



State of Tennessee
PUBLIC CHAPTER NO. 312

SENATE BILL NO. 244

**By Tracy, Crowe, Ketron, Bell, Bowling, Campfield, Gresham, Kelsey, Norris, Overbey,
Watson**

Substituted for: House Bill No. 119

By Weaver, Evans, Womick, Joe Carr, Lamberth, Todd, Kent Williams, Sparks, Lollar, Forgety,
Harrison, Mark White, Matlock, Dale Carr, Shipley, Littleton, Lynn, Moody, Timothy Hill, Curtiss,
Kevin Brooks, Eldridge, Sexton, Ragan, Durham, Butt, Sanderson, Powers, Travis, Goins, Hall,
Carter, Lundberg, Haynes, Dean

AN ACT to amend Tennessee Code Annotated, Title 71, relative to electronic benefit card transactions involving persons receiving certain assistance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 71, Chapter 3, Part 1, is amended by adding the following as a new section:

71-3-126.

(a) For the purposes of this section, the term "public assistance benefits" means money or property provided directly or indirectly to eligible persons through the temporary assistance to needy families program.

(b)(1) A recipient of public assistance benefits shall not knowingly use an electronic benefits transfer card in:

(A) A liquor store as defined in 42 U.S.C. § 608(a)(12)(B)(i);

(B) A casino, gambling casino, or gaming establishment as defined in 42 U.S.C. § 608(a)(12)(B)(ii); or

(C) An adult cabaret as defined in § 7-51-1102.

(2) To the extent permitted by federal law, any person who violates this subsection shall reimburse the department for the purchase;

(c)(1) A person or business entity, or any agent or employee of the person or business entity shall not knowingly accept public assistance benefits from an electronic benefits transfer card for the purchase of any goods or services in:

(A) A liquor store as defined in 42 U.S.C. § 608(a)(12)(B)(i);

(B) A casino, gambling casino, or gaming establishment as defined in 42 U.S.C. § 608(a)(12)(B)(ii); or

(C) An adult cabaret as defined in § 7-51-1102.

(2) Any person or business entity who knowingly violates this subsection shall be subject to the following civil penalties:

(1) One thousand dollars (\$1,000) for the first violation.

(2) Twenty-five hundred dollars (\$2,500) for the second violation within five (5) years.

(3) Five thousand dollars (\$5,000) for a third or a subsequent violation within five (5) years. The district attorney general may bring an action to suspend the business licenses and permits of the person

or business entity for one (1) year for any violation under this subsection. The department is authorized to bring an action to enforce any civil penalty under this subsection in a complaint filed in the chancery court of the county where the merchant is located.

(d)(1) A recipient of public assistance benefits shall not knowingly use an electronic benefit transfer card in an automated teller machine or point-of-sale device located in:

(A) A liquor store as defined in 42 U.S.C. § 608(a)(12)(B)(i);

(B) A casino, gambling casino, or gaming establishment as defined in 42 U.S.C. § 608(a)(12)(B)(ii); or

(C) An adult cabaret as defined in § 7-51-1102.

(2) Any person who knowingly violates this subsection shall reimburse the department for the amount withdrawn and used subject to any prohibition in federal law. Upon a third or subsequent violation, if permitted by federal law, the person shall be permanently disqualified from receiving public assistance benefits by means of direct cash payment or an electronic benefits transfer access card.

(e) The department of human services shall establish a system for reviewing electronic benefit transactions of recipients pursuant to this section on such basis as the commissioner may determine, but not less than on a quarterly basis.

(f) A person or entity subject to a penalty or sanction under this section shall have the right to a hearing pursuant to the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(g)(1) The commissioner of human services is authorized to promulgate rules and regulations, including emergency rules, to effectuate the purposes of this section. All such rules and regulations shall be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(2) The department shall add by rule to the prohibited use of an electronic benefits transfer card other purchases to the fullest extent later permitted by federal law.

(h) Any revenues deposited or civil fines collected pursuant to subsection (c) shall be deposited into the general fund.

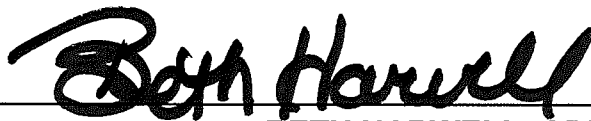
SECTION 2. For rulemaking purposes this act shall take effect on becoming law and for all other purposes this act shall take effect July 1, 2014, the public welfare requiring it.

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PASSED: April 15, 2013

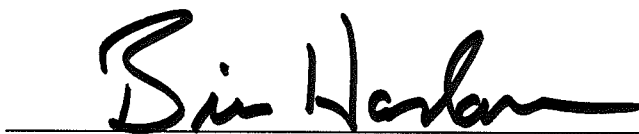
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RON RAMSEY
SPEAKER OF THE SENATE

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BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 29th day of April 2013

A handwritten signature in black ink, appearing to read "Bill Haslam", written over a horizontal line.

BILL HASLAM, GOVERNOR