

116TH CONGRESS
2D SESSION

S. 4202

To amend the Food and Nutrition Act of 2008 to expand online benefit redemption options under the supplemental nutrition assistance program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 2, 2020

Mr. DURBIN (for himself and Ms. DUCKWORTH) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Food and Nutrition Act of 2008 to expand online benefit redemption options under the supplemental nutrition assistance program, and for other purposes.

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 “Expanding SNAP Op-
5 tions Act of 2020”.

6 **SEC. 2. ONLINE PORTAL FOR SNAP BENEFIT REDEMPTION.**

7 Section 7(h)(14) of the Food and Nutrition Act of
8 2008 (7 U.S.C. 2016(h)(14)) is amended—

1 (1) in subparagraph (A), by striking “Subject
2 to subparagraph (B), the” and inserting “The”; and

3 (2) by striking subparagraph (B) and inserting
4 the following:

5 “(B) EBT ONLINE REDEMPTION POR-
6 TAL.—

7 “(i) PURPOSE.—The purpose of this
8 subparagraph is to expand options for and
9 access to food for eligible households by
10 making the online redemption of program
11 benefits, including the acceptance of EBT
12 cards, more widely available to grocery
13 stores, small retailers, and farmers who
14 face barriers in implementing their own
15 online payment portals.

16 “(ii) CONTRACTS.—Not later than
17 180 days after the date of enactment of
18 the Expanding SNAP Options Act of
19 2020, the Secretary shall award on a com-
20 petitive basis 1 or more contracts to 1 or
21 more eligible entities described in clause
22 (iii) to develop an online portal, to be
23 known as the ‘EBT Online Redemption
24 Portal’—

1 “(I) to allow program partici-
2 pants to use online or mobile elec-
3 tronic benefits transactions, including
4 through the acceptance of EBT cards,
5 to purchase program foods from, and
6 make online payments to, authorized
7 program retailers under the supple-
8 mental nutrition assistance program;
9 and

10 “(II) to facilitate food purchase
11 delivery for program participants
12 using the transactions described in
13 subclause (I).

14 “(iii) ELIGIBLE ENTITY.—An eligible
15 entity referred to in clause (ii) is any for-
16 profit or nonprofit entity with demon-
17 strable expertise in the development, oper-
18 ation, or maintenance of electronic pay-
19 ment systems (including systems with ad-
20 vanced security protocols), which may in-
21 clude expertise in benefits management or
22 administration of State systems, as deter-
23 mined by the Secretary.

24 “(iv) APPLICATION; PORTAL FEA-
25 TURES.—

1 “(I) APPLICATION.—An eligible
2 entity shall submit to the Secretary
3 an application at such time, in such
4 manner, and containing such informa-
5 tion as the Secretary may require, in-
6 cluding—

7 “(aa) a description of how
8 the eligible entity plans to imple-
9 ment the requirements described
10 in clause (v); and

11 “(bb) a beta plan that has
12 been user-tested.

13 “(II) PORTAL FEATURES.—In
14 awarding a contract to an eligible en-
15 tity under clause (ii), the Secretary
16 shall give preference to an eligible en-
17 tity that demonstrates an ability to
18 implement the following features of an
19 EBT Online Redemption Portal:

20 “(aa) Client-facing tech-
21 nology with a primary preference
22 for mobile device or smartphone
23 application.

1 “(bb) Fail-safe systems to
2 maintain privacy and online secu-
3 rity of data.

4 “(cc) Ability to redirect a
5 consumer to an existing online
6 platform of a vendor, if applica-
7 ble.

8 “(dd) Ability to update as
9 technologies evolve.

10 “(ee) Ease of operation for
11 program participants, including
12 multilingual functionality.

13 “(ff) Interoperability with
14 delivery technologies and inter-
15 faces.

16 “(gg) Identification of par-
17 ticipating retailers within geo-
18 graphic proximity to the user.

19 “(hh) Ability to perform sin-
20 gle transactions using mixed ten-
21 der, including a single trans-
22 action for eligible food items
23 using an EBT card and non-
24 eligible items using another form
25 of payment.

“(ii) Adherence to a comprehensive business continuity and disaster recovery plan—

“(AA) to allow the portal to recover from any interruption of service; and

“(BB) that includes sufficient back-up systems, equipment, facilities, and trained personnel to implement the plan.

“(v) REQUIREMENTS.—

“(I) IN GENERAL.—The Online EBT Redemption Portal developed by the eligible entity awarded the contract under clause (ii) shall—

“(aa) enable the integrated processing of an online EBT transaction by providing a platform and facilitating the purchasing interaction between the consumer, retailer, third-party processors (for EBT card processing and the secure online entry of a personal identification

number), and delivery vendor, as applicable;

“(bb) to deter fraud, have in place for program participants privacy and security protections, similar to protections provided under existing electronic benefit transfer methods, including entry of a personal identification number in a manner that complies with the guidelines of leading national consensus standards organizations, as determined by the Secretary, for encrypting personal identification number entry;

“(cc) be secure and operate in a manner that maintains program integrity, including food item eligibility;

“(dd) be available in an initial or beta version not later than 120 days after the date on which the eligible entity is awarded the contract;

“(ee) be ready to be fully deployed in all States not later than 180 days after the date described in item (dd);

“(ff) be available for use by any retail food store or wholesale food concern authorized under section 9 to accept and redeem benefits under the supplemental nutrition assistance program—

“(AA) at no charge beyond a nominal fee that is not more than reasonably necessary to support maintenance of the portal and subject to the approval of the Secretary; and

“(BB) on an application-based and browser-based platform for smartphones and a browser-based online platform for tablets and computers;

“(gg) adhere to commercial standards for service level avail-

1 ability to ensure the viability of
2 the portal and the use of the por-
3 tal by retail food stores and
4 wholesale food concerns author-
5 ized under section 9 to accept
6 and redeem benefits under the
7 supplemental nutrition assistance
8 program; and

9 “(hh) perform ongoing
10 maintenance services and retailer
11 enrollment and termination of
12 enrollment activities to ensure
13 continuous operability of the por-
14 tal.

15 “(II) EVALUATION OF BETA
16 VERSION.—The Secretary shall con-
17 duct a review of the initial or beta
18 version of the Online EBT Redemp-
19 tion Portal under subclause (I)(dd),
20 including by soliciting feedback from
21 program participants.

22 “(vi) REPORT TO CONGRESS.—Not
23 later than 240 days after the date of en-
24 actment of the Expanding SNAP Options
25 Act of 2020, the Secretary shall submit to

1 Congress a report on the status of activi-
 2 ties carried out under this subparagraph.

3 “(vii) AUTHORIZATION OF APPROPRIA-
 4 TIONS.—There is appropriated to the Sec-
 5 retary, out of funds of the Treasury not
 6 otherwise appropriated, \$25,000,000 to
 7 provide under the contract described in
 8 clause (ii).”.

9 **SEC. 3. BROAD ACCEPTANCE OF SNAP BENEFITS THROUGH**
 10 **ONLINE TRANSACTIONS.**

11 Section 7(k) of the Food and Nutrition Act of 2008
 12 (7 U.S.C. 2016(k)) is amended—

13 (1) by striking “on-line” each place it appears
 14 and inserting “online”;

15 (2) in paragraph (1)—

16 (A) by striking “Subject to paragraph (4),
 17 the” and inserting “The”; and

18 (B) by inserting “in any State” after
 19 “stores”; and

20 (3) by striking paragraph (4) and inserting the
 21 following:

22 “(4) TECHNICAL ASSISTANCE.—

23 “(A) DEFINITIONS.—In this paragraph:

1 “(i) COVERED ENTITY.—The term
 2 ‘covered entity’ means a public or private
 3 nonprofit entity.

4 “(ii) ELIGIBLE ENTITY.—The term
 5 ‘eligible entity’ means a retail food store or
 6 wholesale food concern authorized under
 7 section 9 to accept and redeem benefits
 8 under the supplemental nutrition assist-
 9 ance program.

10 “(B) TECHNICAL ASSISTANCE CENTER.—
 11 The Secretary, acting through the Adminis-
 12 trator of the Food and Nutrition Service, shall,
 13 on a competitive basis, award 1 or more grants
 14 to, or enter into 1 or more cooperative agree-
 15 ments with, 1 or more covered entities to estab-
 16 lish a technical assistance center, to be known
 17 as the ‘SNAP Online Purchasing Technical As-
 18 sistance Center’, to provide—

19 “(i) to State agencies, eligible entities,
 20 and program participants information on
 21 and technical assistance with, as applica-
 22 ble—

23 “(I) accepting program benefits
 24 through online transactions;

1 “(II) using the EBT Online Re-
2 demption Portal described in sub-
3 section (h)(14)(B);

4 “(III) in the case of State agen-
5 cies, conducting outreach to eligible
6 entities to ensure that those eligible
7 entities are informed of the technical
8 assistance provided by the center;

9 “(IV) research, training, and best
10 practices relating to redeeming pro-
11 gram benefits through online trans-
12 actions; and

13 “(V) facilitating communication
14 between eligible entities, applicable
15 State agencies, and the Department
16 of Agriculture; and

17 “(ii) to eligible entities direct grants
18 to defray the technological costs of car-
19 rying out the activities described in sub-
20 clauses (I) and (II) of clause (i).

21 “(C) QUALIFICATIONS.—At least 1 covered
22 entity that receives a grant or enters into a co-
23 operative agreement under subparagraph (B)
24 shall have expertise in providing technical as-

1 sistance to food retailers operating under a
2 Federal nutrition program.

3 “(D) TECHNICAL ASSISTANCE PRIORITY.—
4 In providing technical assistance to eligible enti-
5 ties, the SNAP Online Purchasing Technical
6 Assistance Center shall give priority to eligible
7 entities that are small and limited-resource re-
8 tailers.

9 “(E) FUNDING.—There is appropriated to
10 the Secretary, out of funds of the Treasury not
11 otherwise appropriated, \$75,000,000 to carry
12 out this paragraph, to remain available until ex-
13 pended, of which not more than 3 percent may
14 be used by the Secretary for administrative ex-
15 penses.

16 “(5) PUBLICATION OF ONLINE VENDORS.—The
17 Secretary shall maintain on the website of the De-
18 partment of Agriculture a publicly available listing,
19 organized and searchable by region, locality, and
20 State, of all approved retail food stores accepting
21 benefits from recipients of supplemental nutrition
22 assistance, including through online transactions.”.

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