

ENROLLED HOUSE  
CONCURRENT  
RESOLUTION NO. 1055

By: Kirby, Thomas and  
Caldwell of the House

and

Hooper of the Senate

A Concurrent Resolution memorializing Congress to provide for the withdrawal or prohibit the issuance of a proposed regulation applying Regulation E to the Electronic Benefit Transfer; and directing distribution.

WHEREAS, Electronic Benefit Transfer (EBT) programs involve the issuance of access cards and personal identification numbers to recipients of government benefits such as food stamps, Aid to Families with Dependent Children and Supplemental Security Income; and

WHEREAS, such benefits can then be accessed through automated teller machines and point-of-sale terminals; and

WHEREAS, recipients of governmental services currently lose significant benefits through loss or theft of food coupons; and

WHEREAS, delivering the benefits through an ATM-like system would enhance the self-sufficiency of clients, offer greater security of benefits, and provide greater convenience to users; and

WHEREAS, such benefit recipients do not have the same protection against loss of their cards as regular bank customers have; and

WHEREAS, the Federal Reserve Board wants those protections extended to people who receive welfare benefits electronically; and

WHEREAS, as a result, the Federal Reserve Board published a proposed regulation on February 17, 1993, to extend consumer protection laws on electronic banking transactions (known as Regulation E) to the electronic delivery of benefits or EBT; and

WHEREAS, the proposed regulation, while providing protections to the users of electronic debit cards, increases the liability of the state and federal government; and

WHEREAS, the proposed regulation would seriously hamper the growth of EBT by reducing cost savings and recipient access since states would be fully liable for lost or misused benefits; and

WHEREAS, food stamps are an entitlement and the state cannot deny participation to persons with poor credit ratings, criminal records or make service charges; and

WHEREAS, unlike the private sector, public sector agencies lack the flexibility to choose customers, cancel accounts and charge fees to cover losses; and

WHEREAS, the State of Oklahoma has invested valuable resources in development of a proposal to implement EBT in its food stamp program and is prepared to request alternate bids with and without proposed Regulation E; and

WHEREAS, the State of Oklahoma may be forced to withdraw from participation in EBT if consumer liability protection is required of the states which results in EBT not being at least cost-neutral; and

WHEREAS, Oklahoma State Government does not function as a financial institution.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE 1ST SESSION OF THE 44TH OKLAHOMA LEGISLATURE, THE SENATE CONCURRING THEREIN:

THAT the Oklahoma House of Representatives, with the concurrence of the Oklahoma State Senate, strongly opposes proposed Regulation E in programs established by federal, state or local government agencies for recipients of government benefits.

THAT the Oklahoma House of Representatives, with the concurrence of the Oklahoma State Senate, hereby memorializes the Congress of the United States to provide for the withdrawal or prohibit the issuance of the proposed regulation.

THAT copies of this resolution be dispatched to all members of the Oklahoma Congressional Delegation, the President of the United States and the Attorney General of Oklahoma.

Adopted by the House of Representatives the 11th day of May, 1993.

of Speaker of the House  
s Representative

Adopted by the Senate the 27th day of May, 1993.

Senate President of the