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# SENATE BILL No. 426

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 12-13-14.

**Synopsis:** Electronic benefits transfer law. Allows the electronic benefits transfer commission ("commission") to review proposed contracts of the division of family and children ("division"). Requires the division to implement commission recommendations, except under specified circumstances. Requires the division to pay a fee of \$0.10 per approved electronic benefits transfer transaction to retailers participating in the EBT program who use their own equipment. Requires the division to review the amount of the fee every two years. Requires the commission to review and make recommendations concerning a state program administered by the office of the secretary of family and social services through which the state uses electronic transfers to transfer benefits or money. Requires the division to implement a staggered distribution schedule for EBT program benefits.

**Effective:** July 1, 2004.

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**Kenley**

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January 12, 2004, read first time and referred to Committee on Commerce and Consumer Affairs.

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Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

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## SENATE BILL No. 426



A BILL FOR AN ACT to amend the Indiana Code concerning human services.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 12-13-14-4 IS AMENDED TO READ AS
- 2 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4. (a) The commission
- 3 shall make recommendations to the division and advise the division on
- 4 the following issues:
- 5 (1) Implementing a fully functional and operating EBT program
- 6 statewide.
- 7 (2) How Indiana's EBT program implemented under this chapter
- 8 can be administered in accordance with:
- 9 (A) federal requirements under 7 U.S.C. 2016(i); and
- 10 (B) federal regulations under 7 CFR 272, 274, 276, 277, and
- 11 278.
- 12 (3) Whether to implement the National Automated Clearing
- 13 House Association guidelines to the extent that the guidelines are
- 14 not inconsistent with federal law.
- 15 (4) Whether to implement the federal electronic funds transfer
- 16 rules.
- 17 (5) Whether the division should seek a waiver from the Secretary



- 1 that would allow retailers to identify check-out lanes that are
- 2 equipped to handle EBT transactions.
- 3 (6) Providing retailer and recipient training.
- 4 (7) Creating an EBT program in Indiana that is compatible with
- 5 EBT programs in other states to the extent possible.
- 6 (8) Rules necessary to provide adequate financial safeguards and
- 7 other protections for recipients.
- 8 (9) Any other issues concerning the establishment and operation
- 9 of an EBT program.
- 10 **(10) Reviewing and making recommendations as required by**
- 11 **section 13 of this chapter concerning a state program through**
- 12 **which the state uses electronic transfers to transfer benefits or**
- 13 **other money to another person.**

14 **(b) The division shall approve and implement a**  
 15 **recommendation made by the commission under subsection (a)**  
 16 **unless the recommendation:**

- 17 **(1) violates state or federal law;**
- 18 **(2) violates the National Automated Clearing House**
- 19 **Association guidelines;**
- 20 **(3) results in the electronic benefits transfer program being**
- 21 **incompatible with other state EBT programs; or**
- 22 **(4) is fiscally infeasible.**

23 **(c) The division may not enter into a contract under this chapter**  
 24 **unless the commission has reviewed the contract. The commission**  
 25 **shall keep the terms of a proposed contract confidential.**

26 SECTION 2. IC 12-13-14-12 IS AMENDED TO READ AS  
 27 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 12. **(a) Except as**  
 28 **provided in subsection (b), the division shall negotiate a fee structure**  
 29 **with the Indiana Grocers and Convenience Store Association for**  
 30 **retailers in exchange for processing the division's EBT transactions.**  
 31 **Retailer agreements entered into between the state and retailers shall**  
 32 **consider appropriate fees that are consistent with existing market**  
 33 **practices, and consider costs incurred by the participating retailers for**  
 34 **capital expenditures and ongoing operating expenditures. pay a**  
 35 **retailer who participates in the EBT program and uses the**  
 36 **retailer's own equipment a fee of ten cents (\$0.10) for each**  
 37 **approved transaction.**

38 **(b) The division shall review the amount of the fee every two (2)**  
 39 **years and adjust increase the fee if necessary or appropriate.**

40 SECTION 3. IC 12-13-14-13 IS ADDED TO THE INDIANA  
 41 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 42 [EFFECTIVE JULY 1, 2004]: **Sec. 13. The commission shall review**

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1     **and make recommendations to the division concerning the**  
 2     **implementation of a state program administered under the office**  
 3     **of the secretary through which the state uses electronic transfers**  
 4     **to transfer benefits or other money to another person.**

5     SECTION 4. IC 12-13-14-14 IS ADDED TO THE INDIANA  
 6     CODE AS A NEW SECTION TO READ AS FOLLOWS  
 7     [EFFECTIVE JULY 1, 2004]: **Sec. 14. (a) Not later than January 1,**  
 8     **2005, the division shall implement a staggered distribution**  
 9     **schedule of benefits for the EBT program based on the first letter**  
 10    **of the recipient's last name. The division may use the same**  
 11    **schedule that is used in the distribution of food stamp benefits if**  
 12    **the food stamp distribution occurs on a staggered schedule.**

13    **(b) The division shall implement the distribution schedule**  
 14    **required by subsection (a) in a manner that minimizes the impact**  
 15    **on EBT program recipients.**

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