

# Ensuring Fee-Free Benefit Transactions (EBT) Act

The National Grocers Association (NGA) represents 21,000 independent community grocers and wholesalers across the United States. Independent community grocers account for 33 percent of all grocery sales, exceeding \$250 billion, and more than 1 million American jobs.

## Background

Throughout the history of SNAP, Congress and the USDA have gone out of their way to ensure retailer participation was incentivized in the program. From the inception of electronic benefit transfer (EBT) for SNAP, stores were protected from transaction fees and were provided with government-funded equipment including installation and operation. In the 2014 Farm Bill, retailers chose to streamline the customer experience and integrate EBT payments with other payments, like credit or debit. They agreed to cover all the associated costs to ensure the government did not underwrite the cost of commercial activity in stores. The 2014 Farm Bill text inadvertently left retailers open to new processing fees and in 2018 this loophole was temporally closed until 2023.

Fees on EBT transactions will be cost prohibitive for many community and family-owned grocers that service urban, rural, and high-need areas. It is critical that we prohibit these fees and ensure that SNAP retailers can stay SNAP retailers to support our communities.

## The EBT Act (S. 2449/H.R. 4103)

The EBT Act permanently protects retailers from processing fees and modernization costs above and beyond the normal costs of business. Specifically, this bill:

- ✦ **Permanently prohibits EBT processing fees.**
- ✦ **Protects retailers from modernization costs above and beyond normal commercial costs.**
- ✦ **Ensures that state EBT contracts require fraud protection to prevent skimming and cover the cost of supporting the EBT payment infrastructure.**
- ✦ **Requires state agencies to review payment technology during each new contracting period and update the technology to reflect commercial standards.**

**Cosponsor the EBT Act to support local retailers  
and protect access to SNAP for communities.**

At the **HEART** of the community.