MFIP assistance unit.

4.25 **Sec. 5. REQUIREMENT FOR LIQUOR STORES, TOBACCO STORES,**
4.26 **GAMBLING ESTABLISHMENTS, AND TATTOO PARLORS.**

4.27 Liquor stores, tobacco stores, gambling establishments, and tattoo parlors must
4.28 negotiate with their third-party processors to block EBT cash transactions at their places
4.29 of business and withdrawals of cash at automatic teller machines located in their places of
4.30 business.

4.31 **Sec. 6. MINNESOTA EBT BUSINESS TASK FORCE.**

4.32 Subdivision 1. **Members.** The Minnesota EBT Business Task Force includes seven
4.33 members, appointed as follows:

5.1 (1) two members of the Minnesota house of representatives, one appointed by the
5.2 speaker of the house and one appointed by the minority leader;

5.3 (2) two members of the Minnesota senate, one appointed by the senate majority
5.4 leader and one appointed by the senate minority leader;

5.5 (3) the commissioner of human services, or designee;

5.6 (4) an appointee of the Minnesota Grocers Association; and

5.7 (5) a credit card processor, appointed by the commissioner of human services.

5.8 Subd. 2. **Duties.** The Minnesota EBT Business Task Force shall create a workable
5.9 strategy to eliminate the purchase of tobacco and alcoholic beverages by recipients of the
5.10 general assistance program and Minnesota supplemental aid program under Minnesota
5.11 Statutes, chapter 256D, and programs under Minnesota Statutes, chapter 256J, using EBT
5.12 cards. The task force will consider cost to the state, feasibility of execution at retail, and
5.13 ease of use and privacy for EBT cardholders.

5.14 Subd. 3. **Report.** The task force will report back to the legislative committees with
5.15 jurisdiction over health and human services policy and finance by April 1, 2012, with
5.16 recommendations related to the task force duties under subdivision 2.

5.17 Subd. 4. **Expiration.** The task force expires on June 30, 2012.

5.18 **Sec. 7. DIRECTION TO COMMISSIONER.**

5.19 The commissioner of human services shall issue a request for proposals for a
5.20 third-party credit card processor who will prohibit the ability of EBT cards to be used to
5.21 purchase tobacco products or alcoholic beverages. Based on responses to the request
5.22 for proposals, the commissioner shall enter into a contract for the services specified in
5.23 this section by October 1, 2011.

5.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.25 **Sec. 8. REPEALER.**

5.26 Minnesota Statutes 2010, section 256.9862, subdivision 2, is repealed.

APPENDIX

Repealed Minnesota Statutes: H0171-1

256.9862 ASSISTANCE TRANSACTION CARD FEE.

Subd. 2. **Transaction fee.** The commissioner may charge transaction fees in accordance with this subdivision up to a maximum of \$10 in transaction fees per cardholder per month. In a given month, the first four cash withdrawals made by an individual cardholder are free. For subsequent cash withdrawals, \$1 may be charged. No transaction fee can be charged if the card is used to purchase goods or services on a point of sale basis. A transaction fee subsequently set by the federal government may supersede a fee established under this subdivision. The fees shall be appropriated to the commissioner and used for electronic benefit purposes.