

By: Representatives White, Crawford, Dixon,  
Brown, Boyd, Monsour

To: Medicaid

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 1116

1 AN ACT TO BE KNOWN AS THE ACT TO RESTORE HOPE, OPPORTUNITY,  
2 AND PROSPERITY FOR EVERYONE (HOPE); TO REVISE VARIOUS PROVISIONS  
3 RELATING TO THE MEDICAID PROGRAM, THE TEMPORARY ASSISTANCE FOR  
4 NEEDY FAMILIES (TANF) PROGRAM, AND THE SUPPLEMENTAL NUTRITION  
5 ASSISTANCE PROGRAM (SNAP); AND FOR RELATED PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 **SECTION 1. Short Title.** This act shall be known and may be  
8 cited as the "Act to Restore Hope, Opportunity, and Prosperity for  
9 Everyone (HOPE)" or the HOPE Act.

10 **SECTION 2. Integration of Eligibility Systems.** The Division  
11 of Medicaid shall submit an Advanced Planning Document or amend  
12 its existing Advanced Planning Document to the Centers for  
13 Medicare and Medicaid Services (CMS) for the purpose of applying  
14 for the OMB A87 exception to support the integration of  
15 eligibility systems between the division and any applicable  
16 Department of Human Services program where an integrated system of  
17 eligibility will serve the state's interest in developing shared  
18 eligibility services across health and human services programs,  
19 while at the same time promoting and enhancing the state's efforts



20 of ensuring maximum program integrity across each agency. In  
21 preparing the Advanced Planning Document or amendment to the  
22 document, the division also shall:

23 (a) Identify functions that can be leveraged or shared  
24 across the state Medicaid program and other Department of Human  
25 Services programs;

26 (b) Weigh benefits of shared systems;

27 (c) Identify interoperability and integration goals;  
28 on state ideas before submitting Advanced Planning Documents; and

29 (e) Ensure that the enhancement to front end identity  
30 and asset verification is an integral part of the advanced  
31 planning and integration process going forward

32 The division shall submit its report to the Chairmen of the  
33 House and Senate Medicaid Committees within ninety (90) days. The  
34 report also shall be provided to the other members of the House  
35 and the Senate, unless any member requests not to receive the  
36 report.

37 **SECTION 3. Real-time eligibility monitoring.**

38 (1) Definitions. For purposes of Sections 3 through 8 of  
39 this act, the following definitions apply:

40 (a) "Department" means the Division of Medicaid or the  
41 Department of Human Services, as the case may be.

42 (b) "Identity information" means an applicant or  
43 recipient's full name, aliases, date of birth, address, Social  
44 Security number and other related information.



45           (2) Establishment of enhanced eligibility verification  
46 system.

47           (a) The department shall establish a computerized  
48 income, asset, and identity eligibility verification system in  
49 order to verify eligibility, eliminate the duplication of  
50 assistance, and deter waste, fraud, and abuse within each  
51 respective assistance program administered by the Department.

52           (b) The department shall enter into a competitively bid  
53 contract with a third-party vendor for the purposes of developing  
54 a system by which to verify the income, asset, and identity  
55 information of applicants to prevent fraud, misrepresentation, and  
56 inadequate documentation when determining an applicant's  
57 eligibility for assistance before the distribution of benefits,  
58 periodically between eligibility redeterminations, and during  
59 eligibility redeterminations and reviews, as prescribed in this  
60 section. The department may also contract with a vendor to  
61 provide information to facilitate reviews of recipient eligibility  
62 conducted by the department.

63           (c) When the department enters into a contract with a  
64 third-party vendor for the purposes of carrying out this section,  
65 the vendor, in partnership with the department, shall be required  
66 by contract to establish annualized savings realized from  
67 implementation of the verification system and savings shall exceed  
68 the total yearly cost to the state for implementing the  
69 verification system.



70 (d) When the department enters into a contract with a  
71 third-party vendor, the payment structure should be based on a  
72 per-applicant rate and may include a performance bonus for  
73 achieving above a predetermined rate of success of identifying  
74 waste, fraud, and abuse.

75 (e) To avoid any conflict of interest, when the  
76 department enters into a contract with a third-party vendor, that  
77 primary vendor may not currently or will not be allowed to bid on  
78 or be awarded a state contract to run enrollment services.

79 (f) Nothing in this section shall preclude the  
80 department from continuing to conduct additional eligibility  
81 verification processes, not detailed in this section, that are  
82 currently in practice.

83 (3) Enhanced eligibility verification process. (a) All  
84 applications for benefits must be processed within a ten-day  
85 period or the minimum required by federal law. Before awarding  
86 assistance, and on a quarterly basis thereafter, the department  
87 shall verify identity information of each respective applicant and  
88 recipient of assistance from the department against the following:

89 (i) Earned and unearned income information  
90 maintained by the Internal Revenue Service;

91 (ii) Employer weekly, monthly, and/or quarterly  
92 reports of income and unemployment insurance payment information  
93 maintained by the Department of Employment Security;



94 (iii) Earned income information maintained by the  
95 United States Social Security Administration;

96 (iv) Immigration status information maintained by  
97 United States Citizenship and Immigration Services;

98 (v) Death register information maintained by the  
99 United States Social Security Administration;

100 (vi) Prisoner information maintained by the United  
101 States Social Security Administration;

102 (vii) Public housing and Section 8 Housing  
103 Assistance payment information maintained by the United States  
104 Department of Housing and Urban Development;

105 (viii) National fleeing felon information  
106 maintained by the United States Federal Bureau of Investigation;

107 (ix) Wage reporting and similar information  
108 maintained by states contiguous to this state;

109 (x) Beneficiary records and earnings information  
110 maintained by the United States Social Security Administration in  
111 its Beneficiary and Earnings Data Exchange (BENDEX) database;

112 (xi) Earnings and pension information maintained  
113 by the United States Social Security Administration in its  
114 Beneficiary Earnings Exchange Record System (BEERS) database;

115 (xii) Employment information maintained by the  
116 Department of Employment Security;



117 (xiii) Employment information maintained by the  
118 United States Department of Health and Human Services in its  
119 National Directory of New Hires (NDNH) database;

120 (xiv) Supplemental Security Income information  
121 maintained by the United States Social Security Administration in  
122 its SSI State Data Exchange (SDX) database;

123 (xv) Veterans' benefits information maintained by  
124 the United States Department of Health and Human Services, in  
125 coordination with the State Department of Health and the State  
126 Department Of Veterans Affairs, in the federal Public Assistance  
127 Reporting Information System (PARIS) database;

128 (xvi) Child care services information maintained  
129 by the Department of Human Services;

130 (xvii) Utility payments information maintained by  
131 the state under the Low Income Home Energy Assistance Program;

132 (xviii) Emergency utility payment information  
133 maintained by the state or local entities;

134 (xix) A database of all persons who currently hold  
135 a license, permit, or certificate from any state agency the cost  
136 of which exceeds Five Hundred Dollars (\$500.00);

137 (xx) Income and employment information maintained  
138 by Department of Human Services and the United States Department  
139 of Health and Human Services' Office of Child Support Enforcement;

140 (xxi) Earnings and pension information maintained  
141 by Public Employees' Retirement System;



142 (xxii) Any existing real-time database of persons  
143 currently receiving benefits in other states, such as the National  
144 Accuracy Clearinghouse; and

145 (xxiii) A database that is substantially similar  
146 to or a successor of a database established in this section.

147 (b) Before awarding assistance, and on a quarterly  
148 basis, the department shall match identity information of each  
149 respective applicant and recipient of assistance from the  
150 department against, at minimum, the following public records:

151 (i) A nationwide public records data source of  
152 physical asset ownership such as real property, automobiles,  
153 watercraft, aircraft, and luxury vehicles, or any other vehicle  
154 owned by the applicant and recipient of assistance;

155 (ii) A nationwide public records data source of  
156 incarcerated individuals;

157 (iii) A nationwide best-address and driver's  
158 license data source to verify individuals are residents of the  
159 state;

160 (iv) A comprehensive public records database that  
161 identifies potential identity fraud or identity theft that can  
162 closely associate name, Social Security number, date of birth,  
163 phone, and address information;

164 (v) Subject to the guidelines of Section 1940(b)  
165 of the federal Social Security Act, 42 USC Section 1396w(b),  
166 information provided by at least sixty (60%) percent of national



167 and local financial institutions operating in Mississippi, in  
168 order to locate undisclosed depository accounts or verify account  
169 balances of disclosed accounts;

170 (vi) Outstanding default or arrest warrant  
171 information maintained by the criminal history systems board, the  
172 criminal justice information system, and the warrant management  
173 system; and

174 (vii) A database that is substantially similar to  
175 or a successor of a database established in this section.

176 **SECTION 4. Enhanced identity authentication process.** Before  
177 awarding assistance, applicants for benefits must complete a  
178 computerized identity authentication process that shall confirm  
179 the applicant owns the identity presented in the application. The  
180 department shall review the respective applicant or recipient's  
181 identity ownership using the following procedures:

182 (a) Provide a knowledge-based quiz consisting of  
183 financial or personal questions. The quiz must attempt to  
184 accommodate nonbanked or under-banked applicants who do not have  
185 an established credit history.

186 (b) Require the quiz for applications be available to  
187 be submitted through all channels, including online, in-person,  
188 and via phone.

189 **SECTION 5. Discrepancies and case review.** (1) If a  
190 discrepancy results from an applicant or recipient's identity  
191 information and one or more of the databases or information tools





192 listed under Section 3 or Section 6 of this act, the department  
193 shall review the respective applicant or recipient's case using  
194 the following procedures:

195 (a) If the information discovered does not result in  
196 the department finding a discrepancy or change in an applicant's  
197 or recipient's circumstances that may affect eligibility, the  
198 department shall take no further action.

199 (b) If the information discovered under Section 3 or  
200 Section 4 of this act results in the department finding a  
201 discrepancy or change in a recipient's circumstances that may  
202 affect eligibility, the department shall promptly redetermine  
203 eligibility after receiving such information.

204 (c) If the information discovered under Section 3 or  
205 Section 4 of this act results in the department finding a  
206 discrepancy or change in an applicant's or recipient's  
207 circumstances that may affect eligibility, the applicant or  
208 recipient shall be given an opportunity to explain the  
209 discrepancy; however, self-declarations by applicants or  
210 recipients shall not be accepted as verification of categorical  
211 and financial eligibility during eligibility evaluations, reviews,  
212 and redeterminations.

213 The department shall provide written notice to the applicant  
214 or recipient, which shall describe in sufficient detail the  
215 circumstances of the discrepancy or change, the manner in which  
216 the applicant or recipient may respond, and the consequences of



217 failing to take action. The applicant or recipient shall have ten  
218 (10) business days, or the minimum required by state or federal  
219 law, to respond in an attempt to resolve the discrepancy or  
220 change. The explanation provided by the recipient or applicant  
221 shall be given in writing. After receiving the explanation, the  
222 department may request additional documentation if it determines  
223 that there is risk of fraud, misrepresentation, or inadequate  
224 documentation.

225 (d) If the applicant or recipient does not respond to  
226 the notice, the department shall deny or discontinue assistance  
227 for failure to cooperate, in which case the department shall  
228 provide notice of intent to deny or discontinue assistance.  
229 Eligibility for assistance shall not be established or  
230 reestablished until the discrepancy or change has been resolved.

231 (e) If an applicant or recipient responds to the notice  
232 and disagrees with the findings of the match between his or her  
233 identity information and one or more databases or information  
234 tools listed under this act, the department shall reinvestigate  
235 the matter. If the department finds that there has been an error,  
236 the department shall take immediate action to correct it and no  
237 further action shall be taken. If, after an investigation, the  
238 department determines that there is no error, the department shall  
239 determine the effect on the applicant's or recipient's case and  
240 take appropriate action. Written notice of the respective  
241 department's action shall be given to the applicant or recipient.



242 (f) If the applicant or recipient agrees with the  
243 findings of the match between the applicant's or recipient's  
244 identity information and one or more databases or information  
245 tools listed under this act, the department shall determine the  
246 effect on the applicant or recipient's case and take appropriate  
247 action. Written notice of the department's action shall be given  
248 to the applicant or recipient. In no case shall the department  
249 discontinue assistance upon finding a discrepancy or change in  
250 circumstances between an individual's identity information and one  
251 or more databases or information tools listed under this act until  
252 the applicant or recipient has been given notice of the  
253 discrepancy and the opportunity to respond as required under this  
254 act.

255 (2) The department shall promulgate rules and regulations  
256 necessary for the purposes of carrying out this section.

257 **SECTION 6. Referrals for fraud, misrepresentation, or**  
258 **inadequate documentation.** (1) After reviewing changes or  
259 discrepancies that may affect program eligibility, the department  
260 shall refer suspected cases of fraud to the Attorney General for  
261 investigation and possible criminal prosecution, recovery of  
262 improper payments, and collection of civil penalties.

263 (2) After reviewing changes or discrepancies that may affect  
264 program eligibility, the department shall refer suspected cases of  
265 identity fraud to the Attorney General for criminal prosecution.



266 (3) In cases of fraud substantiated by the department, upon  
267 conviction the state should review all legal options to remove  
268 enrollees from other public programs and garnish wages or state  
269 income tax refunds until the state recovers an equal amount of  
270 benefits fraudulently received.

271 (4) After reviewing changes or discrepancies that may affect  
272 program eligibility, the department shall refer suspected cases of  
273 fraud, misrepresentation, or inadequate documentation to  
274 appropriate agencies, divisions, or departments for review of  
275 eligibility discrepancies in other public programs. This should  
276 also include cases where an individual is determined to be no  
277 longer eligible for the original program.

278 **SECTION 7. Reporting.** Six (6) months after the  
279 implementation of this act, and quarterly thereafter, the  
280 department shall provide a written report to the Governor and the  
281 members of the Legislature detailing the effectiveness and general  
282 findings of the eligibility verification system, including the  
283 number of cases reviewed, the number of case closures, the number  
284 of referrals for criminal prosecution, recovery of improper  
285 payment, collection of civil penalties, the outcomes of cases  
286 referred to the Attorney General under this act, and the savings  
287 that have resulted from the system.

288 **SECTION 8. Transparency in Medicaid.** Following the  
289 precedent set by Medicare, the department shall electronically  
290 release to the public data that includes, but is not limited to



291 the following: the provider's name and office locations; a  
292 provider's National Provider Identifier (NPI); the type of service  
293 provided by Healthcare Common Procedure Coding System (HCPCS)  
294 code; and whether the service was performed in a facility or  
295 office setting. This public data shall also include the number of  
296 services, average submitted charges, average allowed amount,  
297 average Medicaid payment, and a count of unique beneficiaries  
298 treated.

299 **SECTION 9. Work requirements.** The Department of Human  
300 Services shall not seek, apply for, accept or renew any waiver of  
301 requirements established under 7 USC Section 2015(o).

302 **SECTION 10. Federal asset limits for the Supplemental**  
303 **Nutrition Assistance Program.** In no case shall the resource limit  
304 standards of the Supplemental Nutrition Assistance Program (SNAP)  
305 exceed the standards specified in 7 USC Section 2014(g)(1), unless  
306 expressly required by federal law. In no case shall categorical  
307 eligibility exempting households from these resource limits be  
308 granted for any noncash, in-kind or other benefit, unless  
309 expressly required by federal law.

310 **SECTION 11. Broad-based categorical eligibility.** (1) In no  
311 case shall categorical eligibility under 7 USC Section 2014(a) or  
312 7 CFR Section 273.2(j)(2)(iii) be granted for any noncash, in-kind  
313 or other benefit unless expressly required by federal law for the  
314 Supplemental Nutrition Assistance Program (SNAP).



315 (2) The Department of Human Services shall not apply gross  
316 income standards for food assistance higher than the standards  
317 specified in 7 USC Section 2014(c) unless expressly required by  
318 federal law. Categorical eligibility exempting households from  
319 such gross income standards requirements shall not be granted for  
320 any noncash, in-kind or other benefit, unless expressly required  
321 by federal law.

322 **SECTION 12. Sharing enrollee information across agencies.**

323 (1) The Division of Medicaid and the Department of Human  
324 Services shall share eligibility information with each other in a  
325 timely manner when an enrollee has been disenrolled for any  
326 reason, and shall include the rationale for the action.

327 (2) Any department, agency or division receiving information  
328 under subsection (1) of this section shall establish procedures to  
329 redetermine eligibility for any enrollee whose eligibility or  
330 benefit levels could change as a result of new information  
331 provided under subsection (1).

332 **SECTION 13. Cash diversions as hand-up.** (1) Any funds  
333 disbursed by the Department of Human Services through any cash  
334 diversion program after July 1, 2016, shall be considered a loan.

335 (2) The department shall promulgate rules establishing the  
336 terms of loans disbursed under subsection (1) of this section.

337 (3) Any cash diversion loan disbursed under subsection (1)  
338 of this act that is not repaid according to the terms established



339 under subsection (2) of this section shall count towards the  
340 recipient's maximum time limit.

341 **SECTION 14. Maximum family grant.** For purposes of  
342 determining the maximum aid payment under the TANF program, the  
343 number of persons in a household shall not be increased for any  
344 child born into a household that has received aid under TANF  
345 continuously for the ten (10) months before the birth of the  
346 child.

347 **SECTION 15. Verify identities and household composition, and**  
348 **all expenses of welfare applicants.** The Department of Human  
349 Services shall verify identity, household composition, expenses,  
350 and any other factor affecting eligibility allowed under 7 CFR  
351 Section 273.2(f) (3).

352 **SECTION 16. Full cooperation with a fraud investigations.**  
353 The Department of Human Services shall communicate the expectation  
354 of mandatory cooperation with a fraud investigation and that  
355 noncompliance could result in case closure and termination of  
356 benefits within ten (10) days.

357 **SECTION 17. Gaps in eligibility reporting.** The Department  
358 of Human Services shall not establish or use a simplified  
359 reporting system under 7 CFR Section 273.12(a) (5).

360 **SECTION 18. Noncompliance with Temporary Assistance for**  
361 **Needy Families program rules.** (1) The Department of Human  
362 Services shall only grant benefits when an approved applicant has  
363 signed a written agreement clearly enumerating continued



364 eligibility requirements, circumstances in which sanctions may be  
365 imposed, and any potential penalties for noncompliance.

366 (2) The department shall require all enrollees to be  
367 compliant with all program requirements, including work  
368 requirements, before granting benefits.

369 (3) The department shall institute a three-month,  
370 full-household sanction for the first instance of non-compliance  
371 with any TANF requirement, unless expressly prohibited by federal  
372 law.

373 (4) The department shall terminate benefits for the second  
374 instance of non-compliance with any TANF requirement, unless  
375 expressly prohibited by federal law.

376 (5) An individual sanctioned under subsection (3) of this  
377 section shall not have benefits reinstated without reviewing the  
378 agreement required under subsection (1) of this section.

379 (6) The department shall deny benefits to any adult member  
380 of a household where another adult member of the household has  
381 been found to have committed benefits fraud.

382 **SECTION 19. Noncompliance with Supplemental Nutrition**

383 **Assistance Program rules.** (1) The Department of Human Services  
384 shall set disqualification periods for all instances of  
385 noncompliance with any SNAP requirement, unless expressly  
386 prohibited by federal law.





387 (2) The department shall institute a three-month,  
388 full-household disqualification period for the first instance of  
389 noncompliance, unless expressly prohibited by federal law.

390 (3) The department shall institute a six-month,  
391 full-household disqualification period for the second instance of  
392 noncompliance, unless expressly prohibited by federal law.

393 (4) The department shall institute a permanent  
394 disqualification period for the third instance of noncompliance,  
395 unless expressly prohibited by federal law.

396 (5) If a recipient is subject to a disqualification period  
397 under subsection (4) of this section, the department shall  
398 institute a six-month disqualification period for the recipient's  
399 entire household, unless expressly prohibited by federal law.

400 (6) Unless expressly prohibited by federal law, recipients  
401 shall be subject to disqualification for failure to perform  
402 actions required by other federal, state, or local means-tested  
403 public assistance programs.

404 **SECTION 20. Spending out-of-state.** (1) The Department of  
405 Human Services shall post on its website and make available on an  
406 annual basis to the chairmen of the House and Senate  
407 Appropriations Committees, the House Public Health and Human  
408 Services Committee and the Senate Public Health and Welfare  
409 Committee a report of SNAP and TANF benefit spending. The report  
410 also shall be provided to the other members of the House and the  
411 Senate, unless any member requests not to receive the report.



412 (2) The report required under subsection (1) of this section  
413 shall include:

414 (a) The dollar amount and number of transactions of  
415 SNAP benefits that are accessed or spent out-of-state,  
416 disaggregated by state;

417 (b) The dollar amount and number of transactions of  
418 TANF benefits that are accessed or spent out-of-state,  
419 disaggregated by state;

420 (c) The dollar amount, number of transactions, and  
421 times of transactions of SNAP benefits that are accessed or spent  
422 in-state, disaggregated by retailer, institution, or location; and

423 (d) The dollar amount, number of transactions, and time  
424 of transactions of TANF benefits that are accessed or spent  
425 in-state, disaggregated by retailer, institution, or location.

426 (3) The report required under subsection (1) of this section  
427 shall be de-identified to prevent identification of individual  
428 recipients.

429 **SECTION 21. Public reporting.** (1) The Division of Medicaid  
430 and the Department of Human Services shall post on their websites  
431 and make available on annual basis to the chairmen of the House  
432 and Senate Appropriations Committees, the House Public Health and  
433 Human Services Committee and the Senate Public Health and Welfare  
434 Committee a report of welfare recipient characteristics. The  
435 report also shall be provided to the other members of the House



436 and the Senate, unless any member requests not to receive the  
437 report.

438 (2) The report required under subsection (1) of this section  
439 shall include:

440 (a) The length of enrollment, disaggregated by program  
441 and eligibility group;

442 (b) The share of recipients concurrently enrolled in  
443 one or more additional means-tested programs, disaggregated by  
444 program and eligibility group;

445 (c) The number of means-tested programs recipients are  
446 concurrently enrolled in, disaggregated by program and eligibility  
447 group;

448 (d) The demographics and characteristics of recipients,  
449 disaggregated by program and eligibility group; and

450 (e) The dollar amount spent on advertising and  
451 marketing for TANF, SNAP, Medicaid, and other means-tested  
452 programs, including both state and federal funds, disaggregated by  
453 program.

454 (3) The report required under subsection (1) of this section  
455 shall be de-identified to prevent identification of individual  
456 recipients.

457 **SECTION 22. Photos on EBT cards.** (1) The Department of  
458 Human Services shall place a photograph of the recipient on any  
459 electronic benefits transfer card issued by the department, unless  
460 the recipient declines to have the photograph included. When a



461 recipient is a minor or otherwise incapacitated individual, a  
462 parent or legal guardian of such recipient may have a photograph  
463 of such parent or legal guardian placed on the card.

464 (2) The Department of Human Services shall explore  
465 opportunities with other state agencies, departments, or  
466 divisions, including the Department of Public Safety, to share  
467 photographs when available. The Department of Human Services may  
468 sign one or more memorandum of understanding with such agencies,  
469 departments, or divisions as necessary to implement this section.

470 **SECTION 23. Excessive EBT card loss.** (1) The Department of  
471 Human Services shall send all recipients that have requested three  
472 replacement cards within a twelve-month-period a letter informing  
473 them that another request will require participation in a  
474 face-to-face interview with a fraud investigator and eligibility  
475 expert.

476 (2) If a third-party vendor is administering replacement  
477 cards directly to recipients, it shall notify the department after  
478 the request for a third replacement card in a twelve-month-period,  
479 and any subsequent request thereafter.

480 (3) Upon a recipient's request of a fourth replacement card  
481 within any twelve-month-period, and any subsequent request  
482 thereafter, the department shall schedule an interview with a  
483 fraud investigator and eligibility expert before another new card  
484 is issued.



485 (4) If a recipient fails to appear at an interview scheduled  
486 under subsection (3) of this section, the department shall  
487 terminate the recipient's benefits within ten (10) days, unless  
488 expressly prohibited by federal law.

489 **SECTION 24. Limits on spending locations.** (1) Funds  
490 available on electronic benefit transfer cards shall not be used  
491 to purchase alcohol, liquor or imitation liquor, cigarettes,  
492 tobacco products, bail, gambling activities, lottery tickets,  
493 tattoos, travel services provided by a travel agent, money  
494 transmission to locations abroad, sexually oriented adult  
495 materials, concert tickets, professional or collegiate sporting  
496 event tickets, or tickets for other entertainment events intended  
497 for the general public.

498 (2) Electronic benefit transfer card transactions shall be  
499 prohibited at all retail liquor stores, casinos, gaming  
500 establishments, jewelry stores, tattoo parlors, massage parlors,  
501 body piercing parlors, spas, nail salons, lingerie shops, tobacco  
502 paraphernalia stores, vapor cigarette stores, psychic or fortune  
503 telling businesses, bail bond companies, video arcades, movie  
504 theaters, cruise ships, theme parks, dog or horse racing  
505 facilities, pari-mutuel facilities, sexually oriented businesses,  
506 retail establishments that provide adult-oriented entertainment in  
507 which performers disrobe or perform in an unclothed state for  
508 entertainment, and businesses or retail establishments where  
509 minors under eighteen (18) years of age are not permitted.



510 (3) Upon enrollment, the Department of Human Services shall  
511 offer new applicants an itemized list of prohibited purchases,  
512 including those specified in subsection (1) of this section, and  
513 make such a list available on the department's website.

514 (4) The department shall prohibit establishments identified  
515 under subsection (2) of this section from operating ATMs that  
516 accept electronic benefit transfer cards. Businesses found in  
517 violation of this subsection shall be subject to appropriate  
518 licensing sanctions.

519 (5) If a recipient is found to have violated subsection (1)  
520 of this section, the department shall issue a warning in writing  
521 to the recipient. The recipient shall be subject to  
522 disqualification of benefits for up to three (3) months following  
523 the first offense and a permanent termination of benefits  
524 following the second offense, unless expressly prohibited by  
525 federal law.

526 **SECTION 25.** This act shall take effect and be in force from  
527 and after July 1, 2016.

