



Food and
Nutrition
Service

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Date: June 13, 2019

To: Supplemental Nutrition Assistance Program (SNAP)

Regional Directors

All Regions

Implementation of Section 4009 of the Agricultural Act of 2014

On April 15, 2019, the Food and Nutrition Service (FNS) published the final rule for The Supplemental Nutrition Assistance Program: Student Eligibility, Convicted Felons, Lottery and Gambling, and State Verification Provisions of the Agricultural Act of 2014 (84 FR 15083). Enclosed is a summary of the rule's lottery and gambling provisions, which implement Section 4009 of the Agricultural Act of 2014. FNS may issue additional guidance, as needed, regarding the other provisions of this final rule.

State agencies have until June 14, 2019, (60 days from date of publication) to comply with the lottery and gambling provisions at 7 CFR 272.17, 273.11(r), and 273.12. FNS will, as appropriate, hold States harmless for Quality Control purposes for 120 days from the implementation date, following requirements outlined in SNAP regulations at 7 CFR 275.12(d)(2)(vii).

More detailed guidance, including questions and answers, will be issued in the coming months. Questions and concerns regarding these provisions should be sent to Sarah Hughes at sarah.hughes@usda.gov.

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Lizbeth Silbermann

Director

Program Development Division

Enclosure

Section 4009 of the Agricultural Act of 2014

Section 4009 of the Agricultural Act of 2014 requires households with substantial lottery or gambling winnings, as defined by the Secretary, to immediately lose eligibility for SNAP benefits. As specified in the final rule, substantial lottery or gambling winnings are defined as a cash prize won in a single game, before taxes or other amounts are withheld, which is equal to or greater than the SNAP resource limit for elderly or disabled households. This amount is currently \$3,500 for Fiscal Year 2019 and is adjusted for inflation. If multiple individuals shared in the purchase of a ticket, hand, or similar bet, then only the portion of the winnings allocated to the member of the SNAP household will be counted toward the eligibility determination.

To ensure that State agencies can promptly act on households with substantial winnings, SNAP recipients must report to their State agency the receipt of substantial lottery or gambling winnings. In accordance with 7 CFR 273.12(a)(2), SNAP households must report substantial lottery and gambling winnings, as defined by this final rule, within 10 days of the date the household receives the substantial winnings or, at the State agency's option, within 10 days of the end of the month in which the household received the winnings.

States are also required to set up data matching agreements with gaming entities to the maximum extent practicable to identify individuals with substantial winnings and, if they find a match, act on it in accordance with SNAP regulations. If the State agency verifies the substantial winnings, the State agency must close the SNAP case for the entire household.

Responsibilities for State agencies and new households

To ensure compliance with the law, all new SNAP households with initial applications with a date of application on or after June 14, 2019 (60 days from the date of publication), must be notified of this reporting requirement. This provision applies to all new households including those that are categorically eligible. Current regulations at 7 CFR 273.2(e)(1) require the State agency to inform new households during the interview of their rights and responsibilities, including the new households' responsibility to report changes. Therefore, State agencies are required to inform new households at initial certification of the immediate loss of eligibility for SNAP if a household member receives substantial lottery and gambling winnings and the reporting requirement as a part of the explanation of the households' rights and responsibilities.

Responsibilities for State agencies and existing households

Consistent with standard practice and to provide adequate time for households to be notified, State agencies must notify existing households of the new reporting requirement at the households' next recertification. State agencies must begin informing existing households of their new reporting requirement at recertification effective June 14, 2019 (60 days from date of publication). This applies to all existing households with recertification notices sent on or after June 14, 2019. The State agency is required to inform existing households of this

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reporting requirement as a part of the explanation of the households' rights and responsibilities during their certification interview per regulations at 7 CFR 273.2(e)(1). For households whose next recertification does not require an interview per regulations at 7 CFR 273.2(e)(1) or because their interview requirement has been waived, the State agency is responsible for notifying these existing households at the time of their recertification through appropriate means.

Best practices for notification

State agencies are encouraged to inform existing households prior to their next recertification through a written notice or other means. State agencies should consider publicizing the change through the news media; posters in certification offices, issuance locations, or other sites frequented by certified households; or general notices mailed to households. FNS encourages State agencies to utilize their partnerships with community organizations to inform new and existing households of this reporting requirement.

As part of informing applicants and clients of rights and responsibilities, State agencies should leverage written notices effectively. States should consider opportunities to clearly explain this change in reporting requirements in writing (e.g. as part of the Notice of Eligibility). FNS encourages State agencies to provide a written notice of this reporting responsibility with an explanation in easily understandable language. For example, State agencies could include an addendum to the periodic report form that explains to households the new reporting requirement. At its option, the State agency may send a specific notice or some other type of written explanation of the change. For approachable strategies, samples, and tools to help States make their client notices more effective, FNS encourages State agencies to consult the SNAP Model Notice Toolkit, which is available on PartnerWeb.

Data matches with gaming entities

Section 4009 requires State agencies, to the maximum extent practicable, to establish agreements with gaming entities in order to identify individuals within the state with substantial winnings who are members of a SNAP household. State agencies must begin establishing these cooperative agreements as soon as possible. State agencies are expected to make a good faith effort to include as many gaming entities in their implementation of this rule as practicable. If a State agency and gaming entity cannot come to an agreement after the State agency made a good faith effort, then the State agency would not need to continue to pursue an agreement with that gaming entity at that time. If there are no gaming entities in the State, the State agency is not expected to establish cooperative agreements.

Information from data matches regarding lottery or gambling winnings does not fall within the definition in 7 CFR 273.2(f)(9)(iii) of information that is "verified upon receipt." State agencies have existing discretion in 7 CFR 273.2(f)(2) and (3) to determine what information is questionable and requires verification, so long as the criteria used is consistent. When information about a household's receipt of substantial winnings during the certification

period is unclear, the State agency would follow the procedures outlined at section 7 CFR 273.12(c)(3).

Eligibility for previously disqualified SNAP household

Households disqualified for substantial winnings remain ineligible until they again meet the allowable financial resources and income eligibility requirements in the Act. This provision applies to all households, including categorically eligible General Assistance (GA), Social Security Income (SSI), and Temporary Assistance for Needy Families (TANF) households, and those certified under Broad Based Categorical Eligibility (BBCE). All households that lose eligibility because an individual member received substantial lottery or gambling winnings will remain ineligible until they meet the income and resource limits detailed in 7 CFR 273.8 and 273.9, as required by section 4009. The next time such a household reapplies and is certified for SNAP after losing eligibility under this rule, the household would not be considered categorically eligible. If eligible, the household would need to be certified under regular SNAP rules.