

Legislative Update

To: EFTA Members

From: Dennis Ambach, Senior Director, Government Relations

Date: February 17, 2012

Re: Restricting Government Payment Cards at ATMs

This is a follow-up to our February 3rd [memo](#) on the issue of restricting government payment cards at ATMs. Yesterday, House and Senate negotiators reached an agreement on tax relief legislation ([H.R. 3630](#)). Congress passed the final bill today and sent it to President Obama's desk for signature.

The House and Senate conferees agreed to include a provision (Section 4004) requiring states to establish policies and procedures blocking access to Temporary Assistance for Needy Families (TANF) funds at liquor stores, casinos and establishments providing "adult entertainment." This would extend to accessing funds at ATMs or point-of-sale devices located in these restricted places. Once President Obama signs the bill into law, states will have two years to report to the Secretary of Health & Human Services (HHS) on the steps taken to block the use of TANF cards at these venues. If the Secretary deems any state is not complying with the law, HHS may reduce the TANF block grant to that state.

The conferees also added new language amending the Social Security Act [42 U.S.C. 602(a)(1)(A)] requiring states to ensure recipients have access to funds "...with minimal fees or charges, including an opportunity to access assistance with no fee or charges, and are provided information on applicable fees and surcharges that apply to electronic fund transfers involving the assistance, and that such information is made publicly available." Please note that the term "minimal fees" is not defined. The conference agreement also broadly defines an electronic benefit transaction as "...the use of a credit or debit card service, automated teller machine, point-of-sale terminal, or access to an online system for the withdrawal of funds or the processing of a payment for merchandise or a service."

I again wish to point out that this provision affects only the TANF program and does not impact other government benefit card programs such as SNAP and UI. However, this TANF provision could set a precedent for those programs. As you know, EFTA is working with the General Accountability Office (GAO) on their audit of ATM blocking. The GAO agreed to participate in our March 13-14 meeting in Washington, DC and hopes to have a draft of their study by the end of March. They plan to issue their final report June 1.

I continue to monitor state legislative efforts to restrict government benefit card usage and will keep you apprised of any changes.