

activities that the Secretary determines have the most demonstrable impact on the ability of participants to find and retain employment that leads to increased household income and reduced reliance on public assistance under section 6(d)(4)(B)(i).

“(v) CONSIDERATION.—In reallocating funds under this subparagraph, a State agency that receives reallocated funds under clause (iv)(I) may also be considered for reallocated funding under clause (iv)(II).”, and (C) in subparagraph (D) by striking “\$50,000” and inserting “\$100,000”, and (2) in paragraph (5)(B) by adding at the end the following:

“(v) STATE OPTION.—The State agency may report relevant data from a workforce partnership carried out under section 6(d)(4)(N) to demonstrate the number of program participants served by the workforce partnership.”

(e) EXPIRED AUTHORITY.—Section 17(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2026(b)) is amended—

- (1) by striking paragraph (2), and
- (2) by redesignating paragraph (3) as paragraph (2).

**SEC. 4006. IMPROVEMENTS TO ELECTRONIC BENEFIT TRANSFER SYSTEM.**

(a) EBT PORTABILITY.—Section 7(f)(5) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(f)(5)) is amended by adding at the end the following:

“(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.”

(b) MODERNIZATION OF ELECTRONIC BENEFIT TRANSFER REGULATIONS.—The 1st sentence of section 7(h)(2) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(2)) is amended by inserting “and shall periodically review such regulations and modify such regulations to take into account evolving technology and comparable industry standards” before the period at the end.

(c) BENEFIT RECOVERY.—Section 7(h)(12) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(12)) is amended—

(1) in subparagraph (A) by inserting “, or due to the death of all members of the household” after “inactivity”, and

(2) by striking subparagraphs (B) and (C) and inserting the following:

“(B) BENEFIT STORAGE.—

“(i) IN GENERAL.—A State agency may store recovered electronic benefits off-line in accordance with clause (ii), if the household has not accessed the account after 3 months.

“(ii) NOTICE OF BENEFIT STORAGE.—A State agency shall—

“(I) send notice to a household the benefits of which are stored under clause (i); and

“(II) not later than 48 hours after request by the household, make the stored benefits available to the household.

“(C) BENEFIT EXPUNGING.—

“(i) IN GENERAL.—Subject to clause (ii), a State agency shall expunge benefits that have not been accessed by a household after a period of 9 months, or upon verification that all members of the household are deceased.

“(ii) NOTICE OF BENEFIT EXPUNGING.—Not later than 30 days before benefits are to be expunged under clause (i), a State agency shall—

“(I) provide sufficient notice to the household that benefits will be expunged due to inactivity, and the date upon which benefits will be expunged;

“(II) for benefits stored off-line in accordance with subparagraph (B), provide the household an opportunity to request that such benefits be restored to the household; and

“(III) not later than 48 hours after request by the household, make the benefits available to the household.”.

(d) PROHIBITED FEES.—Section 7 of the Food and Nutrition Act of 2008 (7 U.S.C. 2016) is amended—

(1) by amending subsection (h)(13) to read as follows:

“(13) FEES.—

“(A) INTERCHANGE FEES.—No interchange fees shall apply to electronic benefit transfer transactions under this subsection.

“(B) OTHER FEES.—Effective through fiscal year 2023, neither a State, nor any agent, contractor, or subcontractor of a State who facilitates the provision of supplemental nutrition assistance program benefits in such State may impose a fee for switching (as defined in subsection (j)(1)(H)) or routing such benefits.”, and

(2) by amending subsection (j)(1)(H) to read as follows:

“(H) SWITCHING.—The term ‘switching’ means the routing of an intrastate or interstate transaction that consists of transmitting the details of a transaction electronically recorded through the use of an electronic benefit transfer card in one State to the issuer of the card that may be in the same or different State.”.

(e) MOBILE TECHNOLOGIES.—Section 7(h)(14) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(14)) is amended—

(1) by amending subparagraph (A) to read as follows:

“(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall authorize the use of mobile technologies for the purpose of accessing supplemental nutrition assistance program benefits.”,

(2) in subparagraph (B)—

(A) by striking the heading and inserting “DEMONSTRATION PROJECTS ON ACCESS OF BENEFITS THROUGH MOBILE TECHNOLOGIES”,

(B) by amending clause (i) to read as follows:

“(i) DEMONSTRATION PROJECTS.—Before authorizing implementation of subparagraph (A) in all States, the Secretary shall approve not more than 5 demonstration project proposals submitted by State agencies that will pilot the use of mobile technologies for supplemental nutrition assistance program benefits access.”,

(C) in clause (ii)—

(i) in the heading by striking “DEMONSTRATION PROJECTS” and inserting “PROJECT REQUIREMENTS”,

(ii) by striking “retail food store” the first place it appears and inserting “State agency”,

(iii) by striking “includes”,

(iv) by striking subclauses (I), (II), (III), and (IV), and inserting the following:

“(I) provides recipient protections regarding privacy, ease of use, household access to benefits, and support similar to the protections provided under existing methods;

“(II) ensures that all recipients, including those without access to mobile payment technology and those who shop across State borders, have a means of benefit access;

“(III) requires retail food stores, unless exempt under section 7(f)(2)(B), to bear the costs of acquiring and arranging for the implementation of point-of-sale equipment and supplies for the redemption of benefits that are accessed through mobile technologies;

“(IV) requires that 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;

“(V) ensures adequate documentation for each authorized transaction, adequate security measures to deter fraud, and adequate access to retail food stores that accept benefits accessed through mobile technologies, as determined by the Secretary;

“(VI) provides for an evaluation of the demonstration project, including, but not limited to, an evaluation of household access to benefits;

“(VII) requires that the State demonstration projects are voluntary for all retail food stores

and that all recipients are able to use benefits in non-participating retail food stores; and

“(VIII) meets other criteria as established by the Secretary.”,

(D) by amending clause (iii) to read as follows:

“(iv) DATE OF PROJECT APPROVAL.—The Secretary shall solicit and approve the qualifying demonstration projects required under subparagraph (B)(i) not later than January 1, 2021.”, and

(E) by inserting after clause (ii) the following:

“(iii) PRIORITY.—The Secretary may prioritize demonstration project proposals that would—

“(I) reduce fraud;

“(II) encourage positive nutritional outcomes;

and

“(III) meet such other criteria as determined by the Secretary.”, and

(3) in subparagraph (C)(i)—

(A) by striking “2017” and inserting “2022”, and

(B) by inserting “requires further study by way of an extended pilot period or” after “States” the 2d place it appears.

(f) APPROVAL OF RETAIL FOOD STORES.—Section 9 of the Food and Nutrition Act (7 U.S.C. 2018) is amended—

(1) in subsection (a)(1)—

(A) in the 4th sentence by striking “No retail food store” and inserting the following:

“(D) VISIT REQUIRED.—No retail food store”,

(B) in the 3d sentence by striking “Approval” and inserting the following:

“(C) CERTIFICATE.—Approval”,

(C) in the 2d sentence—

(i) by striking “food; and (D) the” and inserting the following: “food;

“(iv) any information, if available, about the ability of the anticipated or existing electronic benefit transfer equipment and service provider of the applicant to provide sufficient information through the electronic benefit transfer system to minimize the risk of fraudulent transactions; and

“(v) the”,

(ii) by striking “concern; (C) whether” and inserting the following: “concern;

“(iii) whether”,

(iii) by striking “applicant; (B) the” and inserting the following: “applicant;

“(ii) the”,

(iv) by striking “following: (A) the nature” and inserting the following: “following:

“(i) the nature”, and

(v) in the matter preceding clause (i), as so designated, by striking “In determining” and inserting the following:

“(B) FACTORS FOR CONSIDERATION.—In determining”,

and

(D) in the 1st sentence by striking “(a)(1) Regulations” and inserting the following:

“(a) AUTHORIZATION TO ACCEPT AND REDEEM BENEFITS.—

“(1) APPLICATIONS.—

“(A) IN GENERAL.—Regulations”,

(2) in subsection (a) by adding at the end the following:

“(4) ELECTRONIC BENEFIT TRANSFER EQUIPMENT AND SERVICE PROVIDERS.—Before implementing clause (iv) of paragraph (1)(B), the Secretary shall issue guidance for retail food stores on how to select electronic benefit transfer equipment and service providers that are able to meet the requirements of that clause.”, and

(3) in the 1st sentence of subsection (c) by inserting “records relating to electronic benefit transfer equipment and related services, transaction and redemption data provided through the electronic benefit transfer system,” after “purchase invoices,”.

**SEC. 4007. REVIEW OF SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM OPERATIONS.**

Section 9 of the Food and Nutrition Act of 2008 (7 U.S.C. 2018) is amended by adding at the end the following:

“(i) REVIEW OF PROGRAM OPERATIONS.—

“(1) REVIEW BY THE SECRETARY.—The Secretary—

“(A) shall review a representative sample of currently authorized facilities referred to in section 3(k)(3) to determine whether benefits are properly used by or on behalf of participating households residing in such facilities and whether such facilities are using more than 1 source of Federal or State funding to meet the food needs of residents;

“(B) may carry out similar reviews for currently participating residential drug and alcohol treatment and rehabilitation programs, and group living arrangements for the blind and disabled, referred to in section 3(k);

“(C) shall gather information, and such facilities, programs, and arrangements shall be required to submit information deemed necessary for a full and thorough review; and

“(D) shall report the results of these reviews to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate not later than 18 months after the date of the enactment of the Agriculture Improvement Act of 2018, along with recommendations regarding—

“(i) any additional requirements or oversight that would be appropriate for such facilities, programs, and arrangements; and

“(ii) whether such facilities, programs, and arrangements should continue to be authorized to participate in the supplemental nutrition assistance program.

“(2) LIMITATION.—Nothing in this subsection shall authorize the Secretary to deny any application for continued authorization, any application for authorization, or any request to withdraw the authorization of any such facility, program, or arrangement based on a determination that residents of any such facility or entity are residents of an institution for