

**ASSEMBLY BILL**

**No. 473**

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**Introduced by Assembly Member Harper**

February 23, 2015

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An act to amend Section 10072 of the Welfare and Institutions Code, relating to public social services.

LEGISLATIVE COUNSEL'S DIGEST

AB 473, as introduced, Harper. Electronic benefits transfer system. Existing law, administered by the State Department of Social Services, provides for the establishment of a statewide electronic benefits transfer (EBT) system for the purpose of providing financial and food assistance benefits. Existing law authorizes a county to deliver CalFresh benefits and, upon election by the county, CalWORKs benefits through the use of an EBT system. Existing law requires, among other things, that a recipient not incur any loss of cash benefits that are taken by an unauthorized withdrawal, removal, or use of benefits that does not occur by the use of a physical EBT card issued to the recipient or authorized 3rd party to directly access the benefits.

This bill would make technical, nonsubstantive changes to those provisions.

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

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

- 1 SECTION 1. Section 10072 of the Welfare and Institutions
- 2 Code is amended to read:

1 10072. The electronic benefits transfer system required by this  
2 chapter shall be designed to do, but not be limited to, all of the  
3 following:

4 (a) To the extent permitted by federal law and the rules of the  
5 program providing the benefits, recipients who are required to  
6 receive their benefits using an electronic benefits transfer system  
7 shall be permitted to gain access to the benefits in any part of the  
8 state where electronic benefits transfers are accepted. All electronic  
9 benefits transfer systems in this state shall be designed to allow  
10 recipients to gain access to their benefits by using every other  
11 electronic benefits transfer system.

12 (b) To the maximum extent feasible, electronic benefits transfer  
13 systems shall be designed to be compatible with the electronic  
14 benefits transfer systems in other states.

15 (c) All reasonable measures shall be taken in order to ensure  
16 that recipients have access to electronically issued benefits through  
17 systems such as automated teller machines, point-of-sale devices,  
18 or other devices that accept electronic benefits transfer transactions.  
19 Benefits provided under Chapter 2 (commencing with Section  
20 11200) of Part 3 shall be staggered over a period of three calendar  
21 days, unless a county requests a waiver from the department and  
22 the waiver is approved, or in cases of hardship pursuant to  
23 subdivision (p).

24 (d) The system shall provide for reasonable access to benefits  
25 to recipients who demonstrate an inability to use an electronic  
26 benefits transfer card or other aspect of the system because of  
27 disability, language, lack of access, or other barrier. These  
28 alternative methods shall conform to the requirements of the  
29 Americans with Disabilities Act (42 U.S.C. Sec. 12101, et seq.),  
30 including reasonable accommodations for recipients who, because  
31 of physical or mental disabilities, are unable to operate or otherwise  
32 make effective use of the electronic benefits transfer system.

33 (e) The system shall permit a recipient the option to choose a  
34 personal identification number, also known as a "PIN" number,  
35 to assist the recipient to remember his or her number in order to  
36 allow access to benefits. Whenever an institution, authorized  
37 representative, or other third party not part of the recipient  
38 household or assistance unit has been issued an electronic benefits  
39 transfer card, either in lieu of, or in addition to, the recipient, the  
40 third party shall have a separate card and personal identification

1 number. At the option of the recipient, he or she may designate  
2 whether restrictions apply to the third party's access to the  
3 recipient's benefits. At the option of the recipient head of  
4 household or assistance unit, the county shall provide one electronic  
5 benefits transfer card to each adult member to enable them to  
6 access benefits.

7 (f) The system shall have a 24-hour per day toll-free telephone  
8 hotline for the reporting of lost or stolen cards that will provide  
9 recipients, at no additional cost to the recipient, with information  
10 on how to have the card and personal identification number  
11 replaced, and that will allow an authorized representative or head  
12 of household to access, over the telephone, the transaction history  
13 detail for at least the last 10 transactions and to request that the  
14 transaction history detail for at least the past two months be sent  
15 by mail.

16 (g) The system shall have an Internet Web site that will provide  
17 recipients, at no additional cost to the recipient, with information  
18 on how to have the card and personal identification number  
19 replaced, and that will allow an authorized representative or head  
20 of household to view the transaction history detail for at least the  
21 last 10 transactions and to request that the transaction history detail  
22 for at least the past two months be sent by mail.

23 (h) In addition to the ability to receive transaction history detail  
24 pursuant to subdivisions (f) and (g), a county human services  
25 agency shall make available to an authorized representative or  
26 head of household, at no additional cost to the authorized  
27 representative or head of household, all electronic benefit  
28 transaction history details that are available to the county human  
29 services agency within 10 business days after a request has been  
30 received by the agency.

31 (i) (1) A recipient shall not incur any loss of electronic benefits  
32 after reporting that his or her electronic benefits transfer card or  
33 personal identification number has been lost or stolen. The system  
34 shall provide for the prompt replacement of lost or stolen electronic  
35 benefits transfer cards and personal identification numbers.  
36 Electronic benefits for which the case was determined eligible and  
37 that were not withdrawn by transactions using an authorized  
38 personal identification number for the account shall also be  
39 promptly replaced.

1 (2) A recipient shall not incur any loss of cash benefits that are  
2 taken by an unauthorized withdrawal, removal, or use of benefits  
3 that does not occur by the use of a physical ~~EBT~~ *electronic benefits*  
4 *transfer* card issued to the recipient or authorized third party to  
5 directly access the benefits. Benefits taken as described in this  
6 paragraph shall be promptly replaced in accordance with the  
7 protocol established by the department pursuant to paragraph (3).

8 (3) The State Department of Social Services shall establish a  
9 protocol for recipients to report electronic theft of cash benefits  
10 that minimizes the burden on recipients, ensures prompt  
11 replacement of benefits in order to minimize the harm to recipients,  
12 and ensures program integrity. This protocol may include the  
13 automatic replacement of benefits without the need for recipient  
14 reporting and verification.

15 (j) Electronic benefits transfer system consumers shall be  
16 informed ~~on~~ *as to* how to use electronic benefits transfer cards,  
17 how to protect their cards from misuse, and where consumers can  
18 use their cards to withdraw benefits without incurring a fee, charge,  
19 or surcharge.

20 (k) The electronic benefits transfer system shall be designed to  
21 inform recipients when the electronic benefits transfer system does  
22 not function or is expected not to function for more than a one-hour  
23 period between 6 a.m. and midnight during any 24-hour period.  
24 This information shall be made available in the recipient's preferred  
25 language if the electronic benefits transfer system vendor contract  
26 provides for services in that language.

27 (l) Procedures shall be developed for error resolution.

28 (m) No fee shall be charged by the state, a county, or an  
29 electronic benefits processor certified by the state to retailers  
30 participating in the electronic benefits transfer system.

31 (n) Except for CalFresh transactions, a recipient may be charged  
32 a fee, not to exceed the amount allowed by applicable state and  
33 federal law and customarily charged to other customers, for cash  
34 withdrawal transactions that exceed four per month.

35 (o) The electronic benefits transfer system shall be designed to  
36 ensure that recipients of benefits under Chapter 2 (commencing  
37 with Section 11200) of Part 3 have access to using or withdrawing  
38 benefits with minimal fees or charges, including an opportunity  
39 to access benefits with no fee or charges.

1 (p) A county shall exempt an individual from the three-day  
2 staggering requirement under subdivision (c) on a case-by-case  
3 basis for hardship. Hardship includes, but is not limited to, the  
4 incurrence of late charges on an individual's housing payments.

5 (q) A county shall use information provided by the department  
6 to inform recipients of benefits under Chapter 2 (commencing with  
7 Section 11200) of Part 3 of all of the following:

8 (1) The methods of electronic delivery of benefits available,  
9 including distribution of benefits through the electronic benefits  
10 transfer system or direct deposit pursuant to Section 11006.2.

11 (2) Applicable fees and charges, including surcharges, consumer  
12 and privacy protections, and liability for theft associated with the  
13 electronic benefits transfer system.

14 (3) How to avoid fees and charges, including opting for delivery  
15 of benefits by direct deposit and using the electronic benefits  
16 transfer card solely at surcharge free locations.

17 (4) Where to withdraw benefits without a surcharge when using  
18 the electronic benefits transfer system.

19 (5) That a recipient may authorize any available method of  
20 electronic delivery of benefits and instructions regarding how the  
21 recipient may select or change his or her preferred method of  
22 electronic delivery of benefits and that the recipient shall be given  
23 the opportunity to select the method prior to the first payment.

24 (6) That a recipient may be entitled to an alternative method of  
25 delivery if the recipient demonstrates an inability to use an  
26 electronic benefits transfer card or other aspect of the system  
27 because of disability, language, lack of access, or other barrier  
28 pursuant to subdivision (d) and instructions regarding how to  
29 determine whether the recipient qualifies for an alternative method  
30 of delivery.

31 (7) That a recipient may be entitled to an exemption from the  
32 three-day staggering requirement under subdivision (c) on a  
33 case-by-case basis for hardship pursuant to subdivision (o) and  
34 instructions regarding how to determine whether the recipient  
35 qualifies for the exemption.

36 (r) A county is in compliance with subdivision (q) if it provides  
37 the recipient a copy of the information developed by the  
38 department. A county may provide a recipient information, in  
39 addition to the copy of the information developed by the  
40 department, pursuant to subdivision (q), either verbally or in

- 1 writing, if the county determines the additional information will
- 2 benefit the recipient's understanding of the information provided.

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