



**FORM OF PROPOSED AMENDMENT TO
THE QUEST® OPERATING RULES**

Only include one amendment per form. Use additional forms if necessary.

NAME OF EBT STAKEHOLDER PROPOSING AMENDMENT

Liz French on behalf of the EFTA eGPC Rules Committee

ORGANIZATION REPRESENTED

EFTA eGPC and its Members

SECTION(S) OF RULES AFFECTED BY PROPOSED AMENDMENT

Definition Chapter

Chapter Three – Acquirer and Terminal Operator Requirements

PROPOSED LANGUAGE FOR AMENDMENTS

Definition Chapter

Restrictive Cash Access: The prohibiting of certain types of retailers from participating in EBT and displaying the QUEST Mark.

Temporary Assistance to Needy Families (TANF) is a government program that provides various benefits and cash assistance to needy families with children.

TANF Cash Restrictions: The prevention of TANF EBT cash transactions at certain types of locations; defined as ATMs and POS terminals located in liquor stores, casinos or gaming establishments, and establishments that provide adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment; in order to comply with Section 4004 of the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96), and in compliance with State laws and regulations.

P.L 112-96 defines liquor store as: “any retail establishment which sells exclusively or primarily intoxication liquor. Such term does not include a grocery store which sells both intoxicating

liquor and groceries including staple foods (within the meaning of section 3 r of the Food and Nutrition Act of 2008 (7 US.C. 2012 r).”

P.L. 112-96 further states that the terms casino, gambling casino, and gaming establishment do not include “(I) a grocery store which sells groceries including such staple foods and which also offers, or is located within the same building or complex, as casino, gambling, or gaming activities; or (II) any other establishment that offers casino, gambling, or gaming activities incidental to the principal purpose of the business.”

New Subsection 3.1 (m)

Limits on Cash Transaction Locations. No Terminal located on the premises of a business that is prohibited from receiving cash benefits under the Temporary Assistance for Needy Families program may initiate Cash Transactions. Without limiting the foregoing, and unless modified by statute or regulation, Terminals located on the premises of any of the following are prohibited from initiating Cash Transactions: (i) liquor stores, (ii) casinos, (iii) gambling casinos, (iv) gaming establishments, and (v) retail establishments which provide adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment. Each of the terms used in clauses (i) – (v) shall have the meanings assigned in Section 4004 of the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) and the regulations promulgated thereunder, as the same may be amended from time to time.

BRIEF DISCUSSION OF PURPOSE FOR THE PROPOSED AMENDMENT

On February 22, 2012, the Welfare Integrity and Data Improvement Act, part of the Middle Tax Relief and Job Creation Act (P.L. 112-96) was signed into law. Specifically, the law requires each state to maintain policies and practices to prevent TANF cash assistance from being used in any electronic benefit transfer transaction in any liquor store, any casino or gaming establishment; or any retail establishment that provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state.

P.L. 112-96 defines liquor store as: “any retail establishment which sells exclusively or primarily intoxication liquor. Such term does not include a grocery store which sells both intoxicating liquor and groceries including staple foods (within the meaning of section 3 r of the Food and Nutrition Act of 2008 (7 US.C. 2012 r).”

It also states that the terms casino, gambling casino, and gaming establishment do not include “(I) a grocery store which sells groceries including such staple foods and which also offers, or is located within the same building or complex, as casino, gambling, or gaming activities; or (II) any other establishment that offers casino, gambling, or gaming activities incidental to the principal purpose of the business.”

In addition to the Act, a number of states have laws and regulations that in some cases are broader than the federal requirements that require states to take steps to prevent transactions in casinos, liquor stores, and adult-orientated entertainment establishments in which performers disrobe or perform in an unclothed state.

The QUEST Operating Rules requires that cash benefits covered by the QUEST Mark must be unrestricted. Unrestricted cash means there is no limitation on: a) interoperability or b) what can be purchased at a Quest retailer. However, as stated in the Rules Guidelines: "A state may however, prohibit certain types of retailers within its jurisdiction – such as liquor stores or massage parlors – from participating in EBT and displaying the QUEST Mark." (QUEST Operating Rules – December 2008, QUEST Operating Guidelines, Guidelines for Including Programs Under the Quest Operating Rules, Adopted January 25, 2000).

The above referenced Guidelines make it clear that a state may prohibit these retailers from participating in EBT. To facilitate compliance with federal and state laws and regulations, and assist states in preventing TANF funds from being accessed at ATMs and POS terminal located in liquor stores, casinos and adult entertainment establishments, the Quest Operating Rules should be amended to include language that addresses the above TANF cash access restrictions.

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