

Appendix A

Section 4011 of the
Agricultural Act of 2014

SEC. 4010. IMPROVING SECURITY OF FOOD ASSISTANCE.

Section 7(h)(8) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(8)) is amended—

(1) in the paragraph heading, by striking “CARD FEE” and inserting “OF CARDS”;

(2) by striking “A State” and inserting the following:

“(A) FEES.—A State”; and

(3) by adding after subparagraph (A) (as so designated) the following:

“(B) PURPOSEFUL LOSS OF CARDS.—

“(i) IN GENERAL.—Subject to terms and conditions established by the Secretary in accordance with clause (ii), if a household makes excessive requests for replacement of the electronic benefit transfer card of the household, the Secretary may require a State agency to decline to issue a replacement card to the household unless the household, upon request of the State agency, provides an explanation for the loss of the card.

“(ii) REQUIREMENTS.—The terms and conditions established by the Secretary shall provide that—

“(I) the household be given the opportunity to provide the requested explanation and meet the requirements under this paragraph promptly;

“(II) after an excessive number of lost cards, the head of the household shall be required to review program rights and responsibilities with State agency personnel authorized to make determinations under section 5(a); and

“(III) any action taken, including actions required under section 6(b)(2), other than the withholding of the electronic benefit transfer card until an explanation described in subclause (I) is provided, shall be consistent with the due process protections under section 6(b) or 11(e)(10), as appropriate.

“(C) PROTECTING VULNERABLE PERSONS.—In implementing this paragraph, a State agency shall act to protect homeless persons, persons with disabilities, victims of crimes, and other vulnerable persons who lose electronic benefit transfer cards but are not intentionally committing fraud.

“(D) EFFECT ON ELIGIBILITY.—While a State may decline to issue an electronic benefits transfer card until a household satisfies the requirements under this paragraph, nothing in this paragraph shall be considered a denial of, or limitation on, the eligibility for benefits under section 5.”.

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;

“(iv) provide adequate documentation for each authorized transaction, as determined by the Secretary; and

“(v) meet other criteria as established by the Secretary.

“(B) DEMONSTRATION PROJECT ON ACCEPTANCE OF BENEFITS OF MOBILE TRANSACTIONS.—

“(i) IN GENERAL.—Before authorizing implementation of subparagraph (A) in all States, the Secretary shall pilot the use of mobile technologies determined by the Secretary to be appropriate to test the feasibility and implications for program integrity, by allowing retail food stores to accept benefits from recipients of supplemental nutrition assistance through mobile transactions.

“(ii) DEMONSTRATION PROJECTS.—To be eligible to participate in a demonstration project under clause (i), a retail food store shall submit to the Secretary for approval a plan that includes—

“(I) a description of the technology;

“(II) the manner by which the retail food store will provide proof of the transaction to households;

“(III) the provision of data to the Secretary, consistent with requirements established by the Secretary, in a manner that allows the Secretary to evaluate the impact of the demonstration on participant access, ease of use, and program integrity; and

“(IV) such other criteria as the Secretary may require.

“(iii) DATE OF COMPLETION.—The demonstration projects under this subparagraph shall be completed and final reports submitted to the Secretary by not later than July 1, 2016.

“(C) REPORT TO CONGRESS.—The Secretary shall—

“(i) by not later than January 1, 2017, authorize implementation of subparagraph (A) in all States, unless the Secretary makes a finding, based on the data provided under subparagraph (B), that implementa-

tion in all States is not in the best interest of the supplemental nutrition assistance program; and

“(ii) if the determination made in clause (i) is not to implement subparagraph (A) in all States, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes the basis of the finding.”.

(b) ACCEPTANCE OF BENEFITS THROUGH ON-LINE TRANSACTIONS.

(1) IN GENERAL.—Section 7 of the Food and Nutrition Act of 2008 (7 U.S.C. 2016) is amended by adding at the end the following:

“(k) OPTION TO ACCEPT PROGRAM BENEFITS THROUGH ON-LINE TRANSACTIONS.—

“(1) IN GENERAL.—Subject to paragraph (4), the Secretary shall approve retail food stores to accept benefits from recipients of supplemental nutrition assistance through on-line transactions.

“(2) REQUIREMENTS TO ACCEPT BENEFITS.—A retail food store seeking to accept benefits from recipients of supplemental nutrition assistance through on-line transactions shall—

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

“(B) ensure benefits are not used to pay delivery, ordering, convenience, or other fees or charges;

“(C) clearly notify participating households at the time a food order is placed—

“(i) of any delivery, ordering, convenience, or other fee or charge associated with the food purchase; and

“(ii) that any such fee cannot be paid with benefits provided under this Act;

“(D) ensure the security of on-line transactions by using the most effective technology available that the Secretary considers appropriate and cost-effective and that is comparable to the security of transactions at retail food stores; and

“(E) meet other criteria as established by the Secretary.

“(3) STATE AGENCY ACTION.—Each State agency shall ensure that recipients of supplemental nutrition assistance can use benefits on-line as described in this subsection as appropriate.

“(4) DEMONSTRATION PROJECT ON ACCEPTANCE OF BENEFITS THROUGH ON-LINE TRANSACTIONS.—

“(A) IN GENERAL.—Before the Secretary authorizes implementation of paragraph (1) in all States, the Secretary shall carry out a number of demonstration projects as determined by the Secretary to test the feasibility of allowing retail food stores to accept benefits through on-line transactions.

“(B) DEMONSTRATION PROJECTS.—To be eligible to participate in a demonstration project under subparagraph

- (A), a retail food store shall submit to the Secretary for approval a plan that includes—
- “(i) a method of ensuring that benefits may be used to purchase only eligible items under this Act;
 - “(ii) a description of the method of educating participant households about the availability and operation of on-line purchasing;
 - “(iii) adequate testing of the on-line purchasing option prior to implementation;
 - “(iv) the provision of data as requested by the Secretary for purposes of analyzing the impact of the project on participant access, ease of use, and program integrity;
 - “(v) reports on progress, challenges, and results, as determined by the Secretary; and
 - “(vi) such other criteria, including security criteria, as established by the Secretary.

“(C) DATE OF COMPLETION.—The demonstration projects under this paragraph shall be completed and final reports submitted to the Secretary by not later than July 1, 2016.

“(5) REPORT TO CONGRESS.—The Secretary shall—

“(A) by not later than January 1, 2017, authorize implementation of paragraph (1) in all States, unless the Secretary makes a finding, based on the data provided under paragraph (4), that implementation in all States is not in the best interest of the supplemental nutrition assistance program; and

“(B) if the determination made in subparagraph (A) is not to implement in all States, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes the basis of the finding.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 7(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(b)) is amended by striking “purchase food in retail food stores” and inserting “purchase food from retail food stores”.

(B) Section 10 of the Food and Nutrition Act of 2008 (7 U.S.C. 2019) is amended in the first sentence by inserting “retail food stores authorized to accept and redeem benefits through on-line transactions shall be authorized to accept benefits prior to the delivery of food if the delivery occurs within a reasonable time of the purchase, as determined by the Secretary,” after “food so purchased,”.

(c) SAVINGS CLAUSE.—Nothing in this section or an amendment made by this section alters any requirements of the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) unless specifically authorized in this section or an amendment made by this section.

SEC. 4012. USE OF BENEFITS FOR PURCHASE OF COMMUNITY-SUPPORTED AGRICULTURE SHARE.

Subsection (o)(4) of section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012) (as redesignated by section 4030(a)(4)) is amended by inserting “, or agricultural producers who market agricultural products directly to consumers” after “such food”.