

MARYLAND REGISTER

Proposed Action on Regulations

Comparison to Federal Standards Submission and Response

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In accordance with Executive Order 01.01.1996.03 and memo dated July 26, 1996, the attached document is submitted to the Department of Business and Economic Development for review.

The Proposed Action is not more restrictive or stringent than corresponding federal standards.

COMAR Codification: 07.03.03.16

Corresponding Federal Standard:

Middle Class Tax Relief and Job Creation Act

Discussion/Justification:

The Act requires that Temporary Assistance to Needy Families (TANF)/ Temporary Cash Assistance (TCA) recipients not use their electronic benefit transfers (EBT) cards (EBT) at adult entertainment venues, liquor stores, and gaming establishments (casinos).

TO BE COMPLETED BY DBED

- Agree

-Disagree

Comments:

I am not a subject matter expert in Temporary Cash Assistance. However, I believe DHR is the subject matter expert in this circumstance and I trust their assertion that the proposal is not more restrictive or stringent than corresponding federal standards.

Name: Sandy Popp

Date: 10/20/2014

_-Submit to Governor's Office
Governor's Office Response

Comments:

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee 10/20/2014	TO BE COMPLETED BY DSD
		Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

**Title 07
 DEPARTMENT OF
 HUMAN
 RESOURCES**

**Subtitle 03 FAMILY
 INVESTMENT
 PROGRAM**

07.03.03 .16 Method of Payment.

Authority: Human Services Article, §5-207 and Title 5, Subtitle 3, Annotated Code of Maryland; Ch. 469, Acts of 2009, Public Law 112-96

Notice of Proposed Action

□

The Secretary of Human Resources proposes to amend Regulation .16 under COMAR 07.03.03 Family Investment Program.

Statement of Purpose

The purpose of this action is to adhere to the federal Middle Class Tax Relief and Job Creation Act which prohibits Temporary Cash Assistance customers from using their electronic benefit transfer cards at liquor stores,

1. Desired date of publication in Maryland Register: 11/14/2014

2. COMAR Codification

Title	Subtitle	Chapter	Regulation
07	03	03	16

3. Name of Promulgating Authority

Department of Human Resources

4. Name of Regulations Coordinator	Telephone Number
Andrea Shuck	4102607787

Mailing Address

45 Calvert Street

City	State	Zip Code
Annapolis	MD	21401

Email
 ashuck@dhr.state.md.us

5. Name of Person to Call About this Document

Marilyn Lorenzo

Telephone No.

4107677333

Email Address

marilyn.lorenzo@maryland.gov

6. Check applicable items:

- New Regulations
- Amendments to Existing Regulations
 - Date when existing text was downloaded from COMAR online: July 21, 2014.
- Repeal of Existing Regulations
- Recodification
- Incorporation by Reference of Documents Requiring DSD Approval
- Reproposal of Substantively Different Text:

: Md.
R
(vol.) (issue) (page nos) (date)

Under Maryland Register docket no.: --P.

7. Is there emergency text which is identical to this proposal:

- Yes No

8. Incorporation by Reference

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

9. Public Body - Open Meeting

OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.

OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

10. Children's Environmental Health and

gambling establishments and adult entertainment venues.

Comparison to Federal Standards

There is a corresponding federal standard to this proposed action, but the proposed action is not more restrictive or stringent.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Andrea Shuck, Regulations Coordinator, Department of Human Resources, 311 W. Saratoga St., Room 265, Baltimore, MD 21201, or call 410-767-2149, or email to andrea.shuck@maryland.gov, or fax to 410-333-0637. Comments will be accepted through December 14, 2014. A public hearing has not been scheduled.

Protection

_ Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Kimberly Shearin, Assistant Attorney General, (telephone #410-767-7726) on August 1, 2014. A written copy of the approval is on file at this agency.

Name of Authorized Officer

Ted Dallas

Title

Secretary

Telephone No.

410-767-7193

Date

October 1, 2014

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2015

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

Yes

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

General and federal TANF funds.

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

E. If these regulations have no economic impact under Part A, indicate reason briefly:

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

G. Small Business Worksheet:

Small Business Analysis Worksheet

This worksheet is designed to

assist the agency in determining if and how the proposal impacts small businesses. Quantify the number of affected small businesses and estimates of costs and benefits to small businesses if possible. State Government Article, §2-1505.2, includes the following definitions which are relevant to the analysis:

“Economic impact analysis” means an estimate of the cost or the economic benefit to small businesses that may be affected by a regulation proposed by an agency pursuant to Title 10, Subtitle 1 of this article.

“Small business” means a corporation, partnership, sole proprietorship, or other business entity, including its affiliates, that: (i) is independently owned and operated; (ii) is not dominant in its field; and (iii) employs 50 or fewer full-time employees.

1a. Intended Beneficiaries.
Who are the intended beneficiaries of the proposed regulation?

Intended beneficiaries are TCA customers that Congress feels cannot manage their money because they are on federal assistance.

Are these intended

beneficiaries primarily households or businesses?

The intended beneficiaries are households.

1b. Intended Beneficiaries: Households. If households are the primary intended beneficiaries, will the proposal affect their income or purchasing power such that the volume or patterns of their consumer spending will change? If so, what directions of change would you anticipate? Will these expected spending changes have a disproportionate impact on small businesses? Can you descriptively identify the industries or types of business activities that are impacted?

N/A.

1c. Intended Beneficiaries: Businesses. If businesses are the intended beneficiaries, identify the businesses by industry or by types of business activities.

Specific businesses such as casinos, liquor stores and adult entertainment venues are impacted.

How will businesses be impacted?

For specific businesses their revenues will be decreased. Casinos are required by other law and regulation to prevent use of EBT cards at their establishments.

Are these Maryland establishments' disproportionately small businesses?

Liquor stores and adult entertainment venues.

If so, how will these Maryland small businesses be affected?

Decreased revenue

N/A

Can you identify or estimate the present number of small businesses affected?

Unknown number of adult entertainment venues and liquor stores.

Can you estimate the present total payroll or total employment of small businesses affected?

No.

2a. Other Direct or Indirect Impacts: Adverse. Businesses may not be the intended beneficiaries of the proposal. Instead, the proposal may direct or otherwise cause businesses to incur additional expenses of doing business in Maryland. Does this proposal require Maryland businesses to respond in such a fashion that they will incur additional work-time costs or monetary costs in order to comply?

No.

Describe how Maryland establishments may be adversely affected.

Decreased revenue.

Can you estimate the possible number of Maryland small businesses adversely affected? (Note that small business compliance costs in the area of regulation are the sum of out-of-pocket (cash) costs plus time costs — usually expressed as payroll, akin to calculations for legislative fiscal notes. Precise compliance costs may be difficult to estimate, but the general nature of procedures that businesses must accomplish to comply can be described.)

No.

2b. Other Direct or Indirect Impacts: Positive. Maryland businesses may positively benefit by means other than or in addition to changed consumer spending patterns. How may Maryland businesses be positively impacted by this initiative?

Will Maryland small businesses share proportionately or disproportionately in these gains?

Unknown.

Can you estimate the possible number of Maryland small businesses positively affected?

No.

3. Long-Term Impacts. There are instances where the longer run economic impact effects from regulations differ significantly from immediate impact. For example, regulations may impose immediate burdens on Maryland small businesses to comply, but the overall restructuring of the industry as a consequence of monitoring and compliance may provide offsetting benefits to the affected small businesses in subsequent years. Can you identify any long run economic impact effects on Maryland small businesses that over time (a) may compound or further aggravate the initial economic impact described above, or (b) may mitigate or offset the initial economic impact described above?

No.

4. Estimates of Economic Impact. State Government Article, §2-1505.2 requires that an agency include estimates, as appropriate, directly relating to: (1) cost of providing goods and services; (2) effect on the work force; (3) effect on the cost of housing; (4)

efficiency in production and marketing; (5) capital investment, taxation, competition, and economic development; and (6) consumer choice.

N/A

Attached Document:

.16 Method of Payment.

A. (text unchanged)

B. (text unchanged)

C. *In accordance with federal law, TCA recipients may not access their TCA benefits through their EBT cards, nor use their EBT cards at an automated teller machine (ATM) or point of sale (POS) machine in any establishment whose primary purpose is:*

(1) Gambling, including, but not limited to, a casino, a business containing slot machines, race tracks or off-track betting businesses;

(2) Adult entertainment in which individuals disrobe for an audience, including, but not limited to, strip clubs, adult clubs, or online pornography; or

(3) The sale of liquor, wine and beer, including, but not limited to, liquor stores, bars, or package good stores.

D. *Applicants and recipients must sign a form developed by the Family Investment Administration indicating that they understand the requirement in §C of this regulation and agree to abide by the requirements of this regulation, including the following:*

(1) A recipient who violates the requirements of this regulation the first time shall receive a warning that the recipient's

access to TCA benefits on the EBT card is in danger of being revoked;

(2) A recipient in violation a second time shall have the access to TCA benefits on the EBT card revoked for a minimum of one year;

(3) A recipient in violation a third time shall have the access to TCA benefits on the EBT card revoked permanently;

(4) Recipients whose access to TCA benefits on the EBT cards has been revoked shall be required to provide checking or savings account information to the Family Investment Administration or EBT staff for direct deposit of their assistance benefits;

(5) TCA recipients not able to provide checking or savings account information shall be issued a paper check;

(6) Cash benefits on direct deposit may not be replaced if lost or stolen;

(7) Paper checks mailed to customers may be replaced one time when the customer reports the check was not received or it was stolen, within 30 days of issuance; and

(8) A recipient who is requesting a replacement TCA paper check because of theft shall provide a police report of the theft.

[C.] E. — [J.] L. (text unchanged)