

116TH CONGRESS
2D SESSION

H. R. 5719

To amend the Food and Nutrition Act of 2008 to modify the standards to determine eligibility to receive supplemental nutrition assistance program benefits, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 2020

Mr. ARRINGTON (for himself, Mr. JOHNSON of South Dakota, Mr. YOHO, Mr. ADERHOLT, and Mr. SMITH of Nebraska) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Food and Nutrition Act of 2008 to modify the standards to determine eligibility to receive supplemental nutrition assistance program benefits, 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 “Closing Loopholes On
5 SafetyNet Exploitation Act” or the “CLOSE Act”.

6 **SEC. 2. AMENDMENTS.**

7 (a) **ELIGIBILITY REQUIREMENTS.**—Section 5(a) of
8 the Food and Nutrition Act of 2008 (7 U.S.C. 2014(a))

1 is amended by adding at the end the following: “However,
 2 no individual shall be eligible to receive benefits pursuant
 3 to this section if they do not meet the same income and
 4 resource criteria to which other applicants are subjected
 5 under subsections (c) and (g).”.

6 (b) FINANCIAL ASSET VERIFICATION.—The Food
 7 and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) is
 8 amended by inserting after section 11 the following:

9 **“SEC. 11A. FINANCIAL ASSET VERIFICATION THROUGH AC-**
 10 **CESS TO INFORMATION HELD BY FINANCIAL**
 11 **INSTITUTIONS.**

12 “(a) IMPLEMENTATION.—

13 “(1) IN GENERAL.—Subject to the provisions of
 14 this section, each State shall implement a financial
 15 asset verification program described in subsection
 16 (b), for purposes of determining or redetermining
 17 the eligibility of an individual to participate in the
 18 supplemental nutrition assistance program.

19 “(2) PLAN SUBMITTAL.—In order to meet the
 20 requirement of paragraph (1), each State shall—

21 “(A) submit not later than a deadline spec-
 22 ified by the Secretary consistent with paragraph
 23 (3), a State plan amendment that describes how
 24 the State intends to implement the asset
 25 verification program; and

1 “(B) provide for implementation of such
2 program for eligibility determinations and rede-
3 terminations made on or after 6 months after
4 the deadline established for submittal of such
5 plan amendment.

6 “(3) PHASE-IN.—

7 “(A) IMPLEMENTATION IN STATES.—The
8 Secretary shall require States to submit and
9 implement a financial asset verification pro-
10 gram under this subsection in such manner as
11 is designed to result in the application of such
12 programs, in the aggregate for all such States,
13 to households of approximately, but not less
14 than, the following percentage of households, in
15 the aggregate for all such States, by the end of
16 the fiscal year involved:

17 “(i) 12.5 percent by the end of fiscal
18 year 2021.

19 “(ii) 25 percent by the end of fiscal
20 year 2022.

21 “(iii) 50 percent by the end of fiscal
22 year 2023.

23 “(iv) 75 percent by the end of fiscal
24 year 2024.

1 “(v) 100 percent by the end of fiscal
2 year 2025.

3 “(B) CONSIDERATION.—In selecting States
4 under subparagraph (A), the Secretary shall
5 consult with the States involved and take into
6 account the feasibility of implementing asset
7 verification programs in each such State.

8 “(C) CONSTRUCTION.—Nothing in sub-
9 paragraph (A) shall be construed as preventing
10 a State from requesting, and the Secretary
11 from approving, the implementation of a finan-
12 cial asset verification program in advance of the
13 deadline otherwise established under such sub-
14 paragraph.

15 “(4) EXEMPTION OF TERRITORIES.—This sec-
16 tion shall only apply to the 50 States and the Dis-
17 trict of Columbia.

18 “(b) FINANCIAL ASSET VERIFICATION PROGRAM.—

19 “(1) IN GENERAL.—For purposes of this sec-
20 tion, a financial asset verification program means a
21 program described in paragraph (2) under which a
22 State—

23 “(A) requires each applicant for, or recipi-
24 ent of, supplemental nutrition assistance pro-
25 gram benefits to provide authorization by such

1 applicant or recipient (and any other person
2 whose resources are required by law to be dis-
3 closed to determine the eligibility of the appli-
4 cant or recipient for such benefits) for the State
5 to obtain (subject to the cost reimbursement re-
6 quirements of section 1115(a) of the Right to
7 Financial Privacy Act but at no cost to the ap-
8 plicant or recipient) from any financial institu-
9 tion (within the meaning of section 1101(1) of
10 such Act) any financial record (within the
11 meaning of section 1101(2) of such Act) held
12 by the institution with respect to the applicant
13 or recipient (and such other person, as applica-
14 ble), whenever the State determines the record
15 is needed in connection with a determination
16 with respect to such eligibility for (or the
17 amount or extent of) such benefits; and

18 “(B) uses the authorization provided under
19 subparagraph (A) to verify the financial re-
20 sources of such applicant or recipient (and such
21 other person, as applicable), in order to deter-
22 mine or redetermine the eligibility of such appli-
23 cant or recipient to receive supplemental nutri-
24 tion assistance program benefits.

1 “(2) PROGRAM DESCRIBED.—A program de-
2 scribed in this paragraph is a program for verifying
3 individual assets in a manner consistent with the ap-
4 proach used by the Commissioner of Social Security
5 under section 1631(e)(1)(B)(ii) of the Social Secu-
6 rity Act.

7 “(c) DURATION OF AUTHORIZATION.—Notwith-
8 standing section 1104(a)(1) of the Right to Financial Pri-
9 vacy Act, an authorization provided to a State under sub-
10 section (b)(1) shall remain effective until the earliest of—

11 “(1) the rendering of a final adverse decision on
12 the applicant’s application to participate in the sup-
13 plemental nutrition assistance program;

14 “(2) the cessation of the recipient’s eligibility to
15 participate in the supplemental nutrition assistance
16 program; or

17 “(3) the express revocation by the applicant or
18 recipient (or such other person described in sub-
19 section (b)(1), as applicable) of the authorization, in
20 a written notification to the State.

21 “(d) TREATMENT OF RIGHT TO FINANCIAL PRIVACY
22 ACT REQUIREMENTS.—

23 “(1) An authorization obtained by the State
24 under subsection (b)(1) shall be considered to meet
25 the requirements of the Right to Financial Privacy

1 Act for purposes of section 1103(a) of such Act, and
2 need not be furnished to the financial institution,
3 notwithstanding section 1104(a) of such Act.

4 “(2) The certification requirements of section
5 1103(b) of the Right to Financial Privacy Act shall
6 not apply to requests by the State pursuant to an
7 authorization provided under subsection (b)(1).

8 “(3) A request by the State pursuant to an au-
9 thorization provided under subsection (b)(1) is
10 deemed to meet the requirements of section
11 1104(a)(3) of the Right to Financial Privacy Act
12 and of section 1102 of such Act, relating to a rea-
13 sonable description of financial records.

14 “(e) REQUIRED DISCLOSURE.—The State shall in-
15 form any person who provides authorization pursuant to
16 subsection (b)(1)(A) of the duration and scope of the au-
17 thorization.

18 “(f) REFUSAL OR REVOCATION OF AUTHORIZA-
19 TION.—If an applicant for, or recipient of, supplemental
20 nutrition assistance program benefits (or such other per-
21 son described in subsection (b)(1), as applicable) refuses
22 to provide, or revokes, any authorization made by the ap-
23 plicant or recipient (or such other person, as applicable)
24 under subsection (b)(1)(A) for the State to obtain from
25 any financial institution any financial record, the State

1 may, on that basis, determine that the applicant or recipi-
2 ent is ineligible to participate in the supplemental nutri-
3 tion assistance program.

4 “(g) USE OF CONTRACTOR.—For purposes of imple-
5 menting a financial asset verification program under this
6 section, a State may select and enter into a contract with
7 a public or private entity meeting such criteria and quali-
8 fications as the State determines appropriate, consistent
9 with requirements in regulations relating to general con-
10 tracting provisions and with section 1903(i)(2) of the So-
11 cial Security Act. In carrying out activities under such
12 contract, such an entity shall be subject to the same re-
13 quirements and limitations on use and disclosure of infor-
14 mation as would apply if the State were to carry out such
15 activities directly.

16 “(h) TECHNICAL ASSISTANCE.—The Secretary shall
17 provide States with technical assistance to aid in imple-
18 mentation of a financial asset verification program under
19 this section.

20 “(i) REPORTS.—A State implementing a financial
21 asset verification program under this section shall furnish
22 to the Secretary such reports concerning the program, at
23 such times, in such format, and containing such informa-
24 tion as the Secretary determines appropriate.”.

1 **SEC. 3. EFFECTIVE DATE.**

2 This Act and the amendments made by this Act shall
3 take effect on October 1, 2020.

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