

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1485

To exclude certain electronic benefit transfer programs established by State or local governments from provisions of the Electronic Funds Transfer Act.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 7, 1995

Mr. VENTO introduced the following bill; which was referred to the Committee on Banking and Financial Services

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## A BILL

To exclude certain electronic benefit transfer programs established by State or local governments from provisions of the Electronic Funds Transfer Act.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Electronic Fund  
5       Transfer Amendments of 1995”.

6       **SEC. 2. ELECTRONIC BENEFIT TRANSFERS.**

7       Section 904 of the Electronic Fund Transfer Act (15  
8       U.S.C. 1693b) is amended—

9               (1) by striking “(d) In the event” and inserting  
10       “(d) APPLICABILITY TO SERVICE PROVIDERS

1 OTHER THAN CERTAIN FINANCIAL INSTITU-  
2 TIONS.—

3 “(1) IN GENERAL.—In the event”; and

4 (2) by adding at the end the following new  
5 paragraph:

6 “(2) STATE AND LOCAL GOVERNMENT ELEC-  
7 TRONIC BENEFIT TRANSFER PROGRAMS.—

8 “(A) EXEMPTION GENERALLY.—Except as  
9 provided in subparagraphs (B) and (C), the  
10 Board may not, under paragraph (1), make any  
11 disclosure, protection, responsibility, or remedy  
12 established under or pursuant to this title appli-  
13 cable to an electronic benefit transfer program  
14 established under State or local law, or admin-  
15 istered by a State or local government.

16 “(B) EXCEPTION FOR DIRECT DEPOSIT  
17 INTO RECIPIENT’S ACCOUNT.—Subparagraph  
18 (A) shall not apply with respect to any elec-  
19 tronic funds transfer under an electronic benefit  
20 transfer program for deposits directly into a  
21 consumer account held by the recipient of the  
22 benefit.

23 “(C) CONDITION RELATING TO EMER-  
24 GENCY SERVICES.—Subparagraph (A) shall not  
25 apply with respect to an electronic benefit

1 transfer program which involves the payment of  
2 benefits to a recipient through the use of a  
3 debit card unless the Board determines that, in  
4 the event of a report by the recipient of the loss  
5 or theft of the card—

6 “(i) sufficient emergency services are  
7 available for the recipient while the report  
8 is under investigation or until a replace-  
9 ment card is made available to the recipi-  
10 ent; and

11 “(ii) under no circumstances would  
12 the recipient be liable for losses incurred  
13 with respect to the card after such report  
14 is made.

15 “(D) RULE OF CONSTRUCTION.—No provi-  
16 sion of this paragraph may be construed as af-  
17 fecting or altering the protections otherwise ap-  
18 plicable with respect to benefits established by  
19 Federal, State, or local statute.

20 “(E) ELECTRONIC BENEFIT TRANSFER  
21 PROGRAM DEFINED.—For purposes of this  
22 paragraph, the term ‘electronic benefit transfer  
23 program’—

24 “(i) means a program under which a  
25 Government agency distributes needs-test-

1 ed benefits by establishing accounts to be  
2 accessed by recipients electronically, such  
3 as through automated teller machines, or  
4 point-of-sale terminals; and

5 “(ii) does not include—

6 “(I) any program established for  
7 the purpose of enforcing the support  
8 obligations owed by absent parents to  
9 their children and the custodial par-  
10 ents with whom the children are liv-  
11 ing; or

12 “(II) employment-related pay-  
13 ments, including salaries and pension,  
14 retirement, or unemployment benefits  
15 established by Federal, State, or local  
16 governments.”.

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