



Legislation Details (With Text)

File #: Res 0419-2024 **Version:** * **Name:** Implementation of an electronic benefit transfer system using industry-standard commercial electronic funds transfer technology. (S.7823/A.4096)

Type: Resolution **Status:** Laid Over in Committee

In control: Committee on General Welfare

On agenda: 5/16/2024

Enactment date: **Enactment #:**

Title: Resolution calling on the New York State Legislature to pass, and the Governor to sign S.7823/A.4096, requiring the implementation of an electronic benefit transfer system using industry-standard commercial electronic funds transfer technology.

Sponsors:

Indexes:

Attachments: 1. Res. No. 419, 2. May 16, 2024 - Stated Meeting Agenda, 3. Hearing Transcript - Stated Meeting 5-16-24, 4. Committee Report 5/29/24, 5. Hearing Testimony 5/29/24, 6. Hearing Transcript 5/29/24, 7. Minutes of the Stated Meeting - May 16, 2024

Date	Ver.	Action By	Action	Result
5/16/2024	*	City Council	Introduced by Council	
5/16/2024	*	City Council	Referred to Comm by Council	
5/29/2024	*	Committee on General Welfare	Hearing Held by Committee	
5/29/2024	*	Committee on General Welfare	Laid Over by Committee	

Res. No. 419

Resolution calling on the New York State Legislature to pass, and the Governor to sign S.7823/A.4096, requiring the implementation of an electronic benefit transfer system using industry-standard commercial electronic funds transfer technology.

By Council Members Sanchez, Ung, Ayala, Cabán, Gutiérrez and Hanif

Whereas, Electronic Benefits Transfer (EBT) is an electronic system that allows Supplemental Nutrition Assistance (SNAP) or other cash assistance participants to access their benefits; and

Whereas, Participants receive an EBT card, also known as a Common Benefit Identification Card (CBIC), which functions like a debit card and allows participants to use their benefits at participating locations for eligible purchases; and

Whereas, Per data from the New York City Human Resources Administration (HRA), as of December 1,

2023, there were over 1 million households in New York City receiving SNAP benefits, comprised of more than 1.7 million individuals; and

Whereas, There has recently been an increase in reports of New Yorkers having their benefits stolen due to EBT card skimming; and

Whereas, Card skimming is the practice of stealing card and PIN numbers via a device hidden in card-swiping machines; and

Whereas, Skimmed card details are used by thieves to create replica EBT cards allowing them to access the victim's benefits; and

Whereas, According to reporting from The Gothamist, between August 2023 and February 2024, more than 61,000 New Yorkers submitted a claim of EBT fraud to the Department of Social Services and between January 2022 and October 2023 over \$17 million in benefits were stolen; and

Whereas, In February 2024, Governor Kathy Hochul announced the launch of a new statewide digital tool, the ConnectEBT app, to help protect EBT cardholders; and

Whereas, The ConnectEBT app allows cardholders to lock their card from the app and unlock it only when they are making a purchase; and

Whereas, While this app can help stop unverified purchases following a card being skimmed, there are further security measures that can prevent card skimming in the first place; and

Whereas, S.7823, introduced by New York State Senator Jose M. Serrano and pending in the State Senate, and companion bill A.4096 introduced by New York State Assembly Member Jessica Gonzalez-Rojas and pending in the State Assembly, require the implementation of an electronic benefit transfer system using industry-standard commercial electronic funds transfer technology; and

Whereas, S.7283/A.4096 calls specifically for the use of Europay, Mastercard and Visa (EMV) chip cards, which is an industry security standard, to replace the magnetic stripe technology that is currently used by EBT cards; and

Whereas, EMV chip cards are embedded with a small computer chip which does not transmit the card's real number during payment the way that magnetic stripes do; and

Whereas, EMV technology makes card skimming nearly impossible and transactions more secure at the point of sale; and

Whereas, According to EMVCo, 89% of all card-present transactions in the United States in 2023 were via EMV Chip, and almost all retailers have card machines that can accept EMV which would make the transition to this technology for EBT cardholders seamless; and

Whereas, SNAP recipients are some of the lowest-income New Yorkers who rely on benefits to ensure they are able to feed themselves and their families; and

Whereas, Even though New York State has created to fund to reimburse SNAP benefits, victims may be without access to critical funds for up to five days, possibly creating an extreme hardship; and

Whereas, Reimbursing victims of theft comes at a significant expense to the State; and

Whereas, The use of EMV technology in EBT cards could eliminate the majority of the risk associated with EBT card skimming, save the State considerable money, and protect the almost two million New Yorkers who rely on SNAP benefits to ensure they will not go hungry; now, therefore, be it

Resolved, That the Council of the City of New York calls on the New York State Legislature to pass, and the Governor to sign S.7823/A.4096, requiring the implementation of an electronic benefit transfer system using industry-standard commercial electronic funds transfer technology.

PR
LS #16141/16208
3/28/2024