

The House Committee on Governmental Affairs offers the following substitute to HB 138:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 9 of Chapter 4 of Title 49 of the Official Code of Georgia Annotated,
2 relating to temporary assistance for needy families, so as to prohibit the use of cash
3 assistance in certain retail establishments; to prohibit the use of cash assistance by recipients
4 for the purchase of certain products or services; to require signs to be posted at certain
5 establishments; to provide for reports of suspected abuse; to provide for investigations; to
6 provide for sanctions; to provide for a report; to provide for revisions to the state plan; to
7 provide for rules and regulations; to provide for related matters; to provide for an effective
8 date; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 Article 9 of Chapter 4 of Title 49 of the Official Code of Georgia Annotated, relating to
12 temporary assistance for needy families, is amended by revising Code Section 49-4-189,
13 which is reserved, to read as follows:

14 "49-4-189.

15 (a)(1) It shall be unlawful for the following establishments to accept and for a recipient
16 to use cash assistance for any transaction in such establishment:

17 (A) A liquor store, which shall be defined as an establishment of a retail dealer in
18 distilled spirits licensed pursuant to Chapter 4 of Title 3;

19 (B) A retail establishment which as its primary activity provides adult oriented
20 entertainment in which performers disrobe or perform in an unclothed state for
21 entertainment;

22 (C) A retail establishment whose primary purpose is to sell media or products relating
23 to sexual activities;

24 (D) A retail establishment whose primary purpose is to sell tobacco products; or

25 (E) An establishment which as its primary activity provides tattoos or body piercings.

26 (2) On and after January 1, 2015, the establishments listed in paragraph (1) of this
27 subsection shall annually register with the Department of Revenue by January 31 of each
28 year and provide the establishment's merchant category code or analogous code as
29 assigned by the Department of Revenue pursuant to paragraph (3) of this subsection and
30 such other information as the board deems necessary to enforce this Code section. Such
31 establishments shall also notify the Department of Revenue of any change to the
32 establishment's merchant category code, within 30 days of such change. Any such
33 establishment shall also ensure that its merchant category code is associated with its name
34 and transaction information that is transmitted to credit card and debit card entities when
35 a transaction is made.

36 (3) The Department of Revenue shall transmit to the department, on an ongoing basis,
37 a list of establishments in this state which correspond to the merchant's category code for
38 the type of establishments listed in paragraph (1) of this subsection. In the event that one
39 or more of such type of establishments listed in paragraph (1) of this subsection does not
40 correspond to a merchant's category code, the Department of Revenue shall assign it an
41 analogous code in order to identify these establishments to the department.

42 (b) On and after January 1, 2015, a recipient shall not use cash assistance for the purchase
43 of the following products or services:

- 44 (1) Lottery tickets;
- 45 (2) Alcoholic beverages;
- 46 (3) Tobacco products;
- 47 (4) Pornographic materials;
- 48 (5) Tattoos or body piercings;
- 49 (6) Gambling; or
- 50 (7) Gift cards.

51 (c)(1) On and after January 1, 2015, the establishments listed in paragraph (1) of
52 subsection (a) of this Code section shall post in a prominent location at each entrance and
53 at each automated teller machine located on the premises of such establishment a sign
54 which informs patrons that the use of cash assistance is prohibited in such establishment
55 and that there are penalties for abuse of such prohibitions.

56 (2) On and after January 1, 2015, any retail establishment which sells any of the
57 prohibited products or services set forth in subsection (b) of this Code section shall post
58 in a prominent location at each automated teller machine located on the premises of such
59 establishment a sign which informs patrons that the use of cash assistance is prohibited
60 for the purchase of any such prohibited products or services and that there are penalties
61 for abuse of such prohibitions.

62 (3) Prior to January 1, 2015, the language for the signs required by paragraphs (1)
63 and (2) of this subsection shall be provided by the department to the public on its website,
64 shall be 6 inches by 8 inches in size, and shall include the toll-free telephone number and
65 website address established pursuant to subsection (d) of this Code section to report
66 suspected incidents of abuse of such prohibitions.

67 (4) To the extent that a federally insured depository financial institution is subject to the
68 notice requirements under this Code section, those requirements may be satisfied by
69 displaying the notice information on the automated teller machine screen.

70 (5) This subsection shall stand repealed and reserved on January 1, 2018.

71 (d) The department shall operate a toll-free telephone number and a website to receive
72 reports of suspected violations of this Code section. The department shall monitor the
73 incidents reported pursuant to this Code section and shall refer such incidents to
74 investigators within the department. Investigators within the Department of Revenue and
75 the department shall be authorized to investigate establishments and recipients for
76 violations of this Code section.

77 (e)(1) An individual employed by an establishment listed in paragraph (1) of subsection
78 (a) of this Code section who knowingly violates subsection (a) of this Code section shall
79 be subject to a fine of \$250.00 per violation.

80 (2) An establishment listed in paragraph (1) of subsection (a) of this Code section which
81 has two or more violations under paragraph (1) of this subsection within the same
82 calendar year shall be required to install technology or software to block transactions with
83 any state sponsored debit or electronic benefits transfer card which allow expenditure of
84 cash assistance at the point of sale and at all automated teller machines on the premises,
85 or otherwise not accept such cards for payment. An establishment which fails to comply
86 with this requirement shall be subject to a \$250.00 fine per violation.

87 (3) A recipient who uses cash assistance in violation of subsection (a) or (b) of this Code
88 section shall be subject to sanctions pursuant to Code Section 49-4-185.

89 (4) Any fine, sanction, or penalty imposed for a violation of this Code section may be
90 appealed by the retail establishment or recipient sanctioned in accordance with the
91 administrative hearing process established pursuant to paragraph (8) of subsection (b) of
92 Code Section 49-4-183.

93 (5) It is the intent of the General Assembly that any fines imposed for violations of this
94 Code section are applied to offset the costs of enforcing the provisions of this Code
95 section.

96 (f)(1) On and after the effective date of this Code section, neither the board nor the
97 department shall enter into any contracts or agreements with entities for the provision of
98 cash assistance cards to recipients under this article unless such contracts or agreements

99 fully comply with the requirements of this Code section. Neither the board nor the
 100 department shall extend any contracts or agreements with entities for the provision of
 101 cash assistance cards to recipients under this article unless such contracts or agreements
 102 fully comply with the requirements of this Code section.

103 (2) No later than December 31, 2014, the department shall provide a report to the
 104 Governor, the Speaker of the House of Representatives, and the President of the Senate
 105 identifying other methods and associated costs that could be implemented to ensure that
 106 the provisions of this Code section are enforced through technology that may be used to
 107 prevent transactions prohibited under this Code section at the point of sale and at all
 108 automated teller machines at those establishments listed in paragraph (1) of subsection
 109 (a) of this Code section.

110 (g) On and after January 1, 2015, the board shall ensure that cash assistance is provided
 111 to recipients in accordance with the following requirements:

112 (1) Print on any state sponsored debit or electronic benefits transfer card which allows
 113 the user of such card to utilize temporary cash assistance for needy families to purchase
 114 the products and services prohibited under subsection (b) of this Code section or a
 115 reference to such statutory citation and the toll-free telephone number and website
 116 established pursuant to subsection (d) of this Code section; and

117 (2) Shall be attached to an account of transaction which may be audited by the
 118 Department of Revenue or the department for violations of this Code section.

119 (h) The department shall take appropriate steps, if necessary, to revise the state plan in
 120 order to effectuate the requirements of this Code section.

121 (i) A violation of this Code section by a retail establishment or a federally insured
 122 depository financial institution shall not constitute a private cause of action.

123 (j) The Department of Revenue and the department are authorized to establish rules and
 124 regulations necessary to implement the provisions of this Code section. Reserved."

125 **SECTION 2.**

126 This Act shall become effective upon its approval by the Governor or upon its becoming law
 127 without such approval.

128 **SECTION 3.**

129 All laws and parts of laws in conflict with this Act are repealed.