

1 SB7
2 144301-1
3 By Senator Orr
4 RFD: Finance and Taxation General Fund
5 First Read: 05-FEB-13
6 PFD: 07/23/2012

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8 SYNOPSIS: This bill would prohibit a recipient of
9 public assistance benefits from using public
10 assistance benefits to purchase any alcoholic
11 beverage, tobacco product, or lottery ticket and
12 would provide penalties for violations, including
13 the suspension of benefits.

14 This bill would prohibit a person or a
15 business entity from accepting public assistance
16 benefits held on electronic benefit transfer cards
17 for the purchase of any alcoholic beverage or
18 tobacco product and would include civil fines and
19 other penalties for violations.

20 This bill would prohibit a recipient of
21 public assistance benefits from withdrawing or
22 using public assistance benefits in a retail
23 establishment that primarily sells alcoholic
24 beverages, a casino, a tattoo facility, a facility
25 providing psychic services, or other establishment
26 that provides adult-oriented entertainment in which
27 performers disrobe or perform in an unclothed state

1 and provides penalties for violations, including
2 the suspension of benefits.

3 This bill would create the Public Assistance
4 Integrity Fund for the deposit of all civil fines
5 collected pursuant to the act for use by the
6 Department of Human Resources and the Attorney
7 General for costs associated with the prevention of
8 misuse of public assistance benefits, including,
9 but not limited to, administration, oversight,
10 training, and enforcement related activities.

11
12 A BILL

13 TO BE ENTITLED

14 AN ACT

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16 Relating to public benefits; to prohibit a recipient
17 of public assistance from using benefits to purchase any
18 alcoholic beverage, tobacco product, or lottery ticket; to
19 prohibit a person or a business entity from accepting public
20 assistance benefits held on electronic benefit transfer cards
21 for the purchase of any alcoholic beverage or tobacco product;
22 to prohibit a recipient of public assistance benefits from
23 withdrawing or using public assistance benefits in a retail
24 establishment that primarily sells alcoholic beverages, a
25 casino, a tattoo facility, a facility providing psychic
26 services, or other establishment that provides adult-oriented
27 entertainment in which performers disrobe or perform in an

1 unclothed state; to provide penalties for violations; and to
2 create the Public Assistance Integrity Fund.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. (a) For the purposes of this section, the
5 term "public assistance benefits" means money or property
6 provided directly or indirectly to eligible persons through
7 programs of the federal government, the state, or any
8 political subdivision thereof, and administered by the Alabama
9 Department of Human Resources.

10 (b) (1) A recipient of public assistance benefits may
11 not use any portion of public assistance benefits for the
12 purchase of any alcoholic beverage, tobacco product, or
13 lottery ticket. Any person who violates this subsection shall
14 reimburse the Department of Human Resources for the purchase
15 and shall be subject to the following sanctions:

16 a. Upon the first violation, the person shall be
17 disqualified from receiving public assistance benefits by
18 means of direct cash payment or an electronic benefits
19 transfer access card for one month.

20 b. Upon the second violation, the person shall be
21 disqualified from receiving public assistance benefits by
22 means of direct cash payment or electronic benefits transfer
23 access card for three months.

24 c. Upon a third or subsequent violation, the person
25 shall be permanently disqualified from receiving public
26 assistance benefits by means of direct cash payment or an
27 electronic benefits transfer access card.

1 (2) A person who is disqualified from receiving
2 public assistance benefits under this subsection shall have
3 the right to a hearing pursuant to the Alabama Administrative
4 Procedure Act.

5 (c) A person or business entity, or any agent or
6 employee thereof, may not accept public assistance benefits
7 held on an electronic benefit transfer card for the purchase
8 of any alcoholic beverage or tobacco product. Any person or
9 business entity who violates this subsection shall be subject
10 to the following civil penalties:

11 (1) One hundred dollars (\$100) for the first
12 violation.

13 (2) Five hundred dollars (\$500) for the second
14 violation within five years.

15 (3) One thousand dollars (\$1,000) for a third or a
16 subsequent violation within five years and the Attorney
17 General may bring an action to suspend the business licenses
18 and permits of the person or business entity for one year.

19 (d) (1) A recipient of public assistance benefits may
20 not withdraw or use benefits by means of an electronic benefit
21 transfer transaction for the purchase of goods or services in
22 a retail establishment that primarily sells alcoholic
23 beverages, a casino, a tattoo facility, a facility providing
24 psychic services, or any other establishment that provides
25 adult-oriented entertainment in which performers disrobe or
26 perform in an unclothed state. Any person who violates this
27 subsection shall reimburse the Department of Human Resources

1 for the amount withdrawn and used and shall be subject to the
2 following sanctions:

3 a. Upon the first violation, the person shall be
4 disqualified from receiving public assistance benefits by
5 means of direct cash payment or an electronic benefits
6 transfer access card for a period of one month.

7 b. Upon the second violation, the person shall be
8 disqualified from receiving public assistance benefits by
9 means of direct cash payment or electronic benefits transfer
10 access card for a period of three months.

11 c. Upon a third or subsequent violation, the person
12 shall be permanently disqualified from receiving public
13 assistance benefits by means of direct cash payment or an
14 electronic benefits transfer access card.

15 (2) A person who is disqualified from receiving
16 public assistance benefits under this subsection shall have
17 the right to a hearing pursuant to the Alabama Administrative
18 Procedure Act.

19 (e) The Department of Human Resources shall adopt
20 rules to implement this act.

21 Section 2. There is created within the State
22 Treasury a fund to be known and designated as the Public
23 Assistance Integrity Fund. All civil fines collected pursuant
24 to subsection (c) of Section 1 shall be deposited into the
25 fund for use by the Department of Human Resources and the
26 Attorney General for costs associated with the prevention of
27 misuse of public assistance benefits, including, but not

1 limited to, administration, oversight, training, and
2 enforcement related activities.

3 Section 3. This act shall become effective on the
4 first day of the third month following its passage and
5 approval by the Governor, or its otherwise becoming law.