

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 786 - HB 1339

March 23, 2015

SUMMARY OF BILL: Restricts the use of electronic benefits transfer (EBT) cards by Temporary Assistance for Needy Families (TANF) recipients at licensed retail stores that derive their largest category of sales from loose tobacco, cigars, cigarettes, pipes, and other smoking accessories. Requires the Department of Human Services to notify all TANF recipients of all prohibitions and the penalties under current law for using an EBT card in any prohibited business location. The provisions of the bill will take effect July 1, 2016.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Currently, the Department of Human Services (DHS) completes a monthly review of approximately 700 establishments for possible prohibited TANF EBT usage.
- Expanding the prohibition to approximately 400 additional locations will not significantly affect the monitoring operations related to enforcement of the existing restrictions because it will result in approximately one additional hour per month of monitoring staff work time.
- Through the analysis of TANF EBT transaction data for the prior year to identify which transactions were made at probable prohibited retailers, the department found that approximately 0.16 percent of total transactions were made at these proposed retailers by approximately 1.59 percent of TANF recipients.
- Based on the small number of transactions and the effective date of July 1, 2016, it is assumed that adequate communication and education will lead to a reduction in the volume of transactions and recipients utilizing their TANF EBT cards at the establishments; therefore, any increase in investigation and enforcement workloads will not be significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in cursive script that reads "Jeffrey L. Spalding".

Jeffrey L. Spalding, Executive Director

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