

118TH CONGRESS
1ST SESSION

S. 1188

To help individuals receiving assistance under the supplemental nutrition assistance program in obtaining self-sufficiency, to provide information on total spending on means-tested welfare programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 18, 2023

Mr. LEE (for himself and Mr. SCOTT of Florida) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To help individuals receiving assistance under the supplemental nutrition assistance program in obtaining self-sufficiency, to provide information on total spending on means-tested welfare programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “SNAP Reform and
5 Upward Mobility Act of 2023”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

- Sec. 1. Short title.
 Sec. 2. Table of contents.

TITLE I—POVERTY MEASUREMENT IMPROVEMENT

- Sec. 101. Improving the measurement of poverty in the United States.
 Sec. 102. Commission on valuation of government benefits.
 Sec. 103. GAO reports on effect of supplementary data on calculation of poverty rates and related measures.
 Sec. 104. Rule of construction.

TITLE II—MODIFICATIONS TO SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

- Sec. 201. Work requirements.
 Sec. 202. Employment and training program outcomes reporting.
 Sec. 203. State matching funds.
 Sec. 204. Eligibility.
 Sec. 205. Compliance with fraud investigations.
 Sec. 206. Authorized users of electronic benefit transfer cards.
 Sec. 207. Reauthorization of medium- or high-risk retail food stores and wholesale food concerns.
 Sec. 208. State activity reports.
 Sec. 209. Disqualification by State agency.
 Sec. 210. Retention of recaptured funds by States.

1 **TITLE I—POVERTY**
 2 **MEASUREMENT IMPROVEMENT**
 3 **SEC. 101. IMPROVING THE MEASUREMENT OF POVERTY IN**
 4 **THE UNITED STATES.**

5 (a) DEFINITIONS.—In this section:

6 (1) FEDERAL BENEFIT.—The term “Federal
 7 benefit” means a benefit, refundable tax credit, or
 8 other form of assistance provided under any of the
 9 following programs:

10 (A) Earned Income Tax Credit (refundable
 11 portion).

12 (B) Child Tax Credit (refundable portion).

13 (C) Supplemental Security Income.

- 1 (D) Temporary Assistance for Needy Fam-
2 ilies.
- 3 (E) Title IV–E Foster Care.
- 4 (F) Title IV–E Adoption Assistance.
- 5 (G) Medicaid.
- 6 (H) SCHIP.
- 7 (I) Indian Health Services.
- 8 (J) PPACA refundable premium assistance
9 and cost sharing tax credit.
- 10 (K) Assets for Independence program.
- 11 (L) Supplemental Nutrition Assistance
12 Food Program.
- 13 (M) School Breakfast.
- 14 (N) School Lunch.
- 15 (O) Women, Infants, and Children (WIC)
16 Food Program.
- 17 (P) Child and Adult Care Food Program.
- 18 (Q) The Food Distribution Program on In-
19 dian Reservations (FDPIR).
- 20 (R) Nutrition Program for the Elderly.
- 21 (S) Seniors Farmers’ Market Nutrition
22 Program.
- 23 (T) Commodity Supplemental Food Pro-
24 gram.
- 25 (U) Section 8 Housing.

- 1 (V) Public Housing.
- 2 (W) Housing for Persons with Disabilities.
- 3 (X) Home Investment Partnership Pro-
- 4 gram.
- 5 (Y) Rural Housing Service.
- 6 (Z) Rural Housing Insurance Fund.
- 7 (AA) Low-Income Home Energy Assist-
- 8 ance Program.
- 9 (BB) Universal Service Fund Low Income
- 10 Support Mechanism (subsidized phone services).
- 11 (CC) Pell Grants.
- 12 (DD) Supplemental Educational Oppor-
- 13 tunity Grants.
- 14 (EE) American Opportunity Tax Credit
- 15 (refundable portion).
- 16 (FF) Healthy Start.
- 17 (GG) Job Corps.
- 18 (HH) Head Start (including Early Head
- 19 Start).
- 20 (II) Weatherization Assistance.
- 21 (JJ) Chafee Foster Care Independence
- 22 Program.
- 23 (KK) Child Care Subsidies from the Child
- 24 Care and Development Fund.

1 (LL) Child Care from the Temporary As-
2 sistance for Needy Families Block Grant.

3 (MM) Emergency Assistance to Needy
4 Families with Children.

5 (NN) Senior Community Service Employ-
6 ment Program.

7 (OO) Migrant and Seasonal Farm Workers
8 Training Program.

9 (PP) Indian and Native American Employ-
10 ment and Training Program.

11 (QQ) Independent Living Education and
12 Training Vouchers.

13 (2) RESOURCE UNIT.—The term “resource
14 unit” means all co-resident individuals who are re-
15 lated by birth, marriage, or adoption, plus any co-
16 resident unrelated children, foster children, and un-
17 married partners and their relatives.

18 (3) MARKET INCOME.—The term “market in-
19 come” means individual income from the following:

20 (A) Earnings.

21 (B) Interest.

22 (C) Dividends.

23 (D) Rents, royalties, and estates and
24 trusts.

1 (E) The monetary value of employer-spon-
2 sored health insurance benefits.

3 (F) Other forms of income, as determined
4 by the Director.

5 (4) ENTITLEMENT AND OTHER INCOME.—The
6 term “entitlement and other income” means income
7 from the following:

8 (A) Unemployment (insurance) compensa-
9 tion.

10 (B) Workers’ compensation.

11 (C) Social Security.

12 (D) Veterans’ payments and benefits.

13 (E) Survivor benefits.

14 (F) Disability benefits (not including bene-
15 fits under the Supplemental Security Income
16 program).

17 (G) Pension or retirement income.

18 (H) Alimony.

19 (I) Child support.

20 (J) Financial assistance from outside of
21 the household.

22 (K) Medicare.

23 (5) ENTITLEMENT AND EARNED UNIT IN-
24 COME.—The term “entitlement and earned unit in-

1 come” means the sum of all market income and en-
2 titlement and other income.

3 (6) INCOME TAX DATA.—The term “income tax
4 data” means return information, as such term is de-
5 fined under section 6103(b)(2) of the Internal Rev-
6 enue Code of 1986.

7 (7) ADMINISTERING AGENCY.—The term “ad-
8 ministering agency” means a State or Federal agen-
9 cy responsible for administering a Federal benefit.

10 (8) TOTAL RESOURCE UNIT INCOME.—The
11 term “total resource unit income” means, with re-
12 spect to a resource unit, an amount equal to—

13 (A) the sum of—

14 (i) all market income attributable to
15 members of the unit;

16 (ii) all entitlement and other income
17 attributable to members of the unit; and

18 (iii) an amount, or cash equivalent, of
19 all Federal benefits received by members of
20 the unit; minus

21 (B) all State and Federal income and pay-
22 roll taxes attributable to members of the unit.

23 (9) EARNED RESOURCE UNIT INCOME.—The
24 term “earned resource unit income” means, with re-

1 spect to a resource unit, all market income attrib-
2 utable to members of the unit.

3 (10) PERSONALLY IDENTIFIABLE INFORMA-
4 TION.—The term “personally identifiable informa-
5 tion” means any information that identifies an indi-
6 vidual or could reasonably be used to identify an in-
7 dividual that is—

8 (A) collected pursuant to a survey con-
9 ducted by the Bureau of the Census; or

10 (B) disclosed to the Bureau of the Census
11 by an administering agency for the purpose of
12 carrying out subsection (b).

13 (11) DIRECTOR.—The term “Director” means
14 the Director of the Bureau of the Census.

15 (b) VERIFICATION OF DATA COLLECTED IN THE AN-
16 NUAL SOCIAL AND ECONOMIC SUPPLEMENT TO THE CUR-
17 RENT POPULATION SURVEY.—

18 (1) IN GENERAL.—Beginning in fiscal year
19 2024, in order to more accurately determine the ex-
20 tent of poverty in the United States and the anti-
21 poverty effectiveness of Federal benefit programs,
22 the Director shall collect, in addition to the data col-
23 lected under the Annual Social and Economic Sup-
24 plement to the Current Population Survey, data

1 from the appropriate administering agencies related
2 to the following:

3 (A) Participation in any Federal benefit
4 program and the monetary or cash equivalent
5 value of such benefit for an individual, where
6 possible, and otherwise for resource units or
7 households.

8 (B) The total amount of market income
9 for individuals.

10 (C) The total amount of entitlement and
11 other income for individuals.

12 (D) Payment of income taxes and payroll
13 taxes for individuals.

14 (E) Total resource unit income.

15 (F) Total earned resource unit income.

16 (G) Any other information about benefits
17 or income received by individuals that the Di-
18 rector determines necessary to carry out this
19 section and that is not included in the data re-
20 lating to participation in Federal benefit pro-
21 grams or market income for individuals.

22 (2) ADMINISTERING AGENCY DATA.—Not later
23 than 6 months after receiving a request from the Di-
24 rector, the head of each administering agency shall
25 make available to the Director such data (including

1 income tax data) as the Director shall require for
2 the purpose of carrying out this subsection and for
3 the purposes outlined in section 6 of title 13, United
4 States Code.

5 (3) PUBLICATION OF DATA.—

6 (A) RATES AND OTHER DATA.—

7 (i) REPORT.—The Director shall sub-
8 mit to Congress, not later than January 1,
9 2025, a report detailing the implementa-
10 tion of this section, including—

11 (I) the availability of related
12 data;

13 (II) the quality of the data; and

14 (III) the methodology proposed
15 for assigning dollar values to the re-
16 ceipt of noncash Federal benefits.

17 (ii) TABLES AND GRAPHS.—The Di-
18 rector shall produce tables and graphs
19 showing for each year the poverty rates
20 and related data calculated using data col-
21 lected under paragraph (1), including—

22 (I) the total resource unit income
23 for survey respondents;

24 (II) the total earned resource
25 unit income for survey respondents;

1 (III) the total of all amounts de-
2 scribed in subparagraphs (A) through
3 (G) of paragraph (1) that are received
4 by survey respondents;

5 (IV) a breakdown of the amount
6 of income taxes and payroll taxes at-
7 tributable to survey respondents; and

8 (V) for 2027 and subsequent
9 years, poverty rates calculated using
10 updated poverty thresholds as de-
11 scribed in clause (iii).

12 (iii) UPDATED POVERTY THRESH-
13 OLDS.—For 2027 and subsequent years,
14 the Director shall, in addition to the offi-
15 cial poverty line (as defined by the Office
16 of Management and Budget) and the sup-
17 plemental poverty measure, provide an al-
18 ternative poverty measure that uses the
19 personal consumption expenditure price
20 index (as published by the Bureau of Eco-
21 nomic Analysis) and accounts for the data
22 collected under paragraph (1). The Direc-
23 tor shall provide a comparison of the offi-
24 cial poverty line (as defined by the Office
25 of Management and Budget), the supple-

1 mental poverty measure rate as defined by
2 the Bureau of the Census, and the alter-
3 native poverty rate created using the alter-
4 native poverty measure under this section.

5 (iv) RULE OF CONSTRUCTION.—The
6 Office of Management and Budget shall
7 not use the additional data collected by the
8 Director pursuant to paragraph (1) for
9 purposes of defining the official poverty
10 line.

11 (B) CONFIDENTIALITY.—Consistent with
12 the provisions of sections 8, 9, and 23(c) of title
13 13, United States Code, the Director shall en-
14 sure the confidentiality of information furnished
15 to the Director under this subsection.

16 (c) PROTECTION AND DISCLOSURE OF PERSONALLY
17 IDENTIFIABLE INFORMATION.—

18 (1) IN GENERAL.—The security, disclosure, and
19 confidentiality provisions set forth in sections 9 and
20 23 of title 13, United States Code, shall apply to
21 personally identifiable information obtained by the
22 Bureau of the Census pursuant to this section.

23 (2) RESTRICTED ACCESS TO PERSONALLY
24 IDENTIFIABLE INFORMATION.—Access to personally
25 identifiable information collected to supplement the

1 restricted-use Current Population Survey Annual So-
2 cial and Economic Supplements in accordance with
3 subsection (b)(1) shall be available only to those who
4 have access to the Current Population Survey data
5 with the permission of the Bureau of the Census and
6 in accordance with any other applicable provision of
7 law.

8 (3) PENALTIES.—Any individual who knowingly
9 accesses or discloses personally identifiable informa-
10 tion in violation of this section shall be guilty of a
11 felony and upon conviction thereof shall be fined in
12 an amount of not more than \$300,000 under title
13 18, United States Code, or imprisoned for not more
14 than five years, or both.

15 (d) STATE REPORTING OF FEDERAL DATA.—Begin-
16 ning with the first full calendar year that begins after the
17 date of enactment of this Act, with respect to any Federal
18 benefit that is administered at the State level by a State
19 administering agency, such State administering agency
20 shall submit each year to the Federal administering agen-
21 cy responsible for administering the benefit at the Federal
22 level a report that identifies each resource unit that re-
23 ceived such benefits during such year by the personally
24 identifiable information of the head of the resource unit

1 and the amount, or cash equivalent, of such benefit re-
2 ceived by such resource unit.

3 **SEC. 102. COMMISSION ON VALUATION OF GOVERNMENT**
4 **BENEFITS.**

5 (a) **ESTABLISHMENT.**—There is established within
6 the United States Census Bureau a commission, to be
7 known as the “Commission on Valuation of Federal Bene-
8 fits” (referred to in this section as the “Commission”).

9 (b) **COMPOSITION.**—

10 (1) **IN GENERAL.**—The Commission shall be
11 composed of 8 members, of whom—

12 (A) 2 members shall be appointed by the
13 majority leader of the Senate;

14 (B) 2 members shall be appointed by the
15 minority leader of the Senate;

16 (C) 2 members shall be appointed by the
17 Speaker of the House of Representatives; and

18 (D) 2 members shall be appointed by the
19 minority leader of the House of Representa-
20 tives.

21 (2) **CO-CHAIRS.**—Of the members of the Com-
22 mission—

23 (A) 1 co-chair shall be designated by the
24 majority leader of the Senate; and

1 (B) 1 co-chair shall be designated by the
2 Speaker of the House of Representatives.

3 (3) QUALIFICATIONS.—Each member appointed
4 to the Commission shall have experience in—

5 (A) quantitative policy research; and

6 (B) welfare or poverty studies.

7 (c) INITIAL MEETING.—Not later than 60 days after
8 the date on which the last member is appointed under sub-
9 section (b), the Commission shall hold an initial meeting.

10 (d) QUORUM.—Six members of the Commission shall
11 constitute a quorum.

12 (e) NO PROXY VOTING.—Proxy voting by members
13 of the Commission shall be prohibited.

14 (f) STAFF.—The Director of the Census Bureau shall
15 appoint an executive director of the Commission.

16 (g) TRAVEL EXPENSES.—Members of the Commis-
17 sion shall serve without pay, but shall receive travel ex-
18 penses in accordance with sections 5702 and 5703 of title
19 5, United States Code.

20 (h) DUTIES OF COMMISSION.—

21 (1) RECOMMENDATIONS.—

22 (A) IN GENERAL.—The Commission shall
23 produce recommendations for the valuation of
24 Federal benefits listed under section 101(a)(1)
25 for the purpose of United States Census Bu-

1 reau estimates of the Federal Poverty Level, in-
2 cluding non-cash benefits.

3 (2) REPORT.—

4 (A) IN GENERAL.—Not later than 270
5 days after the date of enactment of this Act,
6 the Commission shall submit to Congress a re-
7 port of the recommendations required under
8 paragraph (1), including a detailed statement of
9 methodology and reasoning behind rec-
10 ommendations.

11 (B) PUBLIC AVAILABILITY.—The report
12 required by subparagraph (A) shall be made
13 available on an internet website of the United
14 States Government that is available to the pub-
15 lic.

16 (i) POWERS OF COMMISSION.—On request by the ex-
17 ecutive director of the Commission, the head of a Federal
18 agency shall furnish information to the Commission.

19 (j) TERMINATION OF COMMISSION.—The Commis-
20 sion shall terminate 90 days after the date on which the
21 Commission submits the report under subsection (h)(2).

22 (k) AUTHORIZATION OF APPROPRIATIONS.—There is
23 authorized to be appropriated \$1,000,000 to carry out this
24 section.

1 **SEC. 103. GAO REPORTS ON EFFECT OF SUPPLEMENTARY**
2 **DATA ON CALCULATION OF POVERTY RATES**
3 **AND RELATED MEASURES.**

4 Not later than January 1, 2028, and every 2 years
5 thereafter, the Comptroller General of the United States
6 shall submit to Congress a report that compares the pov-
7 erty rates and related measures calculated under the An-
8 nual Social and Economic Supplement to the Current Pop-
9 ulation Survey with the poverty rates and related meas-
10 ures calculated using the data collected under section
11 101(b)(1).

12 **SEC. 104. RULE OF CONSTRUCTION.**

13 Nothing in this title shall be construed to affect the
14 eligibility of an individual or household for a Federal ben-
15 efit.

16 **TITLE II—MODIFICATIONS TO**
17 **SUPPLEMENTAL NUTRITION**
18 **ASSISTANCE PROGRAM**

19 **SEC. 201. WORK REQUIREMENTS.**

20 (a) DECLARATION OF POLICY.—Section 2 of the
21 Food and Nutrition Act of 2008 (7 U.S.C. 2011) is
22 amended by adding at the end the following: “Congress
23 further finds that it should also be the purpose of the sup-
24 plemental nutrition assistance program to increase em-
25 ployment, to encourage healthy marriage, and to promote
26 prosperous self-sufficiency, which means the ability of

1 households to maintain an income above the poverty level
2 without services and benefits from the Federal Govern-
3 ment.”.

4 (b) DEFINITION OF FOOD.—Section 3(k) of the Food
5 and Nutrition Act of 2008 (7 U.S.C. 2012(k)) is amended
6 by striking “means (1)” and inserting “means the fol-
7 lowing foods, food products, meals, and other items, only
8 if the food, food product, meal, or other item is essential,
9 as determined by the Secretary: (1)”.

10 (c) GENERAL WORK REQUIREMENTS.—Section
11 6(d)(1)(A) of the Food and Nutrition Act of 2008 (7
12 U.S.C. 2015(d)(1)(A)) is amended, in the matter pre-
13 ceding clause (i), by striking “60” and inserting “65”.

14 (d) HOUR-BASED WORK REQUIREMENT.—Section
15 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C.
16 2015(o)) is amended—

17 (1) in paragraph (1)(C), by striking “other
18 than a supervised job search program or job search
19 training program” and inserting “including an in-
20 person supervised job search program”;

21 (2) in paragraph (3)—

22 (A) in subparagraph (A), by striking “50”
23 and inserting “64”;

24 (B) by striking subparagraph (C); and

1 (C) by redesignating subparagraphs (D)
2 and (E) as subparagraphs (C) and (D), respec-
3 tively;

4 (3) in paragraph (4)(A)—

5 (A) in the matter preceding clause (i), by
6 striking “area” and inserting “county or county
7 equivalent”;

8 (B) in clause (i), by striking “or” and in-
9 serting “and”; and

10 (C) by striking clause (ii) and inserting the
11 following:

12 “(ii) is not located within a labor mar-
13 ket area, as determined by data published
14 by the Bureau of Labor Statistics, that has
15 an unemployment rate of over 10 per-
16 cent.”;

17 (4) in paragraph (6)(D), by striking “15 per-
18 cent” and inserting “5 percent”;

19 (5) by redesignating paragraph (7) as para-
20 graph (8);

21 (6) by inserting after paragraph (6) the fol-
22 lowing:

23 “(7) WORK OR WORK PREPARATION HOURS RE-
24 QUIREMENT FOR MARRIED COUPLES WITH CHIL-
25 DREN.—The total combined number of hours of

1 work or work preparation activities under subpara-
 2 graphs (A), (B), and (C) of paragraph (2) for both
 3 spouses in a married couple household with 1 or
 4 more children over the age of 6 shall not be greater
 5 than the total number of hours required under those
 6 subparagraphs for a single head of household.”; and

7 (7) by inserting after paragraph (8) (as so re-
 8 designated) the following:

9 “(9) **MINIMUM WAGE RULE.**—The limitation
 10 under subsection (d)(4)(F)(i) shall not apply to any
 11 work requirement, program, or activity required
 12 under this subsection.”.

13 **SEC. 202. EMPLOYMENT AND TRAINING PROGRAM OUT-**
 14 **COMES REPORTING.**

15 Not later than 1 year after the date of enactment
 16 of this Act, the Secretary of Agriculture shall submit to
 17 Congress a report, using data from the most recent 5 fis-
 18 cal years available, detailing the outcomes of beneficiaries
 19 of the supplemental nutrition assistance program estab-
 20 lished under the Food and Nutrition Act of 2008 (7
 21 U.S.C. 2011 et seq.) (referred to in this section as
 22 “SNAP”) who participate in employment and training
 23 programs (as defined in section 6(d)(4)(B) of that Act (7
 24 U.S.C. 2015(d)(4)(B))) for each of those 5 years that in-
 25 cludes the following information:

1 (1) The number and percentage of SNAP bene-
2 ficiaries in each State who participated in an em-
3 ployment and training program compared to the
4 number and percentage of SNAP beneficiaries in
5 each State who did not participate in an employment
6 and training program.

7 (2) The number and percentage of SNAP bene-
8 ficiaries in each State who obtained a job while par-
9 ticipating in an employment and training program
10 compared to the number and percentage of SNAP
11 beneficiaries in each State who obtained a job but
12 did not participate in an employment and training
13 program.

14 (3) The number and percentage of SNAP bene-
15 ficiaries in each State who retained a job for 6
16 months, 1 year, and 5 years after completing an em-
17 ployment and training program and obtaining a job
18 compared to the number and percentage of SNAP
19 beneficiaries in each State who retained a job for 6
20 months, 1 year, and 5 years but did not complete an
21 employment and training program prior to obtaining
22 that job.

23 (4) The increase or decrease in wages, if appli-
24 cable, for SNAP beneficiaries in each State who re-
25 tained a job for 6 months, 1 year, and 5 years after

1 completing an employment and training program
2 and obtaining a job compared to the increase or de-
3 crease in wages, if applicable, for SNAP bene-
4 ficiaries in each State who retained a job for 6
5 months, 1 year, and 5 years but did not complete an
6 employment and training program prior to obtaining
7 that job.

8 (5) The number and percentage of SNAP bene-
9 ficiaries who—

10 (A) previously participated in an employ-
11 ment and training program;

12 (B) after that participation, obtained a job
13 or stopped receiving SNAP benefits; and

14 (C) after regaining eligibility for SNAP
15 benefits, reentered an employment or training
16 program.

17 (6) The average duration that SNAP bene-
18 ficiaries in each State participated in an employment
19 and training program.

20 (7) A breakdown of—

21 (A) the types of employment and training
22 activities offered by the employment and train-
23 ing program of each State; and

1 (B) the types of jobs that States are pre-
2 paring employment and training program par-
3 ticipants to obtain.

4 **SEC. 203. STATE MATCHING FUNDS.**

5 Section 4 of the Food and Nutrition Act of 2008 (7
6 U.S.C. 2013) is amended by adding at the end the fol-
7 lowing:

8 “(d) STATE MATCHING FUNDS.—

9 “(1) IN GENERAL.—Each State that partici-
10 pates in the supplemental nutrition assistance pro-
11 gram shall, as a condition of participation, be re-
12 quired to contribute matching funds in an amount
13 equal to, of the funds received from the Secretary by
14 the State for program administration—

15 “(A) for fiscal year 2023, 10 percent;

16 “(B) for fiscal year 2024, 15 percent;

17 “(C) for fiscal year 2025, 20 percent;

18 “(D) for fiscal year 2026, 25 percent;

19 “(E) for fiscal year 2027, 30 percent;

20 “(F) for fiscal year 2028, 35 percent;

21 “(G) for fiscal year 2029, 40 percent;

22 “(H) for fiscal year 2030, 45 percent; and

23 “(I) for fiscal year 2031 and each fiscal
24 year thereafter, 50 percent.

1 “(2) ADDITIONAL CONTRIBUTIONS PER-
2 MITTED.—Nothing in this subsection prevents a
3 State from contributing matching funds in an
4 amount greater than the amount required under
5 paragraph (1) for the applicable fiscal year.”.

6 **SEC. 204. ELIGIBILITY.**

7 Section 5(a) of the Food and Nutrition Act of 2008
8 (7 U.S.C. 2014(a)) is amended—

9 (1) in the second sentence, by inserting “that
10 are limited to families whose income and resources
11 satisfy financial need criteria established in accord-
12 ance with subsections (c) and (g) by the State for
13 receipt of the benefits” after “(42 U.S.C. 601 et
14 seq.)”; and

15 (2) by inserting after the second sentence the
16 following: “To be deemed eligible for participation in
17 the supplemental nutrition assistance program under
18 this subsection, a household shall receive a cash or
19 noncash means-tested public benefit for at least 6
20 consecutive months valued at not less than \$50.”.

21 **SEC. 205. COMPLIANCE WITH FRAUD INVESTIGATIONS.**

22 Section 6(d) of the Food and Nutrition Act of 2008
23 (7 U.S.C. 2015(d)) is amended by adding at the end the
24 following:

1 “(5) COMPLIANCE WITH FRAUD INVESTIGA-
 2 TIONS.—To be eligible to participate in the supple-
 3 mental nutrition assistance program, an individual
 4 shall cooperate with any investigation into fraud
 5 under that program, including full participation in
 6 any—

7 “(A) meeting requested by fraud investiga-
 8 tors; and

9 “(B) administrative hearing.”.

10 **SEC. 206. AUTHORIZED USERS OF ELECTRONIC BENEFIT**
 11 **TRANSFER CARDS.**

12 Section 7(h) of the Food and Nutrition Act of 2008
 13 (7 U.S.C. 2016(h)) is amended by adding at the end the
 14 following:

15 “(15) AUTHORIZED USERS.—

16 “(A) IN GENERAL.—A State agency shall
 17 register—

18 “(i) at least 1 member of a household
 19 issued an EBT card as an authorized user
 20 of the card; and

21 “(ii) an authorized representative of a
 22 household as an authorized user of the
 23 EBT card issued to the household.

24 “(B) LIMIT.—Not more than 5 individuals
 25 shall be registered as authorized users, includ-

1 ing the authorized representative of a house-
2 hold, on an EBT card.

3 “(C) UNAUTHORIZED USE.—

4 “(i) IN GENERAL.—An EBT card
5 shall not be used by any individual who is
6 not an authorized user of the EBT card.

7 “(ii) 2 UNAUTHORIZED USES.—If an
8 EBT card has been used 2 times by an un-
9 authorized user of the EBT card, the head
10 of the household to which the EBT card is
11 issued shall be required to review program
12 rights and responsibilities with personnel
13 of the State agency.

14 “(iii) 4 UNAUTHORIZED USES.—If an
15 EBT card has been used 4 times by an un-
16 authorized user of the EBT card, the State
17 agency shall suspend benefits for the
18 household to which the EBT card is issued
19 for 1 month.

20 “(iv) 6 UNAUTHORIZED USES.—If an
21 EBT card has been used 6 times by an un-
22 authorized user of the EBT card, the State
23 agency shall suspend benefits for the
24 household to which the EBT card is issued
25 for 3 months.

1 “(v) 7 OR MORE UNAUTHORIZED
 2 USES.—If an EBT card has been used 7
 3 or more times by an unauthorized user of
 4 the EBT card, the State agency shall sus-
 5 pend benefits for the household to which
 6 the EBT card is issued for 1 month per
 7 unauthorized use.

8 “(vi) ADMINISTRATION.—Any action
 9 taken under clauses (ii) through (v) shall
 10 be consistent with sections 6(b) and
 11 11(e)(10), as applicable.”.

12 **SEC. 207. REAUTHORIZATION OF MEDIUM- OR HIGH-RISK**
 13 **RETAIL FOOD STORES AND WHOLESALE**
 14 **FOOD CONCERNS.**

15 Section 9(a)(2)(A) of the Food and Nutrition Act of
 16 2008 (7 U.S.C. 2018(a)(2)(A)) is amended by striking “;
 17 and” and inserting “, which, in the case of a retail food
 18 store or wholesale food concern for which there is a me-
 19 dium risk or high risk of fraudulent transactions, as deter-
 20 mined by the fraud detection system of the Food and Nu-
 21 trition Service, shall be annually; and”.

22 **SEC. 208. STATE ACTIVITY REPORTS.**

23 Section 11 of the Food and Nutrition Act of 2008
 24 (7 U.S.C. 2020) is amended by adding at the end the fol-
 25 lowing:

1 “(y) STATE ACTIVITY REPORTS.—The Secretary
2 shall publish for each fiscal year a report describing the
3 activity of each State in the supplemental nutrition assist-
4 ance program, which shall contain, for the applicable fiscal
5 year, substantially the same information as is contained
6 in the report published by the Food and Nutrition Service
7 entitled ‘Supplemental Nutrition Assistance Program
8 State Activity Report Fiscal Year 2016’ and published
9 September 2017.”.

10 **SEC. 209. DISQUALIFICATION BY STATE AGENCY.**

11 Section 12 of the Food and Nutrition Act of 2008
12 (7 U.S.C. 2021) is amended by adding at the end the fol-
13 lowing:

14 “(j) DISQUALIFICATION BY STATE AGENCY.—

15 “(1) IN GENERAL.—Except as provided in para-
16 graph (4), a State agency shall permanently dis-
17 qualify from participation in the supplemental nutri-
18 tion assistance program an approved retail food
19 store or wholesale food concern convicted of—

20 “(A) trafficking in food instruments (in-
21 cluding any voucher, draft, check, or access de-
22 vice (including an electronic benefit transfer
23 card or personal identification number) issued
24 in lieu of a food instrument under this Act); or

1 “(B) selling firearms, ammunition, explo-
2 sives, or controlled substances (as defined in
3 section 102 of the Controlled Substances Act
4 (21 U.S.C. 802)) in exchange for food instru-
5 ments (including any item described in subpara-
6 graph (A) issued in lieu of a food instrument
7 under this Act).

8 “(2) NOTICE OF DISQUALIFICATION.—The
9 State agency shall—

10 “(A) provide the approved retail food store
11 or wholesale food concern with notification of
12 the disqualification; and

13 “(B) make the disqualification effective on
14 the date of receipt of the notice of disqualifica-
15 tion.

16 “(3) PROHIBITION OF RECEIPT OF LOST REVE-
17 NUES.—A retail food store or wholesale food concern
18 shall not be entitled to receive any compensation for
19 revenues lost as a result of disqualification under
20 this subsection.

21 “(4) EXCEPTIONS IN LIEU OF DISQUALIFICA-
22 TION.—

23 “(A) IN GENERAL.—A State agency may
24 permit a retail food store or wholesale food con-
25 cern that, but for this paragraph, would be dis-

1 qualified under paragraph (1), to continue to
2 participate in the supplemental nutrition assist-
3 ance program if the State agency determines, in
4 its sole discretion, that—

5 “(i) disqualification of the retail food
6 store or wholesale food concern, as applica-
7 ble, would cause hardship to participants
8 in the supplemental nutrition assistance
9 program; or

10 “(ii)(I) the retail food store or whole-
11 sale food concern had, at the time of the
12 violation under paragraph (1), an effective
13 policy and program in effect to prevent vio-
14 lations described in paragraph (1); and

15 “(II) the ownership of the retail food
16 store or wholesale food concern was not
17 aware of, did not approve of, and was not
18 involved in the conduct of the violation.

19 “(B) CIVIL PENALTY.—If a State agency
20 under subparagraph (A) permits a retail food
21 store or wholesale food concern to continue to
22 participate in the supplemental nutrition assist-
23 ance program in lieu of disqualification, the
24 State agency shall assess a civil penalty in an

1 amount determined by the State agency, except
2 that—

3 “(i) the amount of the civil penalty
4 shall not exceed \$10,000 for each violation;
5 and

6 “(ii) the amount of civil penalties im-
7 posed for violations investigated as part of
8 a single investigation may not exceed
9 \$40,000.

10 “(C) REPORTING.—

11 “(i) TO THE SECRETARY.—If a State
12 agency under subparagraph (A) permits a
13 retail food store or wholesale food concern
14 to continue to participate in the supple-
15 mental nutrition assistance program in lieu
16 of disqualification, the State agency shall
17 annually submit to the Secretary a report
18 describing the justification of the State
19 agency for that action.

20 “(ii) TO CONGRESS.—The Secretary
21 shall annually submit to Congress a report
22 compiling the information contained in re-
23 ports submitted to the Secretary under
24 clause (i).”.

1 **SEC. 210. RETENTION OF RECAPTURED FUNDS BY STATES.**

2 Section 16(a) of the Food and Nutrition Act of 2008
3 (7 U.S.C. 2025(a)) is amended—

4 (1) in the second sentence, by striking “The of-
5 ficials” and inserting the following:

6 “(3) PROHIBITION.—The officials”;

7 (2) in the first sentence—

8 (A) by redesignating paragraphs (1)
9 through (9) as subparagraphs (A) through (I),
10 respectively; and

11 (B) by striking “section 17(n): *Provided,*
12 *That the Secretary*” and inserting the following:
13 “section 17(n).

14 “(2) ADMINISTRATION ON INDIAN RESERVA-
15 TIONS AND IN NATIVE VILLAGES.—

16 “(A) IN GENERAL.—The Secretary”;

17 (3) in paragraph (2) (as so designated)—

18 (A) in subparagraph (A), by striking “35
19 percent” and inserting “50 percent”; and

20 (B) by adding at the end the following:

21 “(B) USE OF RETAINED AMOUNTS FOR
22 FRAUD INVESTIGATIONS.—The value of funds
23 or allotments recovered or collected pursuant to
24 sections 6(b) and 13(c) that are retained by a
25 State under subparagraph (A) in excess of 35
26 percent shall be used by the State for investiga-

1 tions of fraud in the supplemental nutrition as-
2 sistance program.”; and

3 (4) by striking the subsection designation and
4 all that follows through “Subject to” in the matter
5 preceding paragraph (2) (as so designated) and in-
6 serting the following:

7 “(a) ADMINISTRATIVE COST-SHARING.—

8 “(1) IN GENERAL.—Subject to”.

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