

TESTIMONY IN OPPOSITION TO HB 1434

Department of Human Services – Electronic Benefits Transfer Cards – 3 Restoration of Benefits

Hearing of the House Appropriations Committee
Maryland General Assembly
Delegate Ben Barnes, Chair
Delegate Mark S. Chang, Vice-Chair

Honorable Members of the House Appropriations Committee:

My name is Michele Gilman, and I am the Venable Professor of Law and Director of the Saul Ewing Civil Advocacy Clinic at the University of Baltimore School of Law. The Civil Advocacy Clinic represents low-income clients on a pro bono basis, many of whom are using Supplemental Nutrition Assistance Program (SNAP), Temporary Cash Assistance (TCA), and Temporary Disability Assistance Program (TDAP) benefits. This legislation undermines critical protections for victims of benefits theft that were enacted last year. It should be rejected.

Under the Prevent Electronic Benefits Theft Act of 2023, Maryland law currently provides anyone who experiences benefits theft the right to receive full and quick reimbursement. This law is essential. Prior to passage of this law, victims of benefits theft in Maryland lost vital assistance, resulting in food and housing instability. After the law's passage, over 31,000 low-income Marylanders who were victims of benefits theft have had their benefits restored. **We should not turn back the clock.**

This legislation, which makes reimbursement discretionary, would return Maryland to a **two-tier system of justice** for victims of card theft. People with the financial stability to use credit cards are notified by their credit card provider or by fraud alert that their card has been compromised. They are issued a new card and quickly reimbursed. Under the Fair Credit Billing Act, the cardholder is liable for a maximum of \$50, with some cards offering \$0 fraud liability for unauthorized charges. Further, their cards have enhanced security features such as microchips to limit theft.

By contrast, EBT cards do not use microchip technology and are highly vulnerable to skimming by thieves. If HB 1434 is enacted, EBT theft victims may be left with no recourse. This would create a two-tier system of justice in Maryland in which more affluent victims of credit card theft have a full panoply of protections, while low-income Marylanders victimized by EBT theft are left without life-sustaining public benefits. **Notably, 44% of victims of benefits theft in Maryland are children.**

For these reasons the Clinic strongly urges an **UNFAVORABLE report on HB 1434.**

For More Information:

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