

Department of Planning and Budget 2013 Fiscal Impact Statement

1. Bill Number: HB 1307

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Ingram, Riley E.

3. Committee: Health, Welfare and Institutions

4. Title: Temporary Assistance for Needy Families (TANF); restrictions on use of cash assistance

5. Summary: The proposed legislation prohibits the use of Temporary Assistance for Needy Families cash assistance paid to an eligible recipient (i) for the purchase of alcoholic beverages, tobacco products, or lottery tickets or (ii) in any transaction in any government store established for the sale of alcoholic beverages, establishment in which pari-mutuel wagering or charitable gaming is conducted, or adult entertainment establishment in which performers appear nude or partially nude.

6. Budget Amendment Necessary: No

7. Minimal Fiscal Impact: See Item 8.

8. Fiscal Implications: Federal statute (PL 112-96) enacted last year requires states to put procedures in place to prevent Temporary Assistance for Needy Families (TANF) benefits from being used in any electronic benefits transaction at casinos, liquor stores, and adult entertainment venues. The federal statute requires states to report to the Secretary of Health and Human Services policies and practices put in place to comply with the law. As of yet, states are not held accountable by the federal government for individuals who violate the law. However, there are pending federal TANF regulations to implement PL 112-96. These regulations could create compliance costs which are unknown at this time for Virginia.

The Department of Social Services maintains that this proposal is necessary to codify the federal statute in the Code of Virginia thereby placing the Commonwealth in compliance with the federal law. Moreover, DSS assumes that the legislation would be implemented as an educational and public awareness measure with minimal costs, all of which can be covered with existing resources. Therefore, it is expected that this bill will have a minimal fiscal impact. DSS reports that should any agency be required to fully enforce the provisions of the bill, it will require a significant (multi-million dollar) investment of resources, including systems and staffing costs. This general estimate is based on the agency's preliminary investigation of this issue and experience with other benefit systems. Additional data and analysis would be required to refine this estimate of potential enforcement costs further.

9. Specific Agency or Political Subdivisions Affected: Department of Social Services

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 1/17/13

Document: G:\2013 Fiscal Year\2013 GA Session\EFIS\HB1307.docx