
7 U.S. Code § 2016

Issuance and use of program benefits

(a) In general

Except as provided in subsection (i), EBT cards shall be issued only to households which have been duly certified as eligible to participate in the supplemental nutrition assistance program.

(b) Use

Benefits issued to eligible households shall be used by them only to purchase food from retail food stores which have been approved for participation in the supplemental nutrition assistance program at prices prevailing in such stores: *Provided*, That nothing in this chapter shall be construed as authorizing the Secretary to specify the prices at which food may be sold by wholesale food concerns or retail food stores.

(c) Design

(1) In general

EBT cards issued to eligible households shall be simple in design and shall include only such words or illustrations as are required to explain their purpose.

(2) Prohibition

The name of any public official shall not appear on any EBT card.

(d) Delivery and control procedures

The Secretary shall prescribe appropriate procedures for the delivery of benefits to benefit issuers and for the subsequent controls to be placed over such benefits by benefit issuers in order to ensure adequate accountability.

(e) State issuance liability

Notwithstanding any other provision of this chapter, the State agency shall be strictly liable to the Secretary for any financial losses involved in the acceptance, storage and issuance of benefits, except that in the case of losses resulting from the issuance and replacement of authorizations for benefits which are sent through the mail, the State agency shall be liable to the Secretary to the extent prescribed in the regulations promulgated by the Secretary.

(f) Alternative benefit delivery

(1) In general

If the Secretary determines, in consultation with the Inspector General of the Department of Agriculture, that it would improve the integrity of the supplemental nutrition assistance program, the Secretary shall require a State agency to issue or deliver benefits using alternative methods.

(2) Imposition of costs

(A) In general

Except as provided in subparagraph (B), the Secretary shall require participating retail food stores

(including restaurants participating in a State option restaurant program intended to serve the elderly, disabled, and homeless) to pay 100 percent of the costs of acquiring, and arrange for the implementation of, electronic benefit transfer point-of-sale equipment and supplies, including related services.

(B) Exemptions

The Secretary may exempt from subparagraph (A)—

- (i) farmers' markets and other direct-to-consumer markets, military commissaries, nonprofit food buying cooperatives, and establishments, organizations, programs, or group living arrangements described in paragraphs (5), (7), and (8) of section 2012(k) of this title; and
- (ii) establishments described in paragraphs (3), (4), and (9) of section 2012(k) of this title, other than restaurants participating in a State option restaurant program.

(C) Interchange fees

Nothing in this paragraph permits the charging of fees relating to the redemption of supplemental nutrition assistance program benefits, in accordance with subsection (h)(13).

(3) Devaluation and termination of issuance of paper coupons

(A) Coupon issuance

Effective on the date of enactment of the Food, Conservation, and Energy Act of 2008, no State shall issue any coupon, stamp, certificate, or authorization card to a household that receives supplemental nutrition assistance under this chapter.

(B) EBT cards

Effective beginning on the date that is 1 year after the date of enactment of the Food, Conservation, and Energy Act of 2008, only an EBT card issued under subsection (i) shall be eligible for exchange at any retail food store.

(C) De-obligation of coupons

Coupons not redeemed during the 1-year period beginning on the date of enactment of the Food, Conservation, and Energy Act of 2008 shall—

- (i) no longer be an obligation of the Federal Government; and
- (ii) not be redeemable.

(4) Termination of manual vouchers

(A) In general

Effective beginning on February 7, 2014, except as provided in subparagraph (B), no State shall issue manual vouchers to a household that receives supplemental nutrition assistance under this chapter or allow retail food stores to accept manual vouchers as payment, unless the Secretary determines that the manual vouchers are necessary, such as in the event of an electronic benefit transfer system failure or a disaster situation.

(B) Exemptions

The Secretary may exempt categories of retail food stores or individual retail food stores from subparagraph (A) based on criteria established by the Secretary.

(5) Unique identification number required

(A) In general

To enhance the anti-fraud protections of the program, the Secretary shall require all parties providing electronic benefit transfer services to provide for and maintain unique terminal identification number

information through the supplemental nutrition assistance program electronic benefit transfer transaction routing system.

(B) Regulations

(i) In general

Not earlier than 2 years after February 7, 2014, the Secretary shall issue proposed regulations to carry out this paragraph.

(ii) Commercial practices

In issuing regulations to carry out this paragraph, the Secretary shall consider existing commercial practices for other point-of-sale debit transactions.

(C) Operation of individual point of sale device by farmers' markets and direct marketing farmers

A farmers' market or direct marketing farmer that is exempt under paragraph (2)(B)(i) shall be allowed to operate an individual electronic benefit transfer point of sale device at more than 1 location under the same supplemental nutrition assistance program authorization, if—

(i) the farmers' market or direct marketing farmer provides to the Secretary information on location and hours of operation at each location; and

(ii)

(I) the point of sale device used by the farmers' market or direct marketing farmer is capable of providing location information of the device through the electronic benefit transfer system; or

(II) if the Secretary determines that the technology is not available for a point of sale device to meet the requirement under subclause (I), the farmers' market or direct marketing farmer provides to the Secretary any other information, as determined by the Secretary, necessary to ensure the integrity of transactions processed using the point of sale device.

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