

Senate Study Bill 2047

Bill Text

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1 1 Section 1. NEW SECTION. 234.12A ELECTRONIC BENEFITS
1 2 TRANSFER PROGRAM.
1 3 1. The department of human services may establish an
1 4 electronic benefits transfer program utilizing electronic
1 5 funds transfer systems. The program, if established, shall at
1 6 a minimum provide for all of the following:
1 7 a. A retailer shall not be required to make cash
1 8 disbursements or to provide, purchase, or upgrade electronic
1 9 funds transfer system equipment as a condition of
1 10 participation in the program.
1 11 b. A retailer shall be paid for an approved transaction
1 12 pursuant to the program no later than the end of the second
1 13 business day after the day of the transaction.
1 14 c. A retailer providing electronic funds transfer system
1 15 equipment for transactions pursuant to the program shall be
1 16 reimbursed fifteen cents for each approved transaction
1 17 pursuant to the program utilizing the retailer's equipment.
1 18 d. A retailer that provides electronic funds transfer
1 19 system equipment for transactions pursuant to the program and
1 20 who makes cash disbursements pursuant to the program utilizing
1 21 the retailer's equipment shall be paid a fee for each cash
1 22 disbursement transaction by the retailer which shall not be
1 23 less than the fee paid to a financial institution for a cash
1 24 disbursement by a satellite terminal, as defined in section
1 25 527.2, established by the financial institution.
1 26 2. A point-of-sale terminal which is used only for
1 27 purchases from a retailer by electronic benefits transfer
1 28 utilizing electronic funds transfer systems is not a satellite
1 29 terminal as defined in section 527.2.

EXPLANATION

1 31 This bill authorizes the department of human services to
1 32 establish an electronic benefits transfer program. The
1 33 program would be used to electronically provide benefits, such
1 34 as food stamp benefits, to eligible individuals through the
1 35 use of electronic funds transfer system equipment. The
2 1 program, if established, must satisfy several criteria,
2 2 including that a retailer must not be required to make cash
2 3 disbursements, or to provide, purchase, or upgrade electronic
2 4 funds transfer system equipment as a condition of
2 5 participation in the program; a participating retailer is to
2 6 be paid for an approved transaction no later than the end of
2 7 the second business day after the day of the transaction; a
2 8 participating retailer providing electronic funds transfer
2 9 system equipment for transactions pursuant to the program is
2 10 to be reimbursed 15 cents for each approved transaction
2 11 utilizing the retailer's equipment; and a retailer that
2 12 provides electronic funds transfer system equipment for
2 13 transactions pursuant to the program and who makes cash
2 14 disbursements pursuant to the program utilizing the retailer's
2 15 equipment is to be paid a fee for each cash disbursement
2 16 transaction by the retailer which is no less than the fee paid
2 17 to a financial institution for a cash disbursement by a
2 18 satellite terminal, as defined in Code section 527.2, which is
2 19 established by the financial institution.
2 20 The bill provides that a point-of-sale terminal used only
2 21 for purchases from a retailer under the electronic benefits

2 22 transfer program is not a satellite terminal for purposes of
2 23 Code chapter 527, which generally applies to electronic funds
2 24 transfers.
2 25 LSB 3670SC 77
2 26 mj/sc/14