



Legislation Text

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**File #:** Res 1642-2013, **Version:** \*

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Res No. 1642

Resolution in support of S.7671/A.10758, also known as the “Public Assistance Integrity Act,” which would prohibit the sale or purchase of alcohol, tobacco products or lottery tickets with public assistance benefits and prohibit the use of an electronic benefit transfer card at liquor stores, casinos or adult entertainment facilities.

By Council Members Vallone, Cabrera, Fidler, Koo, Mealy, Nelson, Wills, Halloran and Ulrich

Whereas, Welfare recipients receive food stamps and cash assistance on Electronic Benefit Transfer (“EBT”) cards; and

Whereas, Currently, there is no ban on where welfare recipients can withdraw cash assistance in New York; and

Whereas, Section 4000 of the federal Middle Class Tax Relief and Job Creation Act of 2012, approved on February 22, 2012, requires states to maintain policies and practices to prevent public assistance benefits from being used in any electronic benefit transfer transaction in liquor stores, casinos, or adult entertainment facilities; and

Whereas, Additionally, the Middle Class Tax Relief and Job Creation Act of 2012 penalizes states that do not comply with its provisions and/or fail to report their efforts to comply to the United States Department of Health and Human Services within two years of enactment; and

Whereas, Current New York State law does not prohibit recipients from using their cash assistance to purchase alcohol, tobacco, lottery tickets, and adult entertainment; and

Whereas, According to a June 14, 2012 New York Post article, if New York State does not comply with the Middle Class Tax Relief and Job Creation Act of 2012 by 2014, the State would have to forfeit 5 percent of its welfare funding, which equals \$120 million; and

Whereas, On June 19, 2012 the New York State Senate approved the Public Assistance Integrity Act;  
and

Whereas, The Public Assistance Integrity Act makes the purchase of alcohol, tobacco, lottery tickets, or adult entertainment a violation for welfare recipients, and recipients who violate the law would lose benefits for one month for their first offense, two months for a second offense, and could permanently lose benefits for a third offense; and

Whereas, Several states have already passed legislation to enact restrictions on the use of public assistance funds, including Arizona, California, Colorado, Indiana, Massachusetts, Minnesota, Missouri, Pennsylvania and Washington; now, therefore, be it

Resolved, That the Council of the City of New York supports S.7671/A.10758, also known as the “Public Assistance Integrity Act,” which would prohibit the sale or purchase of alcohol, tobacco products or lottery tickets with public assistance benefits and prohibit the use of an electronic benefit transfer card at liquor stores, casinos or adult entertainment facilities.

EH  
LS #3772  
8/7/12