



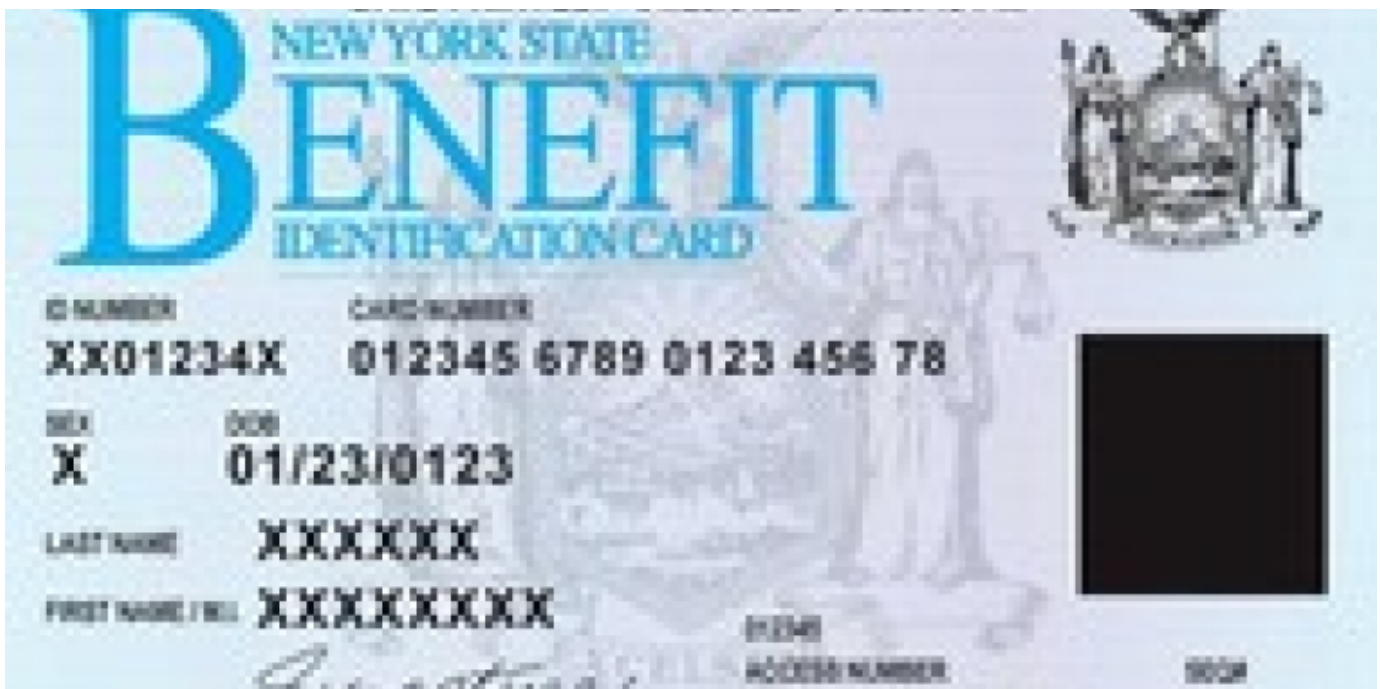
NEW YORK STATE SENATOR

Thomas F. O'Mara

Senate approves legislation prohibiting use of public assistance benefits to buy alcohol and tobacco -- or to gamble

THOMAS F. O'MARA June 19, 2012

| ISSUE: **PUBLIC ASSISTANCE**



Albany, N.Y., June 19—The New York State Senate today approved legislation co-sponsored by Senator Tom O'Mara (R-C, Big Flats), the “Public Assistance Integrity Act,” to prohibit welfare recipients from using cash assistance to purchase tobacco, alcoholic beverages or lottery tickets, and to combat other abuses of public assistance benefits.

“State taxpayers demand and deserve a zero-tolerance policy when it involves welfare fraud, abuse and waste. Welfare is intended as short-term, temporary assistance to help those in need address basic, fundamental responsibilities for their families until they can find work, get back on their feet and provide for themselves,” said O’Mara. “Public assistance benefits are not supposed to be used for drinking, gambling and smoking. Hard-working taxpayers shouldn’t be expected to support or tolerate these abuses of the welfare system.”

Welfare recipients receive both food stamps and cash assistance, each of which is frequently administered through the EBT (Electronic Benefit Transfer) debit card. Recipients can utilize cash assistance to purchase essential items that cannot be obtained with food stamps, such as paper products and school supplies, and to help defray the cost of housing and energy expenses.

However, current state law does not explicitly prohibit recipients from utilizing their cash allowance to purchase cigarettes, beer or lottery tickets. The Senate-approved legislation (S.7671) would prohibit these purchases as well as prohibit the withdrawal and use of public assistance funds at certain locations including liquor stores, racinos and adult entertainment establishments.

Supporters of the legislation note that recently enacted federal law requires states to take this action by 2014 or risk the loss of federal funding, which would cost New York State more than \$100 million. Specifically, earlier this year, President Obama signed the federal “Middle Class Tax Relief and Job Creation Act of 2012,” which requires states to limit electronic benefit transactions in locations including liquor stores, casinos and strip clubs by welfare recipients before February 2014. If New York fails to comply, the State will forfeit \$120 million in federal Temporary Assistance to Needy Families (TANF) funds.

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.