

“(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 regulations 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.

§ 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 provided an individual or individuals because of the receipt of benefits under this chapter.

(c) First month benefits prorated

(1) The value of the allotment issued to any eligible household for the initial month or other initial period for which an allotment is issued shall have a value which bears the same ratio to the value of the allotment for a full month or other initial period for which the allotment is issued as the number of days (from the date of application) remaining in the month or other initial period for which the allotment is issued bears to the total number of days in the month or other initial period for which the allotment is issued, except that no allotment may be issued to a household for the initial month or period if the value of the allotment which such household would otherwise be eligible to receive under this subsection is less than \$10. Households shall receive full months’ allotments for all months within a certification period, except as provided in the first sentence of this paragraph with respect to an initial month.

(2) As used in this subsection, the term “initial month” means (A) the first month for which an allotment is issued to a household, (B) the first month for which an allotment is issued to a household following any period in which such household was not participating in the food stamp program under this chapter after the expiration of a certification period or after the termination of the certification of a household, during a certification period, when the household ceased to be eligible after notice and an opportunity for a hearing under section 2020(e)(10) of this title, and (C) in the case of a migrant or seasonal farmworker household, the first month for which allotment is issued to a household that applies following any period of more than 30 days in which such household was not participating in the food stamp program after previous participation in such program.

(3) **OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.**—A State agency may provide to an eligible household applying after the 15th day of a month, in lieu of the initial allotment of the household and the regular allotment of the household for the following month, an allotment that is equal to the total amount of the initial allotment and the first regular allot-

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

ment. The allotment shall be provided in accordance with section 2020(e)(3) of this title in the case of a household that is not entitled to expedited service and in accordance with paragraphs (3) and (9) of section 2020(e) of this title in the case of a household that is entitled to expedited service.

(d) Reduction of public assistance benefits

(1) In general

If the benefits of a household are reduced under a Federal, State, or local law relating to a means-tested public assistance program for the failure of a member of the household to perform an action required under the law or program, for the duration of the reduction—

(A) the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of the reduction; and

(B) the State agency may reduce the allotment of the household by not more than 25 percent.

(2) Rules and procedures

If the allotment of a household is reduced under this subsection for a failure to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to reduce the allotment under the food stamp program.

(e) Allotments for households residing in centers

(1) In general

In the case of an individual who resides in a center for the purpose of a drug or alcoholic treatment program described in section 2012(i)(5) of this title, a State agency may provide an allotment for the individual to—

(A) the center as an authorized representative of the individual for a period that is less than 1 month; and

(B) the individual, if the individual leaves the center.

(2) Direct payment

A State agency may require an individual referred to in paragraph (1) to designate the center in which the individual resides as the authorized representative of the individual for the purpose of receiving an allotment.

(f) Alternative procedures for residents of certain group facilities

(1) In general

(A) Applicability

(i) In general

Subject to clause (ii), at the option of the State agency, allotments for residents of any facility described in subparagraph (B), (C), (D), or (E) of section 2012(i)(5) of this title (referred to in this subsection as a “covered facility”) may be determined and issued under this paragraph in lieu of subsection (a) of this section.

(ii) Limitation

Unless the Secretary authorizes implementation of this paragraph in all States

under paragraph (3), clause (i) shall apply only to residents of covered facilities participating in a pilot project under paragraph (2).

(B) Amount of allotment

The allotment for each eligible resident described in subparagraph (A) shall be calculated in accordance with standardized procedures established by the Secretary that take into account the allotments typically received by residents of covered facilities.

(C) Issuance of allotment

(i) In general

The State agency shall issue an allotment determined under this paragraph to a covered facility as the authorized representative of the residents of the covered facility.

(ii) Adjustment

The Secretary shall establish procedures to ensure that a covered facility does not receive a greater proportion of a resident's monthly allotment than the proportion of the month during which the resident lived in the covered facility.

(D) Departures of residents of covered facilities

(i) Notification

Any covered facility that receives an allotment for a resident under this paragraph shall—

(I) notify the State agency promptly on the departure of the resident; and

(II) notify the resident, before the departure of the resident, that the resident—

(aa) is eligible for continued benefits under the food stamp program; and

(bb) should contact the State agency concerning continuation of the benefits.

(ii) Issuance to departed residents

On receiving a notification under clause (i)(I) concerning the departure of a resident, the State agency—

(I) shall promptly issue the departed resident an allotment for the days of the month after the departure of the resident (calculated in a manner prescribed by the Secretary) unless the departed resident reapplies to participate in the food stamp program; and

(II) may issue an allotment for the month following the month of the departure (but not any subsequent month) based on this paragraph unless the departed resident reapplies to participate in the food stamp program.

(iii) State option

The State agency may elect not to issue an allotment under clause (ii)(I) if the State agency lacks sufficient information on the location of the departed resident to provide the allotment.

(iv) Effect of reapplication

If the departed resident reapplies to participate in the food stamp program, the al-

lotment of the departed resident shall be determined without regard to this paragraph.

(2) Pilot projects

(A) In general

Before the Secretary authorizes implementation of paragraph (1) in all States, the Secretary shall carry out, at the request of 1 or more State agencies and in 1 or more areas of the United States, such number of pilot projects as the Secretary determines to be sufficient to test the feasibility of determining and issuing allotments to residents of covered facilities under paragraph (1) in lieu of subsection (a) of this section.

(B) Project plan

To be eligible to participate in a pilot project under subparagraph (A), a State agency shall submit to the Secretary for approval a project plan that includes—

- (i) a specification of the covered facilities in the State that will participate in the pilot project;
- (ii) a schedule for reports to be submitted to the Secretary on the pilot project;
- (iii) procedures for standardizing allotment amounts that takes into account the allotments typically received by residents of covered facilities; and
- (iv) a commitment to carry out the pilot project in compliance with the requirements of this subsection other than paragraph (1)(B).

(3) Authorization of implementation in all States

(A) In general

The Secretary shall—

- (i) determine whether to authorize implementation of paragraph (1) in all States; and
- (ii) notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the determination.

(B) Determination not to authorize implementation in all States

(i) In general

If the Secretary makes a finding described in clause (ii), the Secretary—

- (I) shall not authorize implementation of paragraph (1) in all States; and
- (II) shall terminate all pilot projects under paragraph (2) within a reasonable period of time (as determined by the Secretary).

(ii) Finding

The finding referred to in clause (i) is that—

- (I) an insufficient number of project plans that the Secretary determines to be eligible for approval are submitted by State agencies under paragraph (2)(B); or
- (II)(aa) a sufficient number of pilot projects have been carried out under paragraph (2)(A); and
- (bb) authorization of implementation of paragraph (1) in all States is not in

the best interest of the food stamp program.

(Pub. L. 88-525, § 8, Aug. 31, 1964, 78 Stat. 705; Pub. L. 95-113, title XIII, § 1301, Sept. 29, 1977, 91 Stat. 968; Pub. L. 97-35, title I, §§ 104(b), 110, Aug. 13, 1981, 95 Stat. 359, 361; Pub. L. 97-253, title I, §§ 143(c), 152(b), 163, 164, Sept. 8, 1982, 96 Stat. 773, 776, 778; Pub. L. 99-198, title XV, § 1520, Dec. 23, 1985, 99 Stat. 1578; Pub. L. 100-387, title V, § 502(a), Aug. 11, 1988, 102 Stat. 960; Pub. L. 100-435, title II, § 203(a), Sept. 19, 1988, 102 Stat. 1656; Pub. L. 101-624, title XVII, §§ 1730, 1732, Nov. 28, 1990, 104 Stat. 3790; Pub. L. 102-237, title IX, §§ 909, 910, Dec. 13, 1991, 105 Stat. 1887; Pub. L. 103-66, title XIII, § 13916, Aug. 10, 1993, 107 Stat. 674; Pub. L. 103-296, title I, § 108(f)(1), Aug. 15, 1994, 108 Stat. 1486; Pub. L. 104-193, title VIII, §§ 826-830, 854(c)(1), Aug. 22, 1996, 110 Stat. 2327, 2342; Pub. L. 107-171, title IV, § 4112(a), (b)(3), May 13, 2002, 116 Stat. 310, 313.)

REFERENCES IN TEXT

The Social Security Act, referred to in subsec. (d)(2), is act Aug. 14, 1935, ch. 531, 49 Stat. 620, as amended. Part A of title IV of the Act is classified generally to part A (§ 601 et seq.) of subchapter IV of chapter 7 of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see section 1305 of this title and Tables.

AMENDMENTS

2002—Subsec. (e)(1). Pub. L. 107-171, § 4112(b)(3), substituted “section 2012(i)(5) of this title” for “the last sentence of section 2012(i) of this title” in introductory provisions.

Subsec. (f). Pub. L. 107-171, § 4112(a), added subsec. (f).

1996—Subsec. (a). Pub. L. 104-193, § 826, struck out before period at end “, and shall be adjusted on each October 1 to reflect the percentage change in the cost of the thrifty food plan without regard to the special adjustments under section 2012(o) of this title for the 12-month period ending the preceding June, with the result rounded to the nearest \$5”.

Subsec. (c)(2)(B). Pub. L. 104-193, § 827, struck out “of more than one month” after “following any period”.

Subsec. (c)(3). Pub. L. 104-193, § 828, added par. (3) and struck out former par. (3) which read as follows: “A State agency—

“(A) in the case of a household that is not entitled in the month in which it applies to expedited service under section 2020(e)(9) of this title, may provide that an eligible household applying after the 15th day of the month shall receive, in lieu of its initial allotment and its regular allotment for the following month, an allotment that is the aggregate of the initial allotment and the first regular allotment, which shall be provided in accordance with paragraph (3) of section 2020(e) of this title; and

“(B) in the case of a household that is entitled in the month in which it applies to expedited service under section 2020(e)(9) of this title, shall provide that an eligible household applying after the 15th day of the month shall receive, in lieu of its initial allotment and its regular allotment for the following month, an allotment that is the aggregate of the initial allotment and the first regular allotment, which shall be provided in accordance with paragraphs (3) and (9) of section 2020(e) of this title.”

Subsec. (d). Pub. L. 104-193, § 829, added subsec. (d) and struck out former subsec. (d) which read as follows: “A household against which a penalty has been imposed for an intentional failure to comply with a Federal, State, or local law relating to welfare or a public assistance program may not, for the duration of the penalty, receive an increased allotment as the result of a decrease in the household’s income (as determined

under sections 2014(d) and 2014(e) of this title) to the extent that the decrease is the result of such penalty.”

Subsec. (e). Pub. L. 104-193, §854(c)(1), redesignated subsec. (f) as (e) and struck out former subsec. (e) which provided for simplified application procedures for beneficiaries of other programs, and for allotments, evaluation, cost sharing, and standardized procedures and benefits.

Subsec. (f). Pub. L. 104-193, §854(c)(1), redesignated subsec. (f) as (e).

Pub. L. 104-193, §830, added subsec. (f).

1994—Subsec. (e)(6). Pub. L. 103-296 inserted “the Commissioner of Social Security and” before “the Secretary of Health and Human Services”.

1993—Subsec. (c)(2)(B). Pub. L. 103-66 inserted “of more than one month in” after “following any period”.

1991—Subsec. (b). Pub. L. 102-237, §909, substituted “benefits that may be provided under this chapter, whether through coupons, access devices, or otherwise” for “the allotment provided any eligible household” and “benefits” for “an allotment”.

Subsec. (c)(1). Pub. L. 102-237, §910(1), inserted at end “Households shall receive full months’ allotments for all months within a certification period, except as provided in the first sentence of this paragraph with respect to an initial month.”

Subsec. (c)(2)(B). Pub. L. 102-237, §910(2), substituted “the expiration of a certification period or after the termination of the certification of a household, during a certification period, when the household ceased to be eligible after notice and an opportunity for a hearing under section 2020(e)(10) of this title” for “previous participation in such program”.

1990—Subsec. (a). Pub. L. 101-624, §1730, inserted before period at end “, and shall be adjusted on each October 1 to reflect the percentage change in the cost of the thrifty food plan without regard to the special adjustments under section 2012(o) of this title for the 12-month period ending the preceding June, with the result rounded to the nearest \$5”.

Subsec. (c)(3). Pub. L. 101-624, §1732, amended par. (3) generally. Prior to amendment, par. (3) read as follows: “An eligible household applying after the 15th day of the month shall receive, in lieu of its initial allotment and its regular allotment for the following month, an allotment that is the aggregate of the initial allotment and the first regular allotment, which shall be provided in accordance with paragraphs (3) and (9) of section 2020(e) of this title.”

1988—Subsec. (c). Pub. L. 100-387 substituted “(2)” for “and (2)” and added cl. (3).

Subsec. (c)(1), (2). Pub. L. 100-435, §203(a)(1), (2), designated first sentence of subsec. (c) as par. (1) and designated second sentence of subsec. (c) as par. (2), and redesignated cls. (1) to (3) of par. (2) as cls. (A) to (C), respectively.

Subsec. (c)(3). Pub. L. 100-435, §203(a)(3), added par. (3).

1985—Subsec. (e). Pub. L. 99-198 added subsec. (e).

1982—Subsec. (a). Pub. L. 97-253, §§143(c), 152(b), substituted “nearest lower whole dollar” for “nearest whole dollar”, and struck out provision which required the Secretary, six months after the implementation of the elimination of the charge for allotments and annually thereafter, to report to Congress the effect on participation and cost thereof.

Subsec. (c). Pub. L. 97-253, §163, inserted provision that no allotment may be issued to a household for the initial month or period if the value of the allotment which such household would otherwise be eligible to receive under this subsection is less than \$10, and substituted “following any period” for “following any period of more than thirty days” in cl. (2).

Subsec. (d). Pub. L. 97-253, §164, added subsec. (d).

1981—Subsec. (a). Pub. L. 97-35, §104(b), inserted “(d) and (e)” after “2014”.

Subsec. (c). Pub. L. 97-35, §110, added subsec. (c).

1977—Pub. L. 95-113 substituted revised provisions relating to the value of the coupon allotment for provisions covering approval of retail stores and wholesale

food concerns which are now covered by section 2018 of this title.

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 1994 AMENDMENT

Amendment by Pub. L. 103-296 effective Mar. 31, 1995, see section 110(a) of Pub. L. 103-296, set out as a note under section 401 of Title 42, The Public Health and Welfare.

EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103-66 effective, and to be implemented beginning on, Sept. 1, 1994, see section 13971(b)(4) of Pub. L. 103-66, set out as a note under section 2025 of this title.

EFFECTIVE DATE OF 1991 AMENDMENT

Amendment by Pub. L. 102-237 effective and to be implemented no later than Feb. 1, 1992, see section 1101(d)(1) of Pub. L. 102-237, set out as a note under section 1421 of this title.

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by section 1730 of Pub. L. 101-624 effective Oct. 1, 1990, and amendment by section 1732 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, see section 1781(a), (b)(1) of Pub. L. 101-624, set out as a note under section 2012 of this title.

EFFECTIVE DATE OF 1988 AMENDMENTS

Amendment by Pub. L. 100-435 effective Jan. 1, 1989, and implemented by States by Jan. 1, 1990, see section 701(b)(3)(A) of Pub. L. 100-435, set out as a note under section 2012 of this title.

Section 502(b) of Pub. L. 100-387 provided that:

“(1) The amendments made by this section [amending this section] take effect on the date of enactment of this Act [Aug. 11, 1988].

“(2) The amendments made by this section shall not apply with respect to allotments issued under the Food Stamp Act of 1977 [this chapter] to any household for any month beginning before the effective period of this section begins.”

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. 97-35 effective on earlier of Sept. 8, 1982, or date such amendment became effective pursuant to section 117 of Pub. L. 97-35, set out as a note under section 2012 of this title, see section 192(a) of Pub. L. 97-253, set out as a note under section 2012 of this title.

Amendment by Pub. L. 97-35 effective and implemented upon such dates as Secretary of Agriculture may prescribe, taking into account need for orderly implementation, see section 117 of Pub. L. 97-35, 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.

§ 2018. Approval of retail food stores and wholesale food concerns

(a) Applications; qualifications; certificate of approval; periodic reauthorization

(1) Regulations issued pursuant to this chapter shall provide for the submission of applications