

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 2014, 2016, 2020, 2022, 2024, 2025, 2026, 2029, 2030, 2031 of this title; title 20 section 9271; title 26 section 51; title 29 sections 2822, 2841; title 42 section 654.

§ 2016. Issuance and use of coupons**(a) Printing**

Coupons shall be printed under such arrangements and in such denominations as may be determined by the Secretary to be necessary, and (except as provided in subsection (j) of this section) shall be issued only to households which have been duly certified as eligible to participate in the food stamp program.

(b) Approved food stores; receipt of cash in change for coupons used to purchase food

Coupons issued to eligible households shall be used by them only to purchase food in retail food stores which have been approved for participation in the food stamp program at prices prevailing in such stores: *Provided*, That nothing in this chapter shall be construed as authorizing the Secretary to specify the prices at which food may be sold by wholesale food concerns or retail food stores: *Provided further*, That eligible households using coupons to purchase food may receive cash in change therefor so long as the cash received does not equal or exceed the value of the lowest coupon denomination issued.

(c) Design of coupons

Coupons issued to eligible households shall be simple in design and shall include only such words or illustrations as are required to explain their purpose and define their denomination. The name of any public official shall not appear on such coupons.

(d) Coupon level inventories; monitorship; monthly operations report

The Secretary shall develop an appropriate procedure for determining and monitoring the level of coupon inventories in the hands of coupon issuers for the purpose of providing that such inventories are at proper levels (taking into consideration the historical and projected volume of coupon distribution by such issuers). Such procedures shall provide that coupon inventories in the hands of such issuers are not in excess of the reasonable needs of such issuers taking into consideration the ease with which such coupon inventories may be resupplied. The Secretary shall require each coupon issuer at intervals prescribed by the Secretary, but not less often than monthly, to send to the Secretary or the Secretary's designee, which may include the State agency, a written report of the issuer's operations during such period. In addition to other information deemed by the Secretary to be appropriate, the Secretary shall require that the report contain an oath, or affirmation, signed by the coupon issuer, or in the case of a corporation or other entity not a natural person, by an appropriate official of the coupon issuer, certifying that the information contained in the report is true and correct to the best of such person's knowledge and belief.

(e) Delivery and control procedures

The Secretary shall prescribe appropriate procedures for the delivery of coupons to coupon is-

suers and for the subsequent controls to be placed over such coupons by coupon issuers in order to ensure adequate accountability.

(f) State issuance liability

Notwithstanding any other provision of this chapter, the State agency shall be strictly liable to the Secretary for any financial losses involved in the acceptance, storage and issuance of coupons, including any losses involving failure of a coupon issuer to comply with the requirements specified in section 2020(e)(20)¹ of this title, except that in the case of losses resulting from the issuance and replacement of authorizations for coupons and allotments which are sent through the mail, the State agency shall be liable to the Secretary to the extent prescribed in the regulations promulgated by the Secretary.

(g) Alternative system or documents; costs

(1) If the Secretary determines, in consultation with the Inspector General of the Department of Agriculture, that it would improve the integrity of the food stamp program, the Secretary shall require a State agency—

(A) to issue or deliver coupons using alternative methods, including an automatic data processing and information retrieval system; or

(B) to issue, in lieu of coupons, reusable documents to be used as part of an automatic data processing and information retrieval system and to be presented by, and returned to, recipients at retail food stores for the purpose of purchasing food.

(2) The cost of documents or systems that may be required pursuant to this subsection may not be imposed upon a retail food store participating in the food stamp program.

(h) Staggered issuance procedures

(1) The State agency may establish a procedure for staggering the issuance of coupons to eligible households throughout the month. Upon the request of the tribal organization that exercises governmental jurisdiction over the reservation, the State agency shall stagger the issuance of benefits for eligible households located on reservations for at least 15 days of a month.

(2) Any procedure established under paragraph (1) shall not reduce the allotment of any household and shall ensure that no household experiences an interval between issuances of more than 40 days. The procedure may include issuing a household's benefits in more than one issuance.

(i) Electronic benefit transfers

(1) IN GENERAL.—

(A) IMPLEMENTATION.—Not later than October 1, 2002, each State agency shall implement an electronic benefit transfer system under which household benefits determined under section 2017(a) or 2035 of this title are issued from and stored in a central databank, unless the Secretary provides a waiver for a State agency that faces unusual barriers to implementing an electronic benefit transfer system.

¹ See References in Text note below.

(B) **TIMELY IMPLEMENTATION.**—Each State agency is encouraged to implement an electronic benefit transfer system under subparagraph (A) as soon as practicable.

(C) **STATE FLEXIBILITY.**—Subject to paragraph (2), a State agency may procure and implement an electronic benefit transfer system under the terms, conditions, and design that the State agency considers appropriate.

(D) **OPERATION.**—An electronic benefit transfer system should take into account generally accepted standard operating rules based on—

- (i) commercial electronic funds transfer technology;
- (ii) the need to permit interstate operation and law enforcement monitoring; and
- (iii) the need to permit monitoring and investigations by authorized law enforcement agencies.

(2) The Secretary shall issue final regulations that establish standards for the approval of such a system. The standards shall include—

(A) defining the required level of recipient protection regarding privacy, ease of use, and access to and service in retail food stores;

(B) the terms and conditions of participation by retail food stores, financial institutions, and other appropriate parties;

(C)(i) measures to maximize the security of a system using the most recent technology available that the State agency considers appropriate and cost effective and which may include personal identification numbers, photographic identification on electronic benefit transfer cards, and other measures to protect against fraud and abuse; and

(ii) effective not later than 2 years after August 22, 1996, to the extent practicable, measures that permit a system to differentiate items of food that may be acquired with an allotment from items of food that may not be acquired with an allotment;

(D) system transaction interchange, reliability, and processing speeds;

(E) financial accountability;

(F) the required testing of system operations prior to implementation;

(G) the analysis of the results of system implementation in a limited project area prior to expansion; and

(H) procurement standards.

(3) In the case of a system described in paragraph (1) in which participation is not optional for households, the Secretary shall not approve such a system unless—

(A) a sufficient number of eligible retail food stores, including those stores able to serve minority language populations, have agreed to participate in the system throughout the area in which it will operate to ensure that eligible households will not suffer a significant reduction in their choice of retail food stores or a significant increase in the cost of food or transportation to participating food stores; and

(B) any special equipment necessary to allow households to purchase food with the benefits issued under this chapter is operational—

- (i) in the case of a participating retail food store in which coupons are used to purchase

15 percent or more of the total dollar amount of food sold by the store (as determined by the Secretary), at all registers in the store; and

(ii) in the case of other participating stores, at a sufficient number of registers to provide service that is comparable to service provided individuals who are not members of food stamp households, as determined by the Secretary.

(4) Administrative costs incurred in connection with activities under this subsection shall be eligible for reimbursement in accordance with section 2025 of this title, subject to the limitations in section 2025(g) of this title.

(5) The Secretary shall periodically inform State agencies of the advantages of using electronic benefit systems to issue benefits in accordance with this subsection in lieu of issuing coupons to households.

(6) This subsection shall not diminish the authority of the Secretary to conduct projects to test automated or electronic benefit delivery systems under section 2026(f) of this title.

(7) **REPLACEMENT OF BENEFITS.**—Regulations issued by the Secretary regarding the replacement of benefits and liability for replacement of benefits under an electronic benefit transfer system shall be similar to the regulations in effect for a paper-based food stamp issuance system.

(8) **REPLACEMENT CARD FEE.**—A State agency may collect a charge for replacement of an electronic benefit transfer card by reducing the monthly allotment of the household receiving the replacement card.

(9) **OPTIONAL PHOTOGRAPHIC IDENTIFICATION.**—

(A) **IN GENERAL.**—A State agency may require that an electronic benefit card contain a photograph of 1 or more members of a household.

(B) **OTHER AUTHORIZED USERS.**—If a State agency requires a photograph on an electronic benefit card under subparagraph (A), the State agency shall establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card.

(10) **APPLICABLE LAW.**—Disclosures, protections, responsibilities, and remedies established by the Federal Reserve Board under section 1693b of title 15 shall not apply to benefits under this chapter delivered through any electronic benefit transfer system.

(11) **APPLICATION OF ANTI-TYING RESTRICTIONS TO ELECTRONIC BENEFIT TRANSFER SYSTEMS.**—

(A) **DEFINITIONS.**—In this paragraph:

(i) **AFFILIATE.**—The term “affiliate” has the meaning provided the term in section 1841(k) of title 12.

(ii) **COMPANY.**—The term “company” has the meaning provided the term in section 1971 of title 12, but shall not include a bank, a bank holding company, or any subsidiary of a bank holding company.

(iii) **ELECTRONIC BENEFIT TRANSFER SERVICE.**—The term “electronic benefit transfer service” means the processing of electronic transfers of household benefits, determined under section 2017(a) or 2035 of this title, if the benefits are—

(I) issued from and stored in a central databank;

(II) electronically accessed by household members at the point of sale; and

(III) provided by a Federal or State government.

(iv) **POINT-OF-SALE SERVICE.**—The term “point-of-sale service” means any product or service related to the electronic authorization and processing of payments for merchandise at a retail food store, including credit or debit card services, automated teller machines, point-of-sale terminals, or access to on-line systems.

(B) **RESTRICTIONS.**—A company may not sell or provide electronic benefit transfer services, or fix or vary the consideration for electronic benefit transfer services, on the condition or requirement that the customer—

(i) obtain some additional point-of-sale service from the company or an affiliate of the company; or

(ii) not obtain some additional point-of-sale service from a competitor of the company or competitor of any affiliate of the company.

(C) **CONSULTATION WITH THE FEDERAL RESERVE BOARD.**—Before promulgating regulations or interpretations of regulations to carry out this paragraph, the Secretary shall consult with the Board of Governors of the Federal Reserve System.

(j) State option to issue benefits to certain individuals made ineligible by welfare reform

(1) In general

Notwithstanding any other provision of law, a State agency may, with the approval of the Secretary, issue benefits under this chapter to an individual who is ineligible to participate in the food stamp program solely as a result of section 2015(o)(2) of this title or section 1612 or 1613 of title 8.

(2) State payments to Secretary

(A) In general

Not later than the date the State agency issues benefits to individuals under this subsection, the State agency shall pay the Secretary, in accordance with procedures established by the Secretary, an amount that is equal to—

(i) the value of the benefits; and

(ii) the costs of printing, shipping, and redeeming coupons, and other Federal costs, incurred in providing the benefits, as determined by the Secretary.

(B) Crediting

Notwithstanding section 3302(b) of title 31, payments received under subparagraph (A) shall be credited to the food stamp program appropriation account or the account from which the costs were drawn, as appropriate, for the fiscal year in which the payment is received.

(3) Reporting

To be eligible to issue benefits under this subsection, a State agency shall comply with

reporting requirements established by the Secretary to carry out this subsection.

(4) Plan

To be eligible to issue benefits under this subsection, a State agency shall—

(A) submit a plan to the Secretary that describes the conditions and procedures under which the benefits will be issued, including eligibility standards, benefit levels, and the methodology the State agency will use to determine amounts due the Secretary under paragraph (2); and

(B) obtain the approval of the Secretary for the plan.

(5) Violations

A sanction, disqualification, fine, or other penalty prescribed under Federal law (including sections 2021 and 2024 of this title) shall apply to a violation committed in connection with a coupon issued under this subsection.

(6) Ineligibility for administrative reimbursement

Administrative and other costs incurred in issuing a benefit under this subsection shall not be eligible for Federal funding under this chapter.

(7) Exclusion from enhanced payment accuracy systems

Section 2025(c) of this title shall not apply to benefits issued under this subsection.

(k) Interoperability and portability of electronic benefit transfer transactions

(1) Definitions

In this subsection:

(A) Electronic benefit transfer card

The term “electronic benefit transfer card” means a card that provides benefits under this chapter through an electronic benefit transfer service (as defined in subsection (i)(11)(A) of this section).

(B) Electronic benefit transfer contract

The term “electronic benefit transfer contract” means a contract that provides for the issuance, use, or redemption of coupons in the form of electronic benefit transfer cards.

(C) Interoperability

The term “interoperability” means a system that enables a coupon issued in the form of an electronic benefit transfer card to be redeemed in any State.

(D) Interstate transaction

The term “interstate transaction” means a transaction that is initiated in 1 State by the use of an electronic benefit transfer card that is issued in another State.

(E) Portability

The term “portability” means a system that enables a coupon issued in the form of an electronic benefit transfer card to be used in any State by a household to purchase food at a retail food store or wholesale food concern approved under this chapter.

(F) Settling

The term “settling” means movement, and reporting such movement, of funds from an

electronic benefit transfer card issuer that is located in 1 State to a retail food store, or wholesale food concern, that is located in another State, to accomplish an interstate transaction.

(G) Smart card

The term “smart card” means an intelligent benefit card described in section 2026(f) of this title.

(H) Switching

The term “switching” means the routing of an interstate transaction that consists of transmitting the details of a transaction electronically recorded through the use of an electronic benefit transfer card in 1 State to the issuer of the card that is in another State.

(2) Requirement

Not later than October 1, 2002, the Secretary shall ensure that systems that provide for the electronic issuance, use, and redemption of coupons in the form of electronic benefit transfer cards are interoperable, and food stamp benefits are portable, among all States.

(3) Cost

The cost of achieving the interoperability and portability required under paragraph (2) shall not be imposed on any food stamp retail store, or any wholesale food concern, approved to participate in the food stamp program.

(4) Standards

Not later than 210 days after February 11, 2000, the Secretary shall promulgate regulations that—

(A) adopt a uniform national standard of interoperability and portability required under paragraph (2) that is based on the standard of interoperability and portability used by a majority of State agencies; and

(B) require that any electronic benefit transfer contract that is entered into 30 days or more after the regulations are promulgated, by or on behalf of a State agency, provide for the interoperability and portability required under paragraph (2) in accordance with the national standard.

(5) Exemptions

(A) Contracts

The requirements of paragraph (2) shall not apply to the transfer of benefits under an electronic benefit transfer contract before the expiration of the term of the contract if the contract—

(i) is entered into before the date that is 30 days after the regulations are promulgated under paragraph (4); and

(ii) expires after October 1, 2002.

(B) Waiver

At the request of a State agency, the Secretary may provide 1 waiver to temporarily exempt, for a period ending on or before the date specified under clause (iii), the State agency from complying with the requirements of paragraph (2), if the State agency—

(i) establishes to the satisfaction of the Secretary that the State agency faces un-

usual technological barriers to achieving by October 1, 2002, the interoperability and portability required under paragraph (2);

(ii) demonstrates that the best interest of the food stamp program would be served by granting the waiver with respect to the electronic benefit transfer system used by the State agency to administer the food stamp program; and

(iii) specifies a date by which the State agency will achieve the interoperability and portability required under paragraph (2).

(C) Smart card systems

The Secretary shall allow a State agency that is using smart cards for the delivery of food stamp program benefits to comply with the requirements of paragraph (2) at such time after October 1, 2002, as the Secretary determines that a practicable technological method is available for interoperability with electronic benefit transfer cards.

(6) Funding

(A) In general

In accordance with regulations promulgated by the Secretary, the Secretary shall pay 100 percent of the costs incurred by a State agency under this chapter for switching and settling interstate transactions—

(i) incurred after February 11, 2000, and before October 1, 2002, if the State agency uses the standard of interoperability and portability adopted by a majority of State agencies; and

(ii) incurred after September 30, 2002, if the State agency uses the uniform national standard of interoperability and portability adopted under paragraph (4)(A).

(B) Limitation

The total amount paid to State agencies for each fiscal year under subparagraph (A) shall not exceed \$500,000.

(Pub. L. 88–525, §7, Aug. 31, 1964, 78 Stat. 705; Pub. L. 91–671, §5, Jan. 11, 1971, 84 Stat. 2050; Pub. L. 93–86, §3(m), Aug. 10, 1973, 87 Stat. 248; Pub. L. 93–125, §1(k), Oct. 18, 1973, 87 Stat. 450; Pub. L. 94–339, §2, July 5, 1976, 90 Stat. 799; Pub. L. 95–113, title XIII, §1301, Sept. 29, 1977, 91 Stat. 967; Pub. L. 97–98, title XIII, §1312, Dec. 22, 1981, 95 Stat. 1285; Pub. L. 97–253, title I, §§162, 190(c)(2), Sept. 8, 1982, 96 Stat. 778, 787; Pub. L. 99–198, title XV, §§1518, 1519, Dec. 23, 1985, 99 Stat. 1578; Pub. L. 100–435, title II, §203(b), Sept. 19, 1988, 102 Stat. 1657; Pub. L. 101–624, title XVII, §§1728, 1729(a), Nov. 28, 1990, 104 Stat. 3788, 3789; Pub. L. 103–225, title I, §102, Mar. 25, 1994, 108 Stat. 107; Pub. L. 104–193, title VIII, §825(a), Aug. 22, 1996, 110 Stat. 2324; Pub. L. 105–18, title VII, [(a)], June 12, 1997, 111 Stat. 216; Pub. L. 106–171, §3, Feb. 11, 2000, 114 Stat. 3; Pub. L. 107–171, title IV, §4110, May 13, 2002, 116 Stat. 309.)

REFERENCES IN TEXT

Section 2020(e)(20) of this title, referred to in subsec. (f), was redesignated section 2020(e)(19) of this title by Pub. L. 104–193, title VIII, §835(1)(D)(i), Aug. 22, 1996, 110 Stat. 2330.

AMENDMENTS

2002—Subsec. (i)(2). Pub. L. 107-171 redesignated subpars. (B) to (I) as (A) to (H), respectively, and struck out former subpar. (A) which read as follows: “determining the cost-effectiveness of the system to ensure that its operational cost, including the pro rata cost of capital expenditures and other reasonable startup costs, does not exceed the operational cost of issuance systems in use prior to the implementation of the electronic benefit transfer system;”.

2000—Subsec. (k). Pub. L. 106-171 added subsec. (k).

1997—Subsec. (a). Pub. L. 105-18, title VII, [(a)(1)], inserted “(except as provided in subsection (j) of this section)” after “necessary, and”.

Subsec. (j). Pub. L. 105-18, title VII, [(a)(2)], added subsec. (j).

1996—Subsec. (i). Pub. L. 104-193, § 825(a)(1), inserted subsec. heading.

Subsec. (i)(1). Pub. L. 104-193, § 825(a)(1), added par. (1) and struck out former par. (1) which read as follows:

“(1)(A) Any State agency may, with the approval of the Secretary, implement an on-line electronic benefit transfer system in which household benefits determined under section 2017(a) of this title are issued from and stored in a central data bank and electronically accessed by household members at the point-of-sale.
“(B) No State agency may implement or expand an electronic benefit transfer system without prior approval from the Secretary.”

Subsec. (i)(2). Pub. L. 104-193, § 825(a)(2)(A), struck out “effective no later than April 1, 1992,” after “regulations” in introductory provisions.

Subsec. (i)(2)(A). Pub. L. 104-193, § 825(a)(2)(B), struck out “, in any 1 year,” after “does not exceed” and “on-line” before “electronic benefit”.

Subsec. (i)(2)(D). Pub. L. 104-193, § 825(a)(2)(C), added subpar. (D) and struck out former subpar. (D) which read as follows: “system security;”.

Subsec. (i)(2)(I). Pub. L. 104-193, § 825(a)(2)(D)–(F), added subpar. (I).

Subsec. (i)(7) to (11). Pub. L. 104-193, § 825(a)(3), added pars. (7) to (11).

1994—Subsec. (h)(1). Pub. L. 103-225 inserted second sentence and struck out former second sentence which read as follows: “The State agency shall establish such a procedure for eligible households residing on reservations.”

1990—Subsec. (h). Pub. L. 101-624, § 1728, amended subsec. (h) generally. Prior to amendment, subsec. (h) read as follows: “The State agency may implement a procedure for staggering the issuance of coupons to eligible households throughout the entire month: *Provided*, That the procedure ensures that, in the transition period from other issuance procedures, no eligible household experiences an interval between coupon issuances of more than 40 days, either through regular issuances by the State agency or through supplemental issuances.”

Subsec. (i). Pub. L. 101-624, § 1729(a), added subsec. (i).

1988—Subsec. (h). Pub. L. 100-435 struck out par. (1) designation and par. (2) which read as follows: “For any eligible household that applies for participation in the food stamp program during the last fifteen days of a month and is issued benefits within that period, coupons shall be issued for the first full month of participation by the the [sic] eighth day of the first full month of participation.”

1985—Subsec. (g)(1). Pub. L. 99-198, § 1519, substituted “shall” for “may” in provisions preceding subpar. (A).

Subsec. (h). Pub. L. 99-198, § 1518, added subsec. (h).

1982—Subsec. (f). Pub. L. 97-253, § 190(c)(2), substituted reference to section 2020(e)(20) of this title for former reference to section 2020(e)(21) of this title.

Subsec. (g). Pub. L. 97-253, § 162, added subsec. (g).

1981—Subsec. (f). Pub. L. 97-98 substituted “strictly liable” for “responsible” and inserted provision including any losses involving failure of a coupon issuer to comply with the requirements of section 2020(e)(21) of this title, except that in the case of losses resulting

from the issuance and replacement of authorizations for coupons and allotments sent through the mail, State agency liability be to the extent prescribed in regulations.

1977—Pub. L. 95-113 substituted revised provisions relating to issuance and use of coupons for provisions relating to value of the coupon allotment which are now covered by section 2017 of this title.

1976—Subsec. (d). Pub. L. 94-339 designated existing provisions as par. (1) and added pars. (2) to (7).

1973—Subsec. (a). Pub. L. 93-125 substituted “for households of a given size unless the increase in the face value” for “for value”.

Pub. L. 93-86 substituted provisions relating to determination of semiannual adjustments in face value of coupon allotment for provisions relating to determination of annual adjustments in such allotment.

1971—Subsec. (a). Pub. L. 91-671 substituted provision for issuance of coupon allotment in such amount as the Secretary determines to be the cost of a nutritionally adequate diet, adjusted annually to reflect changes in prices of food published by Bureau of Labor Statistics for prior provision for issuance in such amount as will provide households with an opportunity more nearly to obtain a low-cost nutritionally adequate diet and inserted “any” before “households”.

Subsec. (b). Pub. L. 91-671 substituted provisions respecting charges to households for coupon allotments representing reasonable investment on part of the households, issuance of coupon allotments without charge where monthly income is less than \$30 for a family of four, and election of coupon allotment with a lesser face value than the face value authorized to be issued for prior provision for a charge determined to be equivalent to normal expenditures for food.

EFFECTIVE DATE OF 2002 AMENDMENT

Amendment by Pub. L. 107-171 effective Oct. 1, 2002, except as otherwise provided, see section 4405 of Pub. L. 107-171, set out as an Effective Date note under section 1161 of Title 2, The Congress.

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by section 1728 of Pub. L. 101-624 effective and implemented first day of month beginning 120 days after publication of implementing regulations to be promulgated not later than Oct. 1, 1991, and amendment by section 1729 of Pub. L. 101-624 effective Nov. 28, 1990, see section 1781(a), (b)(2) of Pub. L. 101-624, set out as a note under section 2012 of this title.

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-435 effective Jan. 1, 1989, except with regard to those States not implementing section 203(a) of Pub. L. 100-435 (amending section 2017 of this title), see section 701(b)(3)(B) of Pub. L. 100-435, set out as a note under section 2012 of this title.

EFFECTIVE DATE OF 1982 AMENDMENT

Amendment by Pub. L. 97-253 effective Sept. 8, 1982, see section 193(a) of Pub. L. 97-253, set out as a note under section 2012 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-98 effective on earlier of Sept. 8, 1982, or date such amendment became effective pursuant to section 1338 of Pub. L. 97-98, set out as a note under section 2012 of this title, see section 192(b) of Pub. L. 97-253, set out as a note under section 2012 of this title.

Amendment by Pub. L. 97-98 effective upon such date as Secretary of Agriculture may prescribe, taking into account need for orderly implementation, see section 1338 of Pub. L. 97-98, set out as a note under section 2012 of this title.

EFFECTIVE DATE OF 1977 AMENDMENT

Section 1301 of Pub. L. 95-113 provided that the amendment made by that section is effective Oct. 1, 1977.

REPORT ON ELECTRONIC BENEFIT TRANSFER SYSTEMS

Pub. L. 107-171, title IV, §4111, May 13, 2002, 116 Stat. 309, provided that:

“(a) DEFINITION OF EBT SYSTEM.—In this section, the term ‘EBT system’ means an electronic benefit transfer system used in issuance of benefits under the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

“(b) REPORT.—Not later than October 1, 2003, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that—

“(1) describes the status of use by each State agency of EBT systems;

“(2) specifies the number of vendors that have entered into a contract for an EBT system with a State agency;

“(3)(A) specifies the number of State agencies that have entered into an EBT-system contract with multiple EBT-system vendors; and

“(B) describes, for each State agency described in subparagraph (A), how responsibilities are divided among the various vendors;

“(4) with respect to any State in which an EBT system is not operational throughout the State as of October 1, 2002—

“(A) provides an explanation of the reasons why an EBT system is not operational throughout the State;

“(B) describes how the reasons are being addressed; and

“(C) specifies the expected date of operation of an EBT system throughout the State;

“(5) provides a description of—

“(A) the issues faced by any State agency that has awarded a second EBT-system contract in the 2-year period preceding the date of the report; and

“(B) the steps that the State agency has taken to address those issues;

“(6) provides a description of—

“(A) the issues faced by any State agency that will award a second EBT-system contract within the 2-year period beginning on the date of the report; and

“(B) strategies that the State agency is considering to address those issues;

“(7) describes initiatives being considered or taken by the Department of Agriculture, food retailers, EBT-system vendors, and client advocates to address any outstanding issues with respect to EBT systems; and

“(8) examines areas of potential advances in electronic benefit delivery in the 5- to 10-year period beginning on the date of the report, including—

“(A) access to EBT systems at farmers’ markets;

“(B) increased use of transaction data from EBT systems to identify and prosecute fraud; and

“(C) fostering of increased competition among EBT-system vendors to ensure cost containment and optimal service.”

CONGRESSIONAL STATEMENT OF PURPOSE

Pub. L. 106-171, §2, Feb. 11, 2000, 114 Stat. 3, provided that: “The purposes of this Act [amending this section and enacting provisions set out as notes under this section and section 2011 of this title] are—

“(1) to protect the integrity of the food stamp program;

“(2) to ensure cost-effective portability of food stamp benefits across State borders without imposing additional administrative expenses for special equipment to address problems relating to the portability;

“(3) to enhance the flow of interstate commerce involving electronic transactions involving food stamp benefits under a uniform national standard of interoperability and portability; and

“(4) to eliminate the inefficiencies resulting from a patchwork of State-administered systems and regula-

tions established to carry out the food stamp program.”

STUDY OF ALTERNATIVES FOR HANDLING ELECTRONIC BENEFIT TRANSACTIONS INVOLVING FOOD STAMP BENEFITS

Pub. L. 106-171, §4, Feb. 11, 2000, 114 Stat. 6, provided that: “Not later than 1 year after the date of enactment of this Act [Feb. 11, 2000], the Secretary of Agriculture shall study and report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on alternatives for handling interstate electronic benefit transactions involving food stamp benefits provided under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), including the feasibility and desirability of a single hub for switching (as defined in section 7(k)(1) of that Act [7 U.S.C. 2016(k)(1)] (as added by section 3)).”

SUSPENSION OF STAGGERED ISSUANCE OF FOOD STAMP COUPONS

Pub. L. 102-237, title IX, §908(a)(1), Dec. 13, 1991, 105 Stat. 1886, as amended by Pub. L. 103-11, §1, Apr. 1, 1993, 107 Stat. 41; Pub. L. 103-205, §1, Dec. 17, 1993, 107 Stat. 2418, provided that no State agency be required to implement 7 U.S.C. 2016(h)(1), regarding staggering of issuance of food stamp coupons, until Mar. 15, 1994, and directed Secretary of Agriculture to issue final regulations requiring staggered issuance of coupons no later than Dec. 1, 1992, prior to repeal by Pub. L. 103-225, title I, §104(a), Mar. 25, 1994, 108 Stat. 107.

FOOD STAMP COUPONS, COST INCREASE SUSPENSION

Pub. L. 94-4, Feb. 20, 1975, 89 Stat. 6, provided that notwithstanding the provisions of 7 U.S.C. 2016(b), the charge imposed on any household for a coupon allotment under this chapter after Feb. 20, 1975, and prior to Dec. 30, 1975, could not exceed the charge that would have been imposed on such household for such coupon allotment under rules and regulations promulgated under this chapter and in effect on Jan. 1, 1975.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 2014, 2019, 2024, 2026, 2027, 2035 of this title.

§ 2017. Value of allotment**(a) Calculation**

The value of the allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be equal to the cost to such households of the thrifty food plan reduced by an amount equal to 30 per centum of the household’s income, as determined in accordance with section 2014(d) and (e) of this title, rounded to the nearest lower whole dollar: *Provided*, That for households of one and two persons the minimum allotment shall be \$10 per month.

(b) Benefits not deemed income or resources for certain purposes

The value of benefits that may be provided under this chapter, whether through coupons, access devices, or otherwise¹ shall not be considered income or resources for any purpose under any Federal, State, or local laws, including, but not limited to, laws relating to taxation, welfare, and public assistance programs, and no participating State or political subdivision thereof shall decrease any assistance otherwise

¹ So in original. Probably should be followed by a comma.