

AMENDED IN SENATE AUGUST 17, 2010  
AMENDED IN SENATE JUNE 30, 2010  
AMENDED IN SENATE APRIL 28, 2010  
AMENDED IN ASSEMBLY JANUARY 25, 2010  
AMENDED IN ASSEMBLY APRIL 23, 2009  
AMENDED IN ASSEMBLY APRIL 1, 2009  
CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 537**

---

**Introduced by Assembly Member Arambula  
(Coauthors: Assembly Members Caballero and Solorio)**

February 25, 2009

---

An act to add Section 10072.1 to the Welfare and Institutions Code, relating to public benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 537, as amended, Arambula. Farmers' markets: electronic benefit transfers.

Existing law, *administered by the State Department of Social Services*, provides for the establishment of a statewide electronic benefit transfer (EBT) system for the purpose of providing financial and food assistance benefits to needy Californians.

This bill would ~~require, with certain exceptions, allow an interested collective group or association of produce sellers in a flea market, farmers' market, or certified farmers' market that does not have an EBT system in place by January 1, 2012, to designate or assign an interested Food and Nutrition Service (FNS)-authorized organization or its~~

*designated Food and Nutrition Service (FNS) authorized agent to initiate and operate an EBT acceptance system in the market, as specified. The bill would require the State Department of Social Services to consider and solicit input from the market prior to making a designation or assignment authorized under the bill, to avoid potential conflicts, as specified. The bill would provide that an individual produce seller in a market is not prohibited from operating his or her own individual EBT acceptance activity as part of that seller's personal business customer transaction offering.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 10072.1 is added to the Welfare and  
 2 Institutions Code, to read:  
 3 10072.1. (a) The Legislature finds and declares that flea  
 4 markets, farmers' markets, and certified farmers' markets are  
 5 important sources of low-cost produce for Californians in need of  
 6 food assistance.  
 7 (b) (1) ~~If by January 1, 2012, An interested collective group or~~  
 8 ~~association of produce sellers actively participating in produce~~  
 9 ~~sales in a market described in subdivision (a) does not have a~~  
 10 ~~system in place for its produce sellers to accept electronic benefit~~  
 11 ~~transfer (EBT) for purchases, the State Department of Social~~  
 12 ~~Services (a) or its designated Food and Nutrition Services (FNS)~~  
 13 ~~authorized agent may initiate and operate an electronic benefit~~  
 14 ~~transfer (EBT) acceptance system on behalf of its members, to the~~  
 15 ~~extent and manner allowed by federal law and regulation, may~~  
 16 ~~designate or assign an interested Food and Nutrition Service~~  
 17 ~~(FNS)-authorized organization to operate an EBT acceptance~~  
 18 ~~system in the market on behalf of the market's produce sellers.~~  
 19 ~~The market shall allow regulation. The market operator shall allow~~  
 20 ~~and accommodate the FNS-authorized organization group or~~  
 21 ~~association in a reasonable manner that aids in the creation,~~  
 22 ~~implementation, and operation of the its EBT acceptance system.~~  
 23 ~~The allowance and accommodation by the market operator~~  
 24 ~~mandated by this section is limited solely to the activity of the~~  
 25 ~~operation of the EBT acceptance system by the group or~~

1 *association. No other activities are authorized without the express*  
2 *permission of the market operator.*

3 (2) This subdivision shall not apply to a market described in  
4 subdivision (a) that ~~operates an active and current~~ *currently or*  
5 *subsequently operates an* EBT acceptance system.

6 ~~(e) The State Department of Social Services shall consider and~~  
7 ~~solicit input from the market prior to making a designation or~~  
8 ~~assignment authorized under this section to avoid, among other~~  
9 ~~potential conflicts, the selection of an entity that is in direct~~  
10 ~~competition with the market being served. The department may~~  
11 ~~condition an assignment or designation, and remove an~~  
12 ~~FNS-authorized organization previously designated or assigned~~  
13 ~~by the department.~~

14 (c) *Nothing in this section or any other provision of law shall*  
15 *prohibit an individually FNS-authorized produce seller in a market*  
16 *described in subdivision (a) from operating his or her own*  
17 *individual EBT acceptance activity as part of that seller's personal*  
18 *business customer transaction offering.*

19 (d) Nothing in this section shall be interpreted to require a  
20 market described in subdivision (a) to itself create, operate, or  
21 maintain an EBT acceptance system on behalf of its produce  
22 sellers.