

Pub. L. 97-35, title I, § 108(c), Aug. 13, 1981, 95 Stat. 361, provided that the amendment made by section 108(c) is effective Oct. 1, 1983.

EFFECTIVE DATE OF 1979 AMENDMENT

Secretary of Agriculture to issue final regulations implementing the amendment of subsec. (b) of this section by Pub. L. 96-58 within 150 days after Aug. 14, 1979, see section 10(b) of Pub. L. 96-58, set out as a note under section 2012 of this title.

EFFECTIVE DATE OF 1977 AMENDMENT

Pub. L. 95-113, title XIII, § 1301, Sept. 29, 1977, 91 Stat. 958, provided that the amendment made by section 1301 is effective Oct. 1, 1977.

REGULATIONS

Pub. L. 105-33, title I, § 1005(a), Aug. 5, 1997, 111 Stat. 257, provided that: “Not later than 1 year after the date of enactment of this Act [Aug. 5, 1997], the Secretary of Agriculture shall promulgate such regulations as are necessary to implement the amendments made by this title [amending this section and sections 2020 and 2025 of this title].”

ABOLITION OF IMMIGRATION AND NATURALIZATION SERVICE AND TRANSFER OF FUNCTIONS

For abolition of Immigration and Naturalization Service, transfer of functions, and treatment of related references, see note set out under section 1551 of Title 8, Aliens and Nationality.

TRANSITION PROVISION FOR WORK REQUIREMENT

Pub. L. 104-193, title VIII, § 824(b), Aug. 22, 1996, 110 Stat. 2324, provided that: “The term ‘preceding 36-month period’ in section 6(o) of the Food Stamp Act of 1977 [now the Food and Nutrition Act of 2008, 7 U.S.C. 2015(o)], as added by subsection (a), does not include, with respect to a State, any period before the earlier of—

- “(1) the date the State notifies recipients of food stamp benefits of the application of section 6(o); or
- “(2) the date that is 3 months after the date of enactment of this Act [Aug. 22, 1996].”

EXEMPTION FROM MONTHLY REPORTING SYSTEMS FOR HOUSEHOLDS RESIDING ON INDIAN RESERVATIONS

Pub. L. 102-237, title IX, § 908(a)(2), Dec. 13, 1991, 105 Stat. 1886, as amended by Pub. L. 103-11, § 1, Apr. 1, 1993, 107 Stat. 41; Pub. L. 103-205, § 1, Dec. 17, 1993, 107 Stat. 2418, provided that no State agency be required to exempt households residing on Indian reservations from food stamp program monthly reporting systems until Mar. 15, 1994, and directed Secretary of Agriculture to issue final regulations requiring exemption of households residing on Indian reservations from food stamp program monthly reporting systems no later than Dec. 1, 1992, prior to repeal by Pub. L. 103-225, title I, § 104(a), Mar. 25, 1994, 108 Stat. 107.

MANDATORY MONTHLY REPORTING-RETROSPECTIVE BUDGETING FOR FOOD STAMP PROGRAM; PROHIBITION

Pub. L. 98-107, § 101(b), Oct. 1, 1983, 97 Stat. 735, provided in part that no part of any of the funds appropriated or otherwise made available by Pub. L. 98-107 or any other Act could be used to implement mandatory monthly reporting-retrospective budgeting for the food stamp program during the first three months of the fiscal year ending Sept. 30, 1984.

§ 2016. Issuance and use of program benefits

(a) In general

Except as provided in subsection (i), EBT cards shall be issued only to households which have been duly certified as eligible to participate in the supplemental nutrition assistance program.

(b) Use

Benefits issued to eligible households shall be used by them only to purchase food from retail food stores which have been approved for participation in the supplemental nutrition assistance program at prices prevailing in such stores: *Provided*, That nothing in this chapter shall be construed as authorizing the Secretary to specify the prices at which food may be sold by wholesale food concerns or retail food stores.

(c) Design

(1) In general

EBT cards issued to eligible households shall be simple in design and shall include only such words or illustrations as are required to explain their purpose.

(2) Prohibition

The name of any public official shall not appear on any EBT card.

(d) Delivery and control procedures

The Secretary shall prescribe appropriate procedures for the delivery of benefits to benefit issuers and for the subsequent controls to be placed over such benefits by benefit issuers in order to ensure adequate accountability.

(e) State issuance liability

Notwithstanding any other provision of this chapter, the State agency shall be strictly liable to the Secretary for any financial losses involved in the acceptance, storage and issuance of benefits, except that in the case of losses resulting from the issuance and replacement of authorizations for benefits which are sent through the mail, the State agency shall be liable to the Secretary to the extent prescribed in the regulations promulgated by the Secretary.

(f) Alternative benefit delivery

(1) In general

If the Secretary determines, in consultation with the Inspector General of the Department of Agriculture, that it would improve the integrity of the supplemental nutrition assistance program, the Secretary shall require a State agency to issue or deliver benefits using alternative methods.

(2) Imposition of costs

(A) In general

Except as provided in subparagraph (B), the Secretary shall require participating retail food stores (including restaurants participating in a State option restaurant program intended to serve the elderly, disabled, and homeless) to pay 100 percent of the costs of acquiring, and arrange for the implementation of, electronic benefit transfer point-of-sale equipment and supplies, including related services.

(B) Exemptions

The Secretary may exempt from subparagraph (A)—

- (i) farmers’ markets and other direct-to-consumer markets, military commissaries, nonprofit food buying cooperatives, and establishments, organizations, programs, or group living arrangements described in

paragraphs (5), (7), and (8) of section 2012(k) of this title; and

(ii) establishments described in paragraphs (3), (4), and (9) of section 2012(k) of this title, other than restaurants participating in a State option restaurant program.

(C) Interchange fees

Nothing in this paragraph permits the charging of fees relating to the redemption of supplemental nutrition assistance program benefits, in accordance with subsection (h)(13).

(3) Devaluation and termination of issuance of paper coupons

(A) Coupon issuance

Effective on the date of enactment of the Food, Conservation, and Energy Act of 2008, no State shall issue any coupon, stamp, certificate, or authorization card to a household that receives supplemental nutrition assistance under this chapter.

(B) EBT cards

Effective beginning on the date that is 1 year after the date of enactment of the Food, Conservation, and Energy Act of 2008, only an EBT card issued under subsection (i) shall be eligible for exchange at any retail food store.

(C) De-obligation of coupons

Coupons not redeemed during the 1-year period beginning on the date of enactment of the Food, Conservation, and Energy Act of 2008 shall—

- (i) no longer be an obligation of the Federal Government; and
- (ii) not be redeemable.

(4) Termination of manual vouchers

(A) In general

Effective beginning on February 7, 2014, except as provided in subparagraph (B), no State shall issue manual vouchers to a household that receives supplemental nutrition assistance under this chapter or allow retail food stores to accept manual vouchers as payment, unless the Secretary determines that the manual vouchers are necessary, such as in the event of an electronic benefit transfer system failure or a disaster situation.

(B) Exemptions

The Secretary may exempt categories of retail food stores or individual retail food stores from subparagraph (A) based on criteria established by the Secretary.

(5) Unique identification number required

(A) In general

To enhance the anti-fraud protections of the program, the Secretary shall require all parties providing electronic benefit transfer services to provide for and maintain unique terminal identification number information through the supplemental nutrition assistance program electronic benefit transfer transaction routing system.

(B) Regulations

(i) In general

Not earlier than 2 years after February 7, 2014, the Secretary shall issue proposed regulations to carry out this paragraph.

(ii) Commercial practices

In issuing regulations to carry out this paragraph, the Secretary shall consider existing commercial practices for other point-of-sale debit transactions.

(C) Operation of individual point of sale device by farmers' markets and direct marketing farmers

A farmers' market or direct marketing farmer that is exempt under paragraph (2)(B)(i) shall be allowed to operate an individual electronic benefit transfer point of sale device at more than 1 location under the same supplemental nutrition assistance program authorization, if—

(i) the farmers' market or direct marketing farmer provides to the Secretary information on location and hours of operation at each location; and

(ii)(I) the point of sale device used by the farmers' market or direct marketing farmer is capable of providing location information of the device through the electronic benefit transfer system; or

(II) if the Secretary determines that the technology is not available for a point of sale device to meet the requirement under subclause (I), the farmers' market or direct marketing farmer provides to the Secretary any other information, as determined by the Secretary, necessary to ensure the integrity of transactions processed using the point of sale device.

(g) Staggered issuance procedures

(1) The State agency may establish a procedure for staggering the issuance of benefits to eligible households throughout the month. Upon the request of the tribal organization that exercises governmental jurisdiction over the reservation, the State agency shall stagger the issuance of benefits for eligible households located on reservations for at least 15 days of a month.

(2) REQUIREMENTS.—

(A) IN GENERAL.—Any procedure established under paragraph (1) shall—

(i) not reduce the allotment of any household for any period; and

(ii) ensure that no household experiences an interval between issuances of more than 40 days.

(B) MULTIPLE ISSUANCES.—The procedure may include issuing benefits to a household in more than 1 issuance during a month only when a benefit correction is necessary.

(h) Electronic benefit transfers

(1) IN GENERAL.—

(A) IMPLEMENTATION.—Not later than October 1, 2002, each State agency shall implement an electronic benefit transfer system under which household benefits determined under section 2017(a) or 2035 of this title are issued

from and stored in a central databank, unless the Secretary provides a waiver for a State agency that faces unusual barriers to implementing an electronic benefit transfer system.

(B) **TIMELY IMPLEMENTATION.**—Each State agency is encouraged to implement an electronic benefit transfer system under subparagraph (A) as soon as practicable.

(C) **STATE FLEXIBILITY.**—Subject to paragraph (2), a State agency may procure and implement an electronic benefit transfer system under the terms, conditions, and design that the State agency considers appropriate.

(D) **OPERATION.**—An electronic benefit transfer system should take into account generally accepted standard operating rules based on—

- (i) commercial electronic funds transfer technology;
- (ii) the need to permit interstate operation and law enforcement monitoring; and
- (iii) the need to permit monitoring and investigations by authorized law enforcement agencies.

(2) The Secretary shall issue final regulations that establish standards for the approval of such a system and shall periodically review such regulations and modify such regulations to take into account evolving technology and comparable industry standards. The standards shall include—

(A) defining the required level of recipient protection regarding privacy, ease of use, and access to and service in retail food stores;

(B) the terms and conditions of participation by retail food stores, financial institutions, and other appropriate parties;

(C)(i) measures to maximize the security of a system using the most recent technology available that the State agency considers appropriate and cost effective and which may include personal identification numbers, photographic identification on electronic benefit transfer cards, and other measures to protect against fraud and abuse; and

(ii) unless determined by the Secretary to be located in an area with significantly limited access to food, measures that require an electronic benefit transfer system—

(I) to set and enforce sales restrictions based on benefit transfer payment eligibility by using scanning or product lookup entry; and

(II) to deny benefit tenders for manually entered sales of ineligible items.

(D) system transaction interchange, reliability, and processing speeds;

(E) financial accountability;

(F) the required testing of system operations prior to implementation;

(G) the analysis of the results of system implementation in a limited project area prior to expansion; and

(H) procurement standards.

(3) In the case of a system described in paragraph (1) in which participation is not optional for households, the Secretary shall not approve such a system unless—

(A) a sufficient number of eligible retail food stores, including those stores able to serve minority language populations, have agreed to

participate in the system throughout the area in which it will operate to ensure that eligible households will not suffer a significant reduction in their choice of retail food stores or a significant increase in the cost of food or transportation to participating food stores; and

(B) any special equipment necessary to allow households to purchase food with the benefits issued under this chapter is operational at a sufficient number of registers to provide service that is comparable to service provided individuals who are not members of households receiving supplemental nutrition assistance program benefits, as determined by the Secretary.

(4) Administrative costs incurred in connection with activities under this subsection shall be eligible for reimbursement in accordance with section 2025 of this title, subject to the limitations in section 2025(g) of this title.

(5) The Secretary shall periodically inform State agencies of the advantages of using electronic benefit systems to issue benefits in accordance with this subsection in lieu of issuing coupons to households.

(6) This subsection shall not diminish the authority of the Secretary to conduct projects to test automated or electronic benefit delivery systems under section 2026(f) of this title.

(7) **REPLACEMENT OF BENEFITS.**—Regulations issued by the Secretary regarding the replacement of benefits and liability for replacement of benefits under an electronic benefit transfer system shall be similar to the regulations in effect for a paper-based supplemental nutrition assistance issuance system.

(8) **REPLACEMENT OF CARDS.**—

(A) **FEEES.**—A State agency may collect a charge for replacement of an electronic benefit transfer card by reducing the monthly allotment of the household receiving the replacement card.

(B) **PURPOSEFUL LOSS OF CARDS.**—

(i) **IN GENERAL.**—Subject to terms and conditions established by the Secretary in accordance with clause (ii), if a household makes excessive requests for replacement of the electronic benefit transfer card of the household, the Secretary may require a State agency to decline to issue a replacement card to the household unless the household, upon request of the State agency, provides an explanation for the loss of the card.

(ii) **REQUIREMENTS.**—The terms and conditions established by the Secretary shall provide that—

(I) the household be given the opportunity to provide the requested explanation and meet the requirements under this paragraph promptly;

(II) after an excessive number of lost cards, the head of the household shall be required to review program rights and responsibilities with State agency personnel authorized to make determinations under section 2014(a) of this title; and

(III) any action taken, including actions required under section 2015(b)(2) of this title, other than the withholding of the

electronic benefit transfer card until an explanation described in subclause (I) is provided, shall be consistent with the due process protections under section 2015(b) or 2020(e)(10) of this title, as appropriate.

(C) PROTECTING VULNERABLE PERSONS.—In implementing this paragraph, a State agency shall act to protect homeless persons, persons with disabilities, victims of crimes, and other vulnerable persons who lose electronic benefit transfer cards but are not intentionally committing fraud.

(D) EFFECT ON ELIGIBILITY.—While a State may decline to issue an electronic benefits transfer card until a household satisfies the requirements under this paragraph, nothing in this paragraph shall be considered a denial of, or limitation on, the eligibility for benefits under section 2014 of this title.

(9) OPTIONAL PHOTOGRAPHIC IDENTIFICATION.—

(A) IN GENERAL.—A State agency may require that an electronic benefit card contain a photograph of 1 or more members of a household.

(B) OTHER AUTHORIZED USERS.—If a State agency requires a photograph on an electronic benefit card under subparagraph (A), the State agency shall establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card.

(10) FEDERAL LAW NOT APPLICABLE.—Section 1693o-2 of title 15 shall not apply to electronic benefit transfer or reimbursement systems under this chapter.

(11) APPLICATION OF ANTI-TYING RESTRICTIONS TO ELECTRONIC BENEFIT TRANSFER SYSTEMS.—

(A) DEFINITIONS.—In this paragraph:

(i) AFFILIATE.—The term “affiliate” has the meaning provided the term in section 1841(k) of title 12.

(ii) COMPANY.—The term “company” has the meaning provided the term in section 1971 of title 12, but shall not include a bank, a bank holding company, or any subsidiary of a bank holding company.

(iii) ELECTRONIC BENEFIT TRANSFER SERVICE.—The term “electronic benefit transfer service” means the processing of electronic transfers of household benefits, determined under section 2017(a) or 2035 of this title, if the benefits are—

(I) issued from and stored in a central databank;

(II) electronically accessed by household members at the point of sale; and

(III) provided by a Federal or State government.

(iv) POINT-OF-SALE SERVICE.—The term “point-of-sale service” means any product or service related to the electronic authorization and processing of payments for merchandise at a retail food store, including credit or debit card services, automated teller machines, point-of-sale terminals, or access to on-line systems.

(B) RESTRICTIONS.—A company may not sell or provide electronic benefit transfer services, or fix or vary the consideration for electronic

benefit transfer services, on the condition or requirement that the customer—

(i) obtain some additional point-of-sale service from the company or an affiliate of the company; or

(ii) not obtain some additional point-of-sale service from a competitor of the company or competitor of any affiliate of the company.

(C) CONSULTATION WITH THE FEDERAL RESERVE BOARD.—Before promulgating regulations or interpretations of regulations to carry out this paragraph, the Secretary shall consult with the Board of Governors of the Federal Reserve System.

(12) RECOVERING ELECTRONIC BENEFITS.—

(A) IN GENERAL.—A State agency shall establish a procedure for recovering electronic benefits from the account of a household due to inactivity, or due to the death of all members of the household.

(B) BENEFIT STORAGE.—

(i) IN GENERAL.—A State agency may store recovered electronic benefits off-line in accordance with clause (ii), if the household has not accessed the account after 3 months.

(ii) NOTICE OF BENEFIT STORAGE.—A State agency shall—

(I) send notice to a household the benefits of which are stored under clause (i); and

(II) not later than 48 hours after request by the household, make the stored benefits available to the household.

(C) BENEFIT EXPUNGING.—

(i) IN GENERAL.—Subject to clause (ii), a State agency shall expunge benefits that have not been accessed by a household after a period of 9 months, or upon verification that all members of the household are deceased.

(ii) NOTICE OF BENEFIT EXPUNGING.—Not later than 30 days before benefits are to be expunged under clause (i), a State agency shall—

(I) provide sufficient notice to the household that benefits will be expunged due to inactivity, and the date upon which benefits will be expunged;

(II) for benefits stored off-line in accordance with subparagraph (B), provide the household an opportunity to request that such benefits be restored to the household; and

(III) not later than 48 hours after request by the household, make the benefits available to the household.

(D) NOTICE.—A State agency shall—

(i) send notice to a household the benefits of which are stored under subparagraph (B); and

(ii) not later than 48 hours after request by the household, make the stored benefits available to the household.

(13) FEES.—

(A) INTERCHANGE FEES.—No interchange fees shall apply to electronic benefit transfer transactions under this subsection.

(B) OTHER FEES.—Effective through fiscal year 2023, neither a State, nor any agent, con-

tractor, or subcontractor of a State who facilitates the provision of supplemental nutrition assistance program benefits in such State may impose a fee for switching (as defined in subsection (j)(1)(H)) or routing such benefits.

(14) MOBILE TECHNOLOGIES.—

(A) **IN GENERAL.**—Subject to subparagraph (B), the Secretary shall authorize the use of mobile technologies for the purpose of accessing supplemental nutrition assistance program benefits.

(B) DEMONSTRATION PROJECTS ON ACCESS OF BENEFITS THROUGH MOBILE TECHNOLOGIES.—

(i) **DEMONSTRATION PROJECTS.**—Before authorizing implementation of subparagraph (A) in all States, the Secretary shall approve not more than 5 demonstration project proposals submitted by State agencies that will pilot the use of mobile technologies for supplemental nutrition assistance program benefits access.

(ii) **PROJECT REQUIREMENTS.**—To be eligible to participate in a demonstration project under clause (i), a State agency shall submit to the Secretary for approval a plan that—

(I) provides recipient protections regarding privacy, ease of use, household access to benefits, and support similar to the protections provided under existing methods;

(II) ensures that all recipients, including those without access to mobile payment technology and those who shop across State borders, have a means of benefit access;

(III) requires retail food stores, unless exempt under section 2016(f)(2)(B) of this title, to bear the costs of acquiring and arranging for the implementation of point-of-sale equipment and supplies for the redemption of benefits that are accessed through mobile technologies;

(IV) requires that foods purchased with benefits issued under this section through mobile technologies are purchased at a price not higher than the price of the same food purchased by other methods used by the retail food store, as determined by the Secretary;

(V) ensures adequate documentation for each authorized transaction, adequate security measures to deter fraud, and adequate access to retail food stores that accept benefits accessed through mobile technologies, as determined by the Secretary;

(VI) provides for an evaluation of the demonstration project, including, but not limited to, an evaluation of household access to benefits;

(VII) requires that the State demonstration projects are voluntary for all retail food stores and that all recipients are able to use benefits in non-participating retail food stores; and

(VIII) meets other criteria as established by the Secretary.

(iii) **PRIORITY.**—The Secretary may prioritize demonstration project proposals that would—

(I) reduce fraud;

(II) encourage positive nutritional outcomes; and

(III) meet such other criteria as determined by the Secretary.

(iv) **DATE OF PROJECT APPROVAL.**—The Secretary shall solicit and approve the qualifying demonstration projects required under subparagraph (B)(i) not later than January 1, 2021.

(C) **REPORT TO CONGRESS.**—The Secretary shall—

(i) by not later than January 1, 2022, authorize implementation of subparagraph (A) in all States, unless the Secretary makes a finding, based on the data provided under subparagraph (B), that implementation in all States requires further study by way of an extended pilot period or is not in the best interest of the supplemental nutrition assistance program; and

(ii) if the determination made in clause (i) is not to implement subparagraph (A) in all States, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes the basis of the finding.

(i) State option to issue benefits to certain individuals made ineligible by welfare reform

(1) In general

Notwithstanding any other provision of law, a State agency may, with the approval of the Secretary, issue benefits under this chapter to an individual who is ineligible to participate in the supplemental nutrition assistance program solely as a result of section 2015(o)(2) of this title or section 1612 or 1613 of title 8.

(2) State payments to Secretary

(A) In general

Not later than the date the State agency issues benefits to individuals under this subsection, the State agency shall pay the Secretary, in accordance with procedures established by the Secretary, an amount that is equal to—

(i) the value of the benefits; and

(ii) the costs of issuing and redeeming benefits, and other Federal costs, incurred in providing the benefits, as determined by the Secretary.

(B) Crediting

Notwithstanding section 3302(b) of title 31, payments received under subparagraph (A) shall be credited to the supplemental nutrition assistance program appropriation account or the account from which the costs were drawn, as appropriate, for the fiscal year in which the payment is received.

(3) Reporting

To be eligible to issue benefits under this subsection, a State agency shall comply with reporting requirements established by the Secretary to carry out this subsection.

(4) Plan

To be eligible to issue benefits under this subsection, a State agency shall—

(A) submit a plan to the Secretary that describes the conditions and procedures under which the benefits will be issued, including eligibility standards, benefit levels, and the methodology the State agency will use to determine amounts due the Secretary under paragraph (2); and

(B) obtain the approval of the Secretary for the plan.

(5) Violations

A sanction, disqualification, fine, or other penalty prescribed under Federal law (including sections 2021 and 2024 of this title) shall apply to a violation committed in connection with a benefit issued under this subsection.

(6) Ineligibility for administrative reimbursement

Administrative and other costs incurred in issuing a benefit under this subsection shall not be eligible for Federal funding under this chapter.

(7) Exclusion from enhanced payment accuracy systems

Section 2025(c) of this title shall not apply to benefits issued under this subsection.

(j) Interoperability and portability of electronic benefit transfer transactions

(1) Definitions

In this subsection:

(A) Electronic benefit transfer card

The term “electronic benefit transfer card” means a card that provides benefits under this chapter through an electronic benefit transfer service (as defined in subsection (h)(11)(A)).

(B) Electronic benefit transfer contract

The term “electronic benefit transfer contract” means a contract that provides for the issuance, use, or redemption of program benefits in the form of electronic benefit transfer cards.

(C) Interoperability

The term “interoperability” means a system that enables program benefits in the form of an electronic benefit transfer card to be redeemed in any State.

(D) Interstate transaction

The term “interstate transaction” means a transaction that is initiated in 1 State by the use of an electronic benefit transfer card that is issued in another State.

(E) Portability

The term “portability” means a system that enables program benefits in the form of an electronic benefit transfer card to be used in any State by a household to purchase food at a retail food store or wholesale food concern approved under this chapter.

(F) Settling

The term “settling” means movement, and reporting such movement, of funds from an electronic benefit transfer card issuer that is located in 1 State to a retail food store, or wholesale food concern, that is located in

another State, to accomplish an interstate transaction.

(G) Smart card

The term “smart card” means an intelligent benefit card described in section 2026(f) of this title.

(H) Switching

The term “switching” means the routing of an intrastate or interstate transaction that consists of transmitting the details of a transaction electronically recorded through the use of an electronic benefit transfer card in one State to the issuer of the card that may be in the same or different State.

(2) Requirement

Not later than October 1, 2002, the Secretary shall ensure that systems that provide for the electronic issuance, use, and redemption of program benefits in the form of electronic benefit transfer cards are interoperable, and supplemental nutrition assistance program benefits are portable, among all States.

(3) Cost

The cost of achieving the interoperability and portability required under paragraph (2) shall not be imposed on any retail store, or any wholesale food concern, approved to participate in the supplemental nutrition assistance program.

(4) Standards

Not later than 210 days after February 11, 2000, the Secretary shall promulgate regulations that—

(A) adopt a uniform national standard of interoperability and portability required under paragraph (2) that is based on the standard of interoperability and portability used by a majority of State agencies; and

(B) require that any electronic benefit transfer contract that is entered into 30 days or more after the regulations are promulgated, by or on behalf of a State agency, provide for the interoperability and portability required under paragraph (2) in accordance with the national standard.

(5) Exemptions

(A) Contracts

The requirements of paragraph (2) shall not apply to the transfer of benefits under an electronic benefit transfer contract before the expiration of the term of the contract if the contract—

(i) is entered into before the date that is 30 days after the regulations are promulgated under paragraph (4); and

(ii) expires after October 1, 2002.

(B) Waiver

At the request of a State agency, the Secretary may provide 1 waiver to temporarily exempt, for a period ending on or before the date specified under clause (iii), the State agency from complying with the requirements of paragraph (2), if the State agency—

(i) establishes to the satisfaction of the Secretary that the State agency faces unusual technological barriers to achieving

by October 1, 2002, the interoperability and portability required under paragraph (2);

(ii) demonstrates that the best interest of the supplemental nutrition assistance program would be served by granting the waiver with respect to the electronic benefit transfer system used by the State agency to administer the supplemental nutrition assistance program; and

(iii) specifies a date by which the State agency will achieve the interoperability and portability required under paragraph (2).

(C) Smart card systems

The Secretary shall allow a State agency that is using smart cards for the delivery of supplemental nutrition assistance program benefits to comply with the requirements of paragraph (2) at such time after October 1, 2002, as the Secretary determines that a practicable technological method is available for interoperability with electronic benefit transfer cards.

(6) Funding

(A) In general

In accordance with regulations promulgated by the Secretary, the Secretary shall pay 100 percent of the costs incurred by a State agency under this chapter for switching and settling interstate transactions—

(i) incurred after February 11, 2000, and before October 1, 2002, if the State agency uses the standard of interoperability and portability adopted by a majority of State agencies; and

(ii) incurred after September 30, 2002, if the State agency uses the uniform national standard of interoperability and portability adopted under paragraph (4)(A).

(B) Limitation

The total amount paid to State agencies for each fiscal year under subparagraph (A) shall not exceed \$500,000.

(k) Acceptance of program benefits through on-line transactions

(1) In general

Subject to paragraph (4), the Secretary shall approve retail food stores to accept benefits from recipients of supplemental nutrition assistance through on-line transactions.

(2) Requirements to accept benefits

A retail food store seeking to accept benefits from recipients of supplemental nutrition assistance through on-line transactions shall—

(A) establish recipient protections regarding privacy, ease of use, access, and support similar to the protections provided for transactions made in retail food stores;

(B) ensure benefits are not used to pay delivery, ordering, convenience, or other fees or charges;

(C) clearly notify participating households at the time a food order is placed—

(i) of any delivery, ordering, convenience, or other fee or charge associated with the food purchase; and

(ii) that any such fee cannot be paid with benefits provided under this chapter;

(D) ensure the security of on-line transactions by using the most effective technology available that the Secretary considers appropriate and cost-effective and that is comparable to the security of transactions at retail food stores; and

(E) meet other criteria as established by the Secretary.

(3) State agency action

Each State agency shall ensure that recipients of supplemental nutrition assistance can use benefits on-line as described in this subsection as appropriate.

(4) Demonstration project on acceptance of benefits through on-line transactions

(A) In general

Before the Secretary authorizes implementation of paragraph (1) in all States, the Secretary shall carry out a number of demonstration projects as determined by the Secretary to test the feasibility of allowing retail food stores to accept benefits through on-line transactions.

(B) Demonstration projects

To be eligible to participate in a demonstration project under subparagraph (A), a retail food store shall submit to the Secretary for approval a plan that includes—

(i) a method of ensuring that benefits may be used to purchase only eligible items under this chapter;

(ii) a description of the method of educating participant households about the availability and operation of on-line purchasing;

(iii) adequate testing of the on-line purchasing option prior to implementation;

(iv) the provision of data as requested by the Secretary for purposes of analyzing the impact of the project on participant access, ease of use, and program integrity;

(v) reports on progress, challenges, and results, as determined by the Secretary; and

(vi) such other criteria, including security criteria, as established by the Secretary.

(Pub. L. 88-525, §7, Aug. 31, 1964, 78 Stat. 705; Pub. L. 91-671, §5, Jan. 11, 1971, 84 Stat. 2050; Pub. L. 93-86, §3(m), Aug. 10, 1973, 87 Stat. 248; Pub. L. 93-125, §1(k), Oct. 18, 1973, 87 Stat. 450; Pub. L. 94-339, §2, July 5, 1976, 90 Stat. 799; Pub. L. 95-113, title XIII, §1301, Sept. 29, 1977, 91 Stat. 967; Pub. L. 97-98, title XIII, §1312, Dec. 22, 1981, 95 Stat. 1285; Pub. L. 97-253, title I, §§162, 190(c)(2), Sept. 8, 1982, 96 Stat. 778, 787; Pub. L. 99-198, title XV, §§1518, 1519, Dec. 23, 1985, 99 Stat. 1578; Pub. L. 100-435, title II, §203(b), Sept. 19, 1988, 102 Stat. 1657; Pub. L. 101-624, title XVII, §§1728, 1729(a), Nov. 28, 1990, 104 Stat. 3788, 3789; Pub. L. 103-225, title I, §102, Mar. 25, 1994, 108 Stat. 107; Pub. L. 104-193, title VIII, §825(a), Aug. 22, 1996, 110 Stat. 2324; Pub. L. 105-18, title VII, [(a)], June 12, 1997, 111 Stat. 216; Pub. L. 106-171, §3, Feb. 11, 2000, 114 Stat. 3; Pub. L. 107-171, title IV, §4110, May 13, 2002, 116 Stat. 309; Pub. L.

110-234, title IV, §§ 4001(b), 4002(a)(4), 4113-4115(a), May 22, 2008, 122 Stat. 1092, 1093, 1103; Pub. L. 110-246, § 4(a), title IV, §§ 4001(b), 4002(a)(4), 4113-4115(a), June 18, 2008, 122 Stat. 1664, 1853, 1854, 1864, 1865; Pub. L. 111-203, title X, § 1075(b), July 21, 2010, 124 Stat. 2074; Pub. L. 113-79, title IV, §§ 4002(b)-(d), 4010-4011(b)(2)(A), 4030(e), Feb. 7, 2014, 128 Stat. 783, 784, 789-792, 814; Pub. L. 115-334, title IV, §§ 4001(b), 4006(a)-(e), Dec. 20, 2018, 132 Stat. 4624, 4634, 4635.)

Editorial Notes

REFERENCES IN TEXT

The date of enactment of the Food, Conservation, and Energy Act of 2008, referred to in subsec. (f)(3), is the date of enactment of Pub. L. 110-246, which was approved June 18, 2008.

CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

AMENDMENTS

2018—Subsec. (f)(5)(C). Pub. L. 115-334, § 4006(a), added subpar. (C).

Subsec. (h)(2). Pub. L. 115-334, § 4006(b), in introductory provisions, inserted “and shall periodically review such regulations and modify such regulations to take into account evolving technology and comparable industry standards” after “such a system”.

Subsec. (h)(12)(A). Pub. L. 115-334, § 4006(c)(1), inserted “, or due to the death of all members of the household” after “due to inactivity”.

Subsec. (h)(12)(B), (C). Pub. L. 115-334, § 4006(c)(2), added subpars. (B) and (C) and struck out former subpars. (B) and (C) which read as follows:

“(B) BENEFIT STORAGE.—A State agency may store recovered electronic benefits off-line in accordance with subparagraph (D), if the household has not accessed the account after 6 months.

“(C) BENEFIT EXPUNGING.—A State agency shall expunge benefits that have not been accessed by a household after a period of 12 months.”

Subsec. (h)(13). Pub. L. 115-334, § 4006(d)(1), amended par. (13) generally. Prior to amendment, text read as follows: “No interchange fees shall apply to electronic benefit transfer transactions under this subsection.”

Subsec. (h)(14)(A). Pub. L. 115-334, § 4006(e)(1), amended subpar. (A) generally. Prior to amendment, subpar. (A) related to redemption of benefits by retail food stores through electronic means other than wired point of sale devices for electronic benefit transfer transactions, if certain criteria had been met.

Subsec. (h)(14)(B). Pub. L. 115-334, § 4006(e)(2)(A), substituted “Demonstration projects on access of benefits through mobile technologies” for “Demonstration project on acceptance of benefits of mobile transactions” in heading.

Subsec. (h)(14)(B)(i). Pub. L. 115-334, § 4006(e)(2)(B), amended cl. (i) generally. Prior to amendment, text read as follows: “Before authorizing implementation of subparagraph (A) in all States, the Secretary shall pilot the use of mobile technologies determined by the Secretary to be appropriate to test the feasibility and implications for program integrity, by allowing retail food stores to accept benefits from recipients of supplemental nutrition assistance through mobile transactions.”

Subsec. (h)(14)(B)(ii). Pub. L. 115-334, § 4006(e)(2)(C)(i)-(iii), in heading substituted “Project requirements” for “Demonstration projects” and, in introductory provisions, substituted “State agency” for “retail food store” and struck out “includes” after “a plan that”.

Subsec. (h)(14)(B)(ii)(I) to (VIII). Pub. L. 115-334, § 4006(e)(2)(C)(iv), added subcls. (I) to (VIII) and struck out former subcls. (I) to (IV) which read as follows:

“(I) a description of the technology;

“(II) the manner by which the retail food store will provide proof of the transaction to households;

“(III) the provision of data to the Secretary, consistent with requirements established by the Secretary, in a manner that allows the Secretary to evaluate the impact of the demonstration on participant access, ease of use, and program integrity; and

“(IV) such other criteria as the Secretary may require.”

Subsec. (h)(14)(B)(iii), (iv). Pub. L. 115-334, § 4006(e)(2)(D), (E), added cl. (iii) and amended former cl. (iii) generally, which general amendment also redesignated former cl. (iii) as (iv). Prior to amendment, text of cl. (iii) read as follows: “The demonstration projects under this subparagraph shall be completed and final reports submitted to the Secretary by not later than July 1, 2016.”

Subsec. (h)(14)(C)(i). Pub. L. 115-334, § 4006(e)(3), substituted “2022” for “2017” and inserted “requires further study by way of an extended pilot period or” before “is not in the best interest”.

Subsec. (j)(1)(H). Pub. L. 115-334, § 4006(d)(2), amended subpar. (H) generally. Prior to amendment, text read as follows: “The term ‘switching’ means the routing of an interstate transaction that consists of transmitting the details of a transaction electronically recorded through the use of an electronic benefit transfer card in 1 State to the issuer of the card that is in another State.”

Subsec. (k). Pub. L. 115-334, § 4001(b)(1), substituted “Acceptance of program benefits through online transactions” for “Option to accept program benefits through on-line transactions” in heading.

Subsec. (k)(4)(C). Pub. L. 115-334, § 4001(b)(2), struck out subpar. (C). Text read as follows: “The demonstration projects under this paragraph shall be completed and final reports submitted to the Secretary by not later than July 1, 2016.”

Subsec. (k)(5). Pub. L. 115-334, § 4001(b)(3), struck out par. (5). Text read as follows: “The Secretary shall—

“(A) by not later than January 1, 2017, authorize implementation of paragraph (1) in all States, unless the Secretary makes a finding, based on the data provided under paragraph (4), that implementation in all States is not in the best interest of the supplemental nutrition assistance program; and

“(B) if the determination made in subparagraph (A) is not to implement in all States, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes the basis of the finding.”

2014—Subsec. (b). Pub. L. 113-79, § 4011(b)(2)(A), substituted “purchase food from retail food stores” for “purchase food in retail food stores”.

Subsec. (f)(2). Pub. L. 113-79, § 4002(b)(1), added par. (2) and struck out former par. (2). Text read as follows: “The cost of documents or systems that may be required by this subsection may not be imposed upon a retail food store participating in the supplemental nutrition assistance program.”

Subsec. (f)(4), (5). Pub. L. 113-79, § 4002(b)(2), added pars. (4) and (5).

Subsec. (h)(2)(C)(ii). Pub. L. 113-79, § 4002(c), added cl. (ii) and struck out former cl. (ii) which read as follows: “effective not later than 2 years after August 22, 1996, to the extent practicable, measures that permit a system to differentiate items of food that may be acquired with an allotment from items of food that may not be acquired with an allotment;”

Subsec. (h)(3)(B). Pub. L. 113-79, § 4002(d), substituted “is operational at a sufficient number” for “is operational—

“(i) in the case of a participating retail food store in which coupons are used to purchase 15 percent or more of the total dollar amount of food sold by the store (as determined by the Secretary), at all registers in the store; and

“(ii) in the case of other participating stores, at a sufficient number”.

Subsec. (h)(8). Pub. L. 113-79, § 4010, substituted “of cards” for “card fee” in par. heading, designated existing provisions as subpar. (A), inserted subpar. heading, and added subpars. (B) to (D).

Subsec. (h)(12), (13). Pub. L. 113-79, § 4030(e), redesignated par. (12), relating to interchange fees, as (13).

Subsec. (h)(14). Pub. L. 113-79, § 4011(a), added par. (14).

Subsec. (k). Pub. L. 113-79, § 4011(b)(1), added subsec. (k).

2010—Subsec. (h)(10). Pub. L. 111-203 amended par. (10) generally. Prior to amendment, text read as follows: “Disclosures, protections, responsibilities, and remedies established by the Federal Reserve Board under section 1693b of title 15 shall not apply to benefits under this chapter delivered through any electronic benefit transfer system.”

2008—Pub. L. 110-246, § 4115(a)(1), substituted “program benefits” for “coupons” in section catchline.

Subsec. (a). Pub. L. 110-246, § 4115(a)(1), inserted heading and substituted “Except as provided in subsection (i), EBT cards shall be” for “Coupons shall be printed under such arrangements and in such denominations as may be determined by the Secretary to be necessary, and (except as provided in subsection (j) of this section) shall be”.

Pub. L. 110-246, § 4001(b), substituted “supplemental nutrition assistance program” for “food stamp program”.

Subsec. (b). Pub. L. 110-246, § 4115(a)(2), inserted heading, substituted “Benefits” for “Coupons”, and struck out before period at end “: *Provided further*, That eligible households using coupons to purchase food may receive cash in change therefor so long as the cash received does not equal or exceed the value of the lowest coupon denomination issued”.

Pub. L. 110-246, § 4001(b), substituted “supplemental nutrition assistance program” for “food stamp program”.

Subsec. (c). Pub. L. 110-246, § 4115(a)(3), inserted subsec. heading, designated existing provisions as par. (1), inserted par. heading, substituted “EBT cards” for “Coupons”, struck out “and define their denomination” after “explain their purpose”, struck out at end “The name of any public official shall not appear on such coupons.”, and added par. (2).

Subsec. (d). Pub. L. 110-246, § 4115(a)(4), (12), redesignated subsec. (e) as (d) and struck out former subsec. (d) which related to determination and monitoring of coupon inventory levels and certified monthly report on issuer’s operations.

Subsec. (e). Pub. L. 110-246, § 4115(a)(12), redesignated subsec. (f) as (e). Former subsec. (e) redesignated (d).

Pub. L. 110-246, § 4115(a)(5), substituted “benefits” for “coupons” in two places and “benefit issuers” for “coupon issuers” in two places.

Subsec. (f). Pub. L. 110-246, § 4115(a)(12), redesignated subsec. (g) as (f). Former subsec. (f) redesignated (e).

Pub. L. 110-246, § 4115(a)(6), substituted “issuance of benefits” for “issuance of coupons”, “benefit issuers” for “coupon issuer”, and “authorizations for benefits” for “authorizations for coupons and allotments” and struck out “including any losses involving failure of a benefit issuers to comply with the requirements specified in section 2020(e)(20) of this title,” after “issuance of benefits”.

Subsec. (g). Pub. L. 110-246, § 4115(a)(12), redesignated subsec. (h) as (g). Former subsec. (g) redesignated (f).

Pub. L. 110-246, § 4115(a)(7), added subsec. (g) and struck out former subsec. (g) which related to issuance or delivery of food stamp coupons using alternative methods or issuance of other reusable documents in lieu of coupons by a State agency.

Pub. L. 110-246, § 4001(b), substituted “supplemental nutrition assistance program” for “food stamp program” in two places.

Subsec. (h). Pub. L. 110-246, § 4115(a)(12), redesignated subsec. (i) as (h). Former subsec. (h) redesignated (g).

Subsec. (h)(1). Pub. L. 110-246, § 4115(a)(8), substituted “benefits” for “coupons”.

Subsec. (h)(2). Pub. L. 110-246, § 4113, added par. (2) and struck out former par. (2) which read as follows: “Any procedure established under paragraph (1) shall not reduce the allotment of any household and shall ensure that no household experiences an interval between issuances of more than 40 days. The procedure may include issuing a household’s benefits in more than one issuance.”

Subsec. (i). Pub. L. 110-246, § 4115(a)(12), redesignated subsec. (j) as (i). Former subsec. (i) redesignated (h).

Subsec. (i)(3)(B)(ii). Pub. L. 110-246, § 4002(a)(4)(A)(i), substituted “households receiving supplemental nutrition assistance program benefits” for “food stamp households”.

Subsec. (i)(7). Pub. L. 110-246, § 4002(a)(4)(A)(ii), substituted “supplemental nutrition assistance issuance” for “food stamp issuance”.

Subsec. (i)(12). Pub. L. 110-246, § 4115(a)(9), added par. (12) relating to interchange fees.

Pub. L. 110-246, § 4114, added par. (12) relating to recovering electronic benefits.

Subsec. (j). Pub. L. 110-246, § 4115(a)(12), redesignated subsec. (k) as (j). Former subsec. (j) redesignated (i).

Subsec. (j)(1). Pub. L. 110-246, § 4001(b), substituted “supplemental nutrition assistance program” for “food stamp program”.

Subsec. (j)(2)(A)(ii). Pub. L. 110-246, § 4115(a)(10)(A), substituted “issuing and redeeming benefits” for “printing, shipping, and redeeming coupons”.

Subsec. (j)(2)(B). Pub. L. 110-246, § 4001(b), substituted “supplemental nutrition assistance program” for “food stamp program”.

Subsec. (j)(5). Pub. L. 110-246, § 4115(a)(10)(B), substituted “benefit” for “coupon”.

Subsec. (k). Pub. L. 110-246, § 4115(a)(12), redesignated subsec. (k) as (j).

Subsec. (k)(1)(A). Pub. L. 110-246, § 4115(a)(11)(C), which directed amendment of subpar. (A) by substituting “subsection (h)(11)(A)” for “subsection (i)(11)(A)”, was executed by making the substitution in subpar. (A) of par. (1), to reflect the probable intent of Congress.

Subsec. (k)(1)(B). Pub. L. 110-246, § 4115(a)(11)(A), substituted “program benefits in the form of” for “coupons in the form of”.

Subsec. (k)(1)(C), (E). Pub. L. 110-246, § 4115(a)(11)(B), substituted “program benefits in the form of” for “a coupon issued in the form of”.

Subsec. (k)(2). Pub. L. 110-246, § 4115(a)(11)(A), substituted “program benefits in the form of” for “coupons in the form of”.

Pub. L. 110-246, § 4002(a)(4)(B)(i), substituted “supplemental nutrition assistance program benefits” for “food stamp benefits”.

Subsec. (k)(3). Pub. L. 110-246, § 4002(a)(4)(B)(ii), substituted “retail store” for “food stamp retail store”.

Pub. L. 110-246, § 4001(b), substituted “supplemental nutrition assistance program” for “food stamp program”.

Subsec. (k)(5)(B)(ii), (C). Pub. L. 110-246, § 4001(b), substituted “supplemental nutrition assistance program” for “food stamp program” wherever appearing.

2002—Subsec. (i)(2). Pub. L. 107-171 redesignated subpars. (B) to (I) as (A) to (H), respectively, and struck out former subpar. (A) which read as follows: “determining the cost-effectiveness of the system to ensure that its operational cost, including the pro rata cost of capital expenditures and other reasonable startup costs, does not exceed the operational cost of issuance systems in use prior to the implementation of the electronic benefit transfer system.”

2000—Subsec. (k). Pub. L. 106-171 added subsec. (k).

1997—Subsec. (a). Pub. L. 105-18, title VII, [(a)(1)], inserted “(except as provided in subsection (j) of this section)” after “necessary, and”.

Subsec. (j). Pub. L. 105-18, title VII, [(a)(2)], added subsec. (j).

1996—Subsec. (i). Pub. L. 104-193, § 825(a)(1), inserted subsec. heading.

Subsec. (i)(1). Pub. L. 104-193, § 825(a)(1), added par. (1) and struck out former par. (1) which read as follows:

“(1)(A) Any State agency may, with the approval of the Secretary, implement an on-line electronic benefit transfer system in which household benefits determined under section 2017(a) of this title are issued from and stored in a central data bank and electronically accessed by household members at the point-of-sale.

“(B) No State agency may implement or expand an electronic benefit transfer system without prior approval from the Secretary.”

Subsec. (i)(2). Pub. L. 104–193, § 825(a)(2)(A), struck out “effective no later than April 1, 1992,” after “regulations” in introductory provisions.

Subsec. (i)(2)(A). Pub. L. 104–193, § 825(a)(2)(B), struck out “, in any 1 year,” after “does not exceed” and “on-line” before “electronic benefit”.

Subsec. (i)(2)(D). Pub. L. 104–193, § 825(a)(2)(C), added subpar. (D) and struck out former subpar. (D) which read as follows: “system security;”.

Subsec. (i)(2)(I). Pub. L. 104–193, § 825(a)(2)(D)–(F), added subpar. (I).

Subsec. (i)(7) to (11). Pub. L. 104–193, § 825(a)(3), added pars. (7) to (11).

1994—Subsec. (h)(1). Pub. L. 103–225 inserted second sentence and struck out former second sentence which read as follows: “The State agency shall establish such a procedure for eligible households residing on reservations.”

1990—Subsec. (h). Pub. L. 101–624, § 1728, amended subsec. (h) generally. Prior to amendment, subsec. (h) read as follows: “The State agency may implement a procedure for staggering the issuance of coupons to eligible households throughout the entire month: *Provided*, That the procedure ensures that, in the transition period from other issuance procedures, no eligible household experiences an interval between coupon issuances of more than 40 days, either through regular issuances by the State agency or through supplemental issuances.”

Subsec. (i). Pub. L. 101–624, § 1729(a), added subsec. (i).
1988—Subsec. (h). Pub. L. 100–435 struck out par. (1) designation and par. (2) which read as follows: “For any eligible household that applies for participation in the food stamp program during the last fifteen days of a month and is issued benefits within that period, coupons shall be issued for the first full month of participation by the the [sic] eighth day of the first full month of participation.”

1985—Subsec. (g)(1). Pub. L. 99–198, § 1519, substituted “shall” for “may” in provisions preceding subpar. (A).

Subsec. (h). Pub. L. 99–198, § 1518, added subsec. (h).

1982—Subsec. (f). Pub. L. 97–253, § 190(c)(2), substituted reference to section 2020(e)(20) of this title for former reference to section 2020(e)(21) of this title.

Subsec. (g). Pub. L. 97–253, § 162, added subsec. (g).

1981—Subsec. (f). Pub. L. 97–98 substituted “strictly liable” for “responsible” and inserted provision including any losses involving failure of a coupon issuer to comply with the requirements of section 2020(e)(21) of this title, except that in the case of losses resulting from the issuance and replacement of authorizations for coupons and allotments sent through the mail, State agency liability be to the extent prescribed in regulations.

1977—Pub. L. 95–113 substituted revised provisions relating to issuance and use of coupons for provisions relating to value of the coupon allotment which are now covered by section 2017 of this title.

1976—Subsec. (d). Pub. L. 94–339 designated existing provisions as par. (1) and added pars. (2) to (7).

1973—Subsec. (a). Pub. L. 93–125 substituted “for households of a given size unless the increase in the face value” for “for value”.

Pub. L. 93–86 substituted provisions relating to determination of semiannual adjustments in face value of coupon allotment for provisions relating to determination of annual adjustments in such allotment.

1971—Subsec. (a). Pub. L. 91–671 substituted provision for issuance of coupon allotment in such amount as the Secretary determines to be the cost of a nutritionally adequate diet, adjusted annually to reflect changes in

prices of food published by Bureau of Labor Statistics for prior provision for issuance in such amount as will provide households with an opportunity more nearly to obtain a low-cost nutritionally adequate diet and inserted “any” before “households”.

Subsec. (b). Pub. L. 91–671 substituted provisions respecting charges to households for coupon allotments representing reasonable investment on part of the households, issuance of coupon allotments without charge where monthly income is less than \$30 for a family of four, and election of coupon allotment with a lesser face value than the face value authorized to be issued for prior provision for a charge determined to be equivalent to normal expenditures for food.

Statutory Notes and Related Subsidiaries

CHANGE OF NAME

References to a “coupon”, “authorization card”, or other access device provided under the Food and Nutrition Act of 2008 considered to refer to a “benefit” under that Act, see section 4115(d) of Pub. L. 110–246, set out as a note under section 2012 of this title.

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111–203 effective 1 day after July 21, 2010, except as otherwise provided, see section 4 of Pub. L. 111–203, set out as an Effective Date note under section 5301 of Title 12, Banks and Banking.

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110–234 by Pub. L. 110–246 effective May 22, 2008, the date of enactment of Pub. L. 110–234, except as otherwise provided, see section 4 of Pub. L. 110–246, set out as an Effective Date note under section 8701 of this title.

Amendment by sections 4001(b), 4002(a)(4), and 4113–4115(a) of Pub. L. 110–246 effective Oct. 1, 2008, see section 4407 of Pub. L. 110–246, set out as a note under section 1161 of Title 2, The Congress.

EFFECTIVE DATE OF 2002 AMENDMENT

Amendment by Pub. L. 107–171 effective Oct. 1, 2002, except as otherwise provided, see section 4405 of Pub. L. 107–171, set out as an Effective Date note under section 1161 of Title 2, The Congress.

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by section 1728 of Pub. L. 101–624 effective and implemented first day of month beginning 120 days after publication of implementing regulations to be promulgated not later than Oct. 1, 1991, and amendment by section 1729 of Pub. L. 101–624 effective Nov. 28, 1990, see section 1781(a), (b)(2) of Pub. L. 101–624, set out as a note under section 2012 of this title.

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100–435 effective Jan. 1, 1989, except with regard to those States not implementing section 203(a) of Pub. L. 100–435 (amending section 2017 of this title), see section 701(b)(3)(B) of Pub. L. 100–435, set out as a note under section 2012 of this title.

EFFECTIVE DATE OF 1982 AMENDMENT

Amendment by Pub. L. 97–253 effective Sept. 8, 1982, see section 193(a) of Pub. L. 97–253, set out as a note under section 2012 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–98 effective on earlier of Sept. 8, 1982, or date such amendment became effective pursuant to section 1338 of Pub. L. 97–98, set out as a note under section 2012 of this title, see section 192(b) of Pub. L. 97–253, set out as a note under section 2012 of this title.

Amendment by Pub. L. 97–98 effective upon such date as Secretary of Agriculture may prescribe, taking into

account need for orderly implementation, see section 1338 of Pub. L. 97-98, set out as a note under section 2012 of this title.

EFFECTIVE DATE OF 1977 AMENDMENT

Pub. L. 95-113, title XIII, § 1301, Sept. 29, 1977, 91 Stat. 958, provided that the amendment made by section 1301 is effective Oct. 1, 1977.

SAVINGS CLAUSE

Pub. L. 113-79, title IV, § 4011(c), Feb. 7, 2014, 128 Stat. 793, provided that: “Nothing in this section [amending this section and section 2019 of this title] or an amendment made by this section alters any requirements of the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) unless specifically authorized in this section or an amendment made by this section.”

ADDITIONAL ASSISTANCE FOR SNAP ONLINE PURCHASING AND TECHNOLOGY IMPROVEMENTS

Pub. L. 117-2, title I, § 1102, Mar. 11, 2021, 135 Stat. 15, provided that:

“(a) FUNDING.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2021, out of any amounts in the Treasury not otherwise appropriated, \$25,000,000 to remain available through September 30, 2026, to carry out this section.

“(b) USE OF FUNDS.—The Secretary of Agriculture may use the amounts made available pursuant to subsection (a)—

“(1) to make technological improvements to improve online purchasing in the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.);

“(2) to modernize electronic benefit transfer technology;

“(3) to support the mobile technologies demonstration projects and the use of mobile technologies authorized under section 7(h)(14) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(14)); and

“(4) to provide technical assistance to educate retailers on the process and technical requirements for the online acceptance of the supplemental nutrition assistance program benefits, for mobile payments, and for electronic benefit transfer modernization initiatives.”

Pub. L. 116-260, div. N, title VII, § 703, Dec. 27, 2020, 134 Stat. 2094, provided that:

“(a) RESOURCES FOR SNAP ONLINE PURCHASING.—Not later than 60 days after the date of enactment of this Act [Dec. 27, 2020], the Secretary shall provide—

“(1) additional support for the Food and Nutrition Service to conduct end-to-end testing in the online production environment; and

“(2) technical assistance to educate retailers on the process and technical requirements for the online acceptance of SNAP benefits and to support and expedite SNAP online purchasing.

“(b) SNAP ONLINE PURCHASING ASSISTANCE FOR DIRECT-MARKETING FARMERS AND FARMERS’ MARKETS.—The Secretary, on a competitive basis, shall enter into cooperative agreements with, or provide grants to, not more than 5 eligible entities to build out functionality, and provide assistance to direct-marketing farmers and farmers’ markets to accept SNAP benefits through online transactions.

“(1) SELECTION PRIORITY.—The Secretary shall prioritize eligible entities with experience building online purchasing platforms for technology solutions for farmers’ markets and direct-marketing farmers.

“(2) DEFINITION OF ELIGIBLE ENTITY.—In this subsection, the term ‘eligible entity’ means a nonprofit entity with experience building online purchasing platforms or technology solutions, or with experience working with commercial entities that have experience building online purchasing platforms or technology solutions.

“(c) ISSUANCE INNOVATION AND TECHNOLOGY IMPROVEMENT SUPPORT.—The Secretary shall—

“(1) review technological developments, including developments related to security and privacy, surrounding mobile payment technology, to support the mobile technologies demonstration projects and the use of mobile technologies authorized under section 7(k)(14) [probably should be “7(k)(4)”] of the Food and Nutrition Act of 2008 [7 U.S.C. 2016(k)(4)]; and

“(2) test methods to modernize electronic benefit transfer technology for the purpose of improving the security and integrity of the electronic benefits transfer system.

“(d) REPORT.—Not later than January 31, 2022, and annually thereafter until all funds provided under subsection (e) have been expended, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that includes—

“(1) a description of the activities conducted under subsections (a), (b), and (c);

“(2) a description of any grants, cooperative agreements, or contracts awarded under this section;

“(3) an analysis of the technological developments surrounding mobile payment technology; and

“(4) a summary of EBT modernization testing results under subsection (c)(2).

“(e) FUNDING.—

“(1) APPROPRIATIONS.—There is hereby appropriated to the Secretary, out of any money in the Treasury not otherwise appropriated, \$5,000,000 to be available until expended to carry out this section.

“(2) USE OF FUNDS.—With respect to the funds appropriated under paragraph (1), the Secretary shall use—

“(A) not more than \$1,000,000 for purposes described in subsection (a); and

“(B) not more than \$1,000,000 for purposes described in subsection (b).”

[For definitions of “Secretary” and “SNAP” as used in section 703 of div. N of Pub. L. 116-260, set out above, see section 701 of div. N of Pub. L. 116-260, set out as a note under section 2011 of this title.]

REPORT ON ELECTRONIC BENEFIT TRANSFER SYSTEMS

Pub. L. 107-171, title IV, § 4111, May 13, 2002, 116 Stat. 309, as amended by Pub. L. 110-234, title IV, § 4002(b)(1)(A), (B), (2)(C), May 22, 2008, 122 Stat. 1095, 1096; Pub. L. 110-246, § 4(a), title IV, § 4002(b)(1)(A), (B), (2)(C), June 18, 2008, 122 Stat. 1664, 1857, 1858, required the Secretary of Agriculture to submit to Congress, not later than Oct. 1, 2003, a report related to State agencies’ use of electronic benefit transfer systems to issue benefits under the supplemental nutrition assistance program.

CONGRESSIONAL STATEMENT OF PURPOSE

Pub. L. 106-171, § 2, Feb. 11, 2000, 114 Stat. 3, as amended by Pub. L. 110-234, title IV, § 4002(b)(1)(A), (D), (2)(F), May 22, 2008, 122 Stat. 1095-1097; Pub. L. 110-246, § 4(a), title IV, § 4002(b)(1)(A), (D), (2)(F), June 18, 2008, 122 Stat. 1664, 1857, 1858, provided that: “The purposes of this Act [amending this section and enacting provisions set out as notes under this section and section 2011 of this title] are—

“(1) to protect the integrity of the supplemental nutrition assistance program;

“(2) to ensure cost-effective portability of supplemental nutrition assistance program benefits benefits [sic] across State borders without imposing additional administrative expenses for special equipment to address problems relating to the portability;

“(3) to enhance the flow of interstate commerce involving electronic transactions involving supplemental nutrition assistance program benefits benefits [sic] under a uniform national standard of interoperability and portability; and

“(4) to eliminate the inefficiencies resulting from a patchwork of State-administered systems and regula-

tions established to carry out the supplemental nutrition assistance program.”

STUDY OF ALTERNATIVES FOR HANDLING ELECTRONIC BENEFIT TRANSACTIONS INVOLVING FOOD STAMP BENEFITS

Pub. L. 106–171, § 4, Feb. 11, 2000, 114 Stat. 6, as amended by Pub. L. 110–234, title IV, § 4002(b)(1)(B), (D), (2)(F), May 22, 2008, 122 Stat. 1096, 1097; Pub. L. 110–246, § 4(a), title IV, § 4002(b)(1)(B), (D), (2)(F), June 18, 2008, 122 Stat. 1664, 1857, 1858, directed the Secretary of Agriculture, not later than 1 year after Feb. 11, 2000, to study and report to Congress on alternatives for handling interstate electronic benefit transactions involving supplemental nutrition assistance program benefits, including use of a single switching hub.

SUSPENSION OF STAGGERED ISSUANCE OF FOOD STAMP COUPONS

Pub. L. 102–237, title IX, § 908(a)(1), Dec. 13, 1991, 105 Stat. 1886, as amended by Pub. L. 103–11, § 1, Apr. 1, 1993, 107 Stat. 41; Pub. L. 103–205, § 1, Dec. 17, 1993, 107 Stat. 2418, provided that no State agency be required to implement 7 U.S.C. 2016(h)(1), regarding staggering of issuance of food stamp coupons, until Mar. 15, 1994, and directed Secretary of Agriculture to issue final regulations requiring staggered issuance of coupons no later than Dec. 1, 1992, prior to repeal by Pub. L. 103–225, title I, § 104(a), Mar. 25, 1994, 108 Stat. 107.

FOOD STAMP COUPONS, COST INCREASE SUSPENSION

Pub. L. 94–4, Feb. 20, 1975, 89 Stat. 6, provided that notwithstanding the provisions of 7 U.S.C. 2016(b), the charge imposed on any household for a coupon allotment under this chapter after Feb. 20, 1975, and prior to Dec. 30, 1975, could not exceed the charge that would have been imposed on such household for such coupon allotment under rules and regulations promulgated under this chapter and in effect on Jan. 1, 1975.

§ 2016a. EBT benefit fraud prevention

(a) Guidance; rulemaking

The Secretary shall—

(1) issue guidance to State agencies, on an ongoing basis, as informed by the process outlined in paragraph (4), that describes security measures that—

(A) are effective, as determined by the Secretary, in detecting and preventing theft of benefits, including through card skimming, card cloning, and other similar fraudulent methods;

(B) are consistent with industry standards for detecting, identifying, and preventing debit and credit card skimming, card cloning, and other similar fraudulent methods; and

(C) consider the feasibility of cost, availability, and implementation for States;

(2) promulgate regulations through notice-and-comment rulemaking to require State agencies to take the security measures described in the guidance issued under paragraph (1);

(3) not later than December 1, 2023, promulgate regulations (including an interim final rule) to require State agencies to implement procedures for the replacement of benefits consistent with subsection (b);

(4) coordinate with the Administrator of the Administration for Children and Families of the Department of Health and Human Services, the Attorney General of the United States, State agencies, retail food stores, and EBT contractors—

(A) to determine—

(i) how benefits are being stolen through card skimming, card cloning, and other similar fraudulent methods;

(ii) how those stolen benefits are used; and

(iii) to the maximum extent practicable, the locations where card skimming, card cloning, and other similar fraudulent methods are taking place;

(B) to establish measures, including equipment enhancements for retail food stores, to prevent benefits from being stolen through card skimming, card cloning, and other similar fraudulent methods; and

(C) to establish standard reporting methods for States to collect and share data with the Secretary on the scope of benefits being stolen through card skimming, card cloning, and other similar fraudulent methods; and

(5) not later than October 1, 2024, submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report that includes—

(A) to the maximum extent practicable, information on the frequency of theft of benefits and the location of those thefts, including benefits stolen through card skimming, card cloning, and other similar fraudulent methods;

(B) a description of the determinations made under paragraph (4)(A), the measures established under paragraph (4)(B), and methods established in paragraph (4)(C);

(C) a description of the industry standards described in paragraph (1)(B); and

(D) recommendations on how to consistently detect, track, report, and prevent theft of benefits, including benefits stolen through card skimming, card cloning, and other similar fraudulent methods.

(b) Replacement of benefits

The Secretary shall use funds appropriated under section 2027 of this title to require States to replace benefits that are determined by the State agency to have been stolen through card skimming, card cloning, or similar fraudulent methods, subject to the conditions that—

(1) the State agency shall submit to the Secretary not later than 60 days after December 29, 2022, for prior approval a plan for the replacement of stolen benefits that—

(A) includes appropriate procedures, as determined by the Secretary, for the timely submission of claims to, timely validation of claims by, and replacement issuance by the State agency that includes—

(i) a signed statement by the affected household on the benefit theft, consistent with the signature requirements and options provided by section 2020(e)(2)(C) of this title;

(ii) criteria to determine if a submitted claim is valid;

(iii) procedures for the documentation of replacement issuances, including the submitted claims and findings from the validation;