

REFERENCE TITLE: SNAP; TANF; public welfare; verification

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

SB 1071

Introduced by
Senator Kavanagh

AN ACT

AMENDING TITLE 46, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY
ADDING SECTION 46-232; AMENDING SECTION 46-297.01, ARIZONA REVISED
STATUTES; RELATING TO PUBLIC ASSISTANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 46, chapter 2, article 2, Arizona Revised
3 Statutes, is amended by adding section 46-232, to read:

4 46-232. Supplemental nutrition assistance program;
5 eligibility evaluations; public posting;
6 definitions

7 A. TO DETERMINE OR EVALUATE SNAP ELIGIBILITY, THE DEPARTMENT OF
8 ECONOMIC SECURITY SHALL:

9 1. ENTER INTO A DATA MATCHING AGREEMENT WITH THE DEPARTMENT OF
10 GAMING TO IDENTIFY HOUSEHOLDS WITH LOTTERY OR GAMBLING WINNINGS OF \$3,000
11 OR MORE AND, TO THE EXTENT PERMISSIBLE UNDER FEDERAL LAW, TO TREAT THE
12 DATA OBTAINED AS VERIFIED ON RECEIPT. TO THE EXTENT THE DATA MAY NOT BE
13 VERIFIED ON RECEIPT, THE DEPARTMENT OF ECONOMIC SECURITY SHALL REFER THOSE
14 HOUSEHOLDS WITH LOTTERY OR GAMBLING WINNINGS THAT ARE EQUAL TO OR GREATER
15 THAN THE RESOURCE LIMIT FOR ELDERLY OR DISABLED HOUSEHOLDS AS DEFINED IN
16 7 CODE OF FEDERAL REGULATIONS SECTION 273.8(b) TO THE DEPARTMENT OF GAMING
17 FOR FURTHER INVESTIGATION.

18 2. ON AT LEAST A MONTHLY BASIS, REVIEW INFORMATION THAT IS PROVIDED
19 BY THE DEPARTMENT OF HEALTH SERVICES AND THAT IDENTIFIES INDIVIDUALS WHO
20 HAVE HAD A CHANGE IN CIRCUMSTANCES THAT MAY AFFECT SNAP ELIGIBILITY.

21 3. ON AT LEAST A QUARTERLY BASIS, REVIEW INFORMATION THAT IS
22 PROVIDED BY THE INDUSTRIAL COMMISSION OF ARIZONA AND THAT IDENTIFIES
23 INDIVIDUALS WHO HAVE HAD A CHANGE IN CIRCUMSTANCES THAT MAY AFFECT SNAP
24 ELIGIBILITY, INCLUDING A CHANGE IN UNEMPLOYMENT BENEFITS, EMPLOYMENT
25 STATUS OR WAGES.

26 4. ON AT LEAST A MONTHLY BASIS, REVIEW THE DEPARTMENT'S INFORMATION
27 THAT IDENTIFIES INDIVIDUALS WHO HAVE HAD A CHANGE IN CIRCUMSTANCES THAT
28 MAY AFFECT SNAP ELIGIBILITY, INCLUDING POTENTIAL CHANGES IN RESIDENCY AS
29 IDENTIFIED BY OUT-OF-STATE ELECTRONIC BENEFIT TRANSFER CARD TRANSACTIONS.

30 5. ON AT LEAST A MONTHLY BASIS, REVIEW INFORMATION THAT IS PROVIDED
31 BY THE STATE DEPARTMENT OF CORRECTIONS AND THAT IDENTIFIES INDIVIDUALS WHO
32 HAVE HAD A CHANGE IN CIRCUMSTANCES THAT MAY AFFECT SNAP ELIGIBILITY.

33 6. ON AT LEAST A QUARTERLY BASIS, REVIEW INFORMATION THAT IS
34 PROVIDED BY THE DEPARTMENT OF REVENUE AND THAT IDENTIFIES HOUSEHOLDS THAT
35 HAVE HAD A CHANGE IN CIRCUMSTANCES THAT MAY AFFECT SNAP ELIGIBILITY,
36 INCLUDING POTENTIAL CHANGES IN INCOME, WAGES OR RESIDENCY AS IDENTIFIED BY
37 TAX RECORDS.

38 7. ON AT LEAST A QUARTERLY BASIS, POST ON THE DEPARTMENT'S PUBLIC
39 WEBSITE THE FOLLOWING AGGREGATED AMOUNTS THAT WERE OBTAINED FROM
40 NONCOMPLIANCE AND FRAUD INVESTIGATIONS RELATED TO SNAP, EXCLUDING
41 CONFIDENTIAL AND PERSONALLY IDENTIFIABLE INFORMATION:

42 (a) THE NUMBER OF SNAP CASES THAT WERE INVESTIGATED FOR INTENTIONAL
43 PROGRAM VIOLATIONS OR FRAUD.

44 (b) THE NUMBER OF SNAP CASES THAT WERE REFERRED TO THE ATTORNEY
45 GENERAL'S OFFICE FOR PROSECUTION.

1 (c) THE AMOUNT OF IMPROPER PAYMENTS AND EXPENDITURES.

2 (d) THE AMOUNT OF MONIES RECOVERED.

3 (e) THE AMOUNT OF MONIES SPENT FOR IMPROPER PAYMENTS AND INELIGIBLE
4 RECIPIENTS AS A PERCENTAGE OF CASES THAT WERE INVESTIGATED AND REVIEWED.

5 (f) THE AMOUNT OF MONIES SPENT BY ELECTRONIC BENEFIT CARD
6 TRANSACTIONS THAT OCCURRED OUTSIDE OF THIS STATE, CATEGORIZED BY STATE.

7 B. ON AT LEAST A MONTHLY BASIS, THE DEPARTMENT OF HEALTH SERVICES
8 AND THE DEPARTMENT OF ENVIRONMENTAL QUALITY SHALL REVIEW THE FOLLOWING
9 INFORMATION FROM FEDERAL SOURCES TO ASSESS A RECIPIENT'S CONTINUED
10 ELIGIBILITY FOR SNAP:

11 1. EARNED INCOME INFORMATION, DEATH REGISTER INFORMATION,
12 INCARCERATION RECORDS, SUPPLEMENTAL SECURITY INCOME INFORMATION,
13 BENEFICIARY RECORDS, EARNINGS INFORMATION AND PENSION INFORMATION THAT IS
14 MAINTAINED BY THE UNITED STATES SOCIAL SECURITY ADMINISTRATION.

15 2. INCOME AND EMPLOYMENT INFORMATION THAT IS MAINTAINED IN THE
16 NATIONAL DIRECTORY OF NEW HIRES DATABASE AND CHILD SUPPORT ENFORCEMENT
17 DATA THAT IS MAINTAINED BY THE UNITED STATES DEPARTMENT OF HEALTH AND
18 HUMAN SERVICES.

19 3. PAYMENT AND EARNINGS INFORMATION THAT IS MAINTAINED BY THE
20 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

21 4. NATIONAL FLEEING FELON INFORMATION THAT IS MAINTAINED BY THE
22 UNITED STATES FEDERAL BUREAU OF INVESTIGATION.

23 C. IF THE DEPARTMENT RECEIVES INFORMATION THAT IDENTIFIES AN
24 INDIVIDUAL WHO IS ENROLLED IN SNAP AND THAT INDICATES A CHANGE IN
25 CIRCUMSTANCES THAT MAY AFFECT THAT INDIVIDUAL'S SNAP ELIGIBILITY, THE
26 DEPARTMENT SHALL REVIEW THAT INDIVIDUAL'S CASE.

27 D. FOR THE PURPOSES OF THIS SECTION:

28 1. "DEPARTMENT" MEANS THE DEPARTMENT OF ECONOMIC SECURITY.

29 2. "SNAP" MEANS THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.

30 Sec. 2. Section 46-297.01, Arizona Revised Statutes, is amended to
31 read:

32 46-297.01. Electronic benefit transfer cards; replacements;
33 out-of-state spending; fraud investigation

34 A. The department shall send each recipient who requests two
35 replacement cards within a twelve-month period a letter informing the
36 recipient that another request will initiate an investigation by the
37 department to determine whether there is fraud. If a third-party vendor
38 is administering replacement cards directly to recipients, the vendor
39 shall notify the department after a recipient requests a second
40 replacement card in a twelve-month period and makes any subsequent request
41 thereafter.

42 B. After a recipient's request for a third replacement card within
43 any twelve-month period, and any subsequent request thereafter, the
44 department shall schedule an interview with the recipient and, if the
45 department has been granted a waiver, determine whether there is fraud

1 before issuing a new card. The recipient's request for a fourth
2 replacement card requires the department to schedule an interview with the
3 recipient to determine whether there is fraud before issuing a new card.
4 The department shall request any necessary federal waivers to comply with
5 this section.

6 C. If a recipient uses more than ten percent of the recipient's
7 electronic benefit transfer card balance in a six-month period on
8 out-of-state purchases, the department shall schedule an interview with
9 the recipient to determine whether there is fraud.

10 D. ON AT LEAST A MONTHLY BASIS, THE DEPARTMENT SHALL USE THE DATA
11 FROM AN ELECTRONIC BENEFIT TRANSFER CARD TO IDENTIFY ANY INDIVIDUAL WHO
12 HAS MADE PURCHASES EXCLUSIVELY OUT-OF-STATE OVER A NINETY-DAY PERIOD. THE
13 DEPARTMENT SHALL CONTACT THE INDIVIDUAL WHO IS IDENTIFIED WITHIN THIRTY
14 DAYS TO DETERMINE WHETHER THAT INDIVIDUAL RESIDES IN THIS STATE. IF THE
15 INDIVIDUAL DOES NOT RESIDE IN THIS STATE, THE DEPARTMENT SHALL REMOVE THAT
16 INDIVIDUAL WITHIN THIRTY DAYS AFTER CONTACTING THE INDIVIDUAL. WITHIN
17 FIFTEEN DAYS AFTER THE INDIVIDUAL'S REMOVAL, THE DEPARTMENT SHALL REFER
18 THE INDIVIDUAL TO THE UNITED STATES ATTORNEY'S OFFICE FOR THE DISTRICT
19 WHERE THE INDIVIDUAL CLAIMS TO RESIDE.