



Testimony in Opposition to H-5742

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April 5, 2017

The Economic Progress Institute is opposed to H-5742 which would require individuals using their EBT card to provide a photo identification card at the time of transaction.

While the bill amends a section of the law that applies to the use of RI Works cash assistance, requirements pertaining to use of the EBT card impacts SNAP benefits as well. This is because an individual who receives both RI Works cash assistance and SNAP benefits has one EBT card through which their cash benefit and their SNAP benefit are accessed.

The federal regulations governing the SNAP program, issued by the Food and Nutrition Service (FNS), require that “[n]o retail food store may single out [EBT card] users for special treatment in any way.” See 7 C.F.R. § 278.2(b). This principle of equal customer treatment means that if retailers are required to check a photo ID for EBT cardholders, they must also request a photo ID for any customer using bank-issued debit or credit cards. In a recent study, representatives of food retailers indicated that checkout clerks typically refrain from checking the photo on credit/debit cards, relying on the PIN to protect against unauthorized card use. FNS has reported that the use of PINs has helped reduce trafficking from 3.8 percent in 1993 to 1.3 percent in 2009. Thus, for retailers, many of which are small businesses, complying with this federal regulation could prove burdensome.

To the extent this bill is intended to reduce SNAP trafficking - the diversion of benefits by exchanging them for cash or items not allowed to be purchased with SNAP non-eligible items – it is unlikely to achieve that result. The typical trafficking example is when a SNAP recipient sells some or all of his or her EBT card balance to a colluding retailer at a discount. Because such trafficking involves the conspiring of both recipients and retailers, requiring photo identification would not act as any sort of deterrent. Second, the federal government has sole jurisdiction over retailers and trafficking. The department has no authority to regulate merchants. With RI Works, trafficking is not an issue because the benefit on the EBT card is direct cash assistance. The maximum benefit for a family of 3 is \$554 per month.

We respectfully request that the Committee vote “no” on this bill.