

Appendix B. Legal Authority

Section 4011 of the Agricultural Act of 2014 (P.L. 113-79; “2014 farm bill”) ended the provision of EBT equipment and services free of charge to retailers participating in SNAP. Retailers that previously received EBT equipment and payment processing services free of charge are now required to procure equipment and services independently. Since the passage of the Agricultural Act of 2014, the number of vendors offering EBT equipment and services to SNAP retailers has grown, but little is known about their business practices, including the services offered, pricing structure, and contractual agreements. These changes in the program requirements provide the impetus for this study.

Figure 1: Excerpt from the Agricultural Act of 2014, Section 4011.

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SEC. 4011. TECHNOLOGY MODERNIZATION FOR RETAIL FOOD STORES.

(a) **MOBILE TECHNOLOGIES.**—Section 7(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)) (as amended by section 4030(e)) is amended by adding at the end the following:

“(14) **MOBILE TECHNOLOGIES.**—

“(A) **IN GENERAL.**—Subject to subparagraph (B), the Secretary shall approve retail food stores to redeem benefits through electronic means other than wired point of sale devices for electronic benefit transfer transactions, if the retail food stores—

“(i) establish recipient protections regarding privacy, ease of use, access, and support similar to the protections provided for transactions made in retail food stores;

“(ii) bear the costs of obtaining, installing, and maintaining mobile technologies, including mechanisms needed to process EBT cards and transaction fees;

“(iii) demonstrate the foods purchased with benefits issued under this section through mobile technologies are purchased at a price not higher than the price of the same food purchased by other methods used by the retail food store, as determined by the Secretary;