

## FOOD STAMP COUPONS, COST INCREASE SUSPENSION

Pub. L. 94-4, Feb. 20, 1975, 89 Stat. 6, provided that notwithstanding the provisions of 7 U.S.C. 2016(b), the charge imposed on any household for a coupon allotment under this chapter after Feb. 20, 1975, and prior to Dec. 30, 1975, could not exceed the charge that would have been imposed on such household for such coupon allotment under rules and regulations promulgated under this chapter and in effect on Jan. 1, 1975.

**§ 2017. Value of allotment****(a) Calculation**

The value of the allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the supplemental nutrition assistance program shall be equal to the cost to such households of the thrifty food plan reduced by an amount equal to 30 per centum of the household's income, as determined in accordance with section 2014(d) and (e) of this title, rounded to the nearest lower whole dollar: *Provided*, That for households of one and two persons the minimum allotment shall be 8 percent of the cost of the thrifty food plan for a household containing 1 member, as determined by the Secretary under section 2012 of this title, rounded to the nearest whole dollar increment.

**(b) Benefits not deemed income or resources for certain purposes**

The value of benefits that may be provided under this chapter shall not be considered income or resources for any purpose under any Federal, State, or local laws, including, but not limited to, laws relating to taxation, welfare, and public assistance programs, and no participating State or political subdivision thereof shall decrease any assistance otherwise provided an individual or individuals because of the receipt of benefits under this chapter.

**(c) First month benefits prorated**

(1) The value of the allotment issued to any eligible household for the initial month or other initial period for which an allotment is issued shall have a value which bears the same ratio to the value of the allotment for a full month or other initial period for which the allotment is issued as the number of days (from the date of application) remaining in the month or other initial period for which the allotment is issued bears to the total number of days in the month or other initial period for which the allotment is issued, except that no allotment may be issued to a household for the initial month or period if the value of the allotment which such household would otherwise be eligible to receive under this subsection is less than \$10. Households shall receive full months' allotments for all months within a certification period, except as provided in the first sentence of this paragraph with respect to an initial month.

(2) As used in this subsection, the term "initial month" means (A) the first month for which an allotment is issued to a household, (B) the first month for which an allotment is issued to a household following any period in which such household was not participating in the supplemental nutrition assistance program under this chapter after the expiration of a certification period or after the termination of the certifi-

cation of a household, during a certification period, when the household ceased to be eligible after notice and an opportunity for a hearing under section 2020(e)(10) of this title, and (C) in the case of a migrant or seasonal farmworker household, the first month for which allotment is issued to a household that applies following any period of more than 30 days in which such household was not participating in the supplemental nutrition assistance program after previous participation in such program.

(3) **OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.**—A State agency may provide to an eligible household applying after the 15th day of a month, in lieu of the initial allotment of the household and the regular allotment of the household for the following month, an allotment that is equal to the total amount of the initial allotment and the first regular allotment. The allotment shall be provided in accordance with section 2020(e)(3) of this title in the case of a household that is not entitled to expedited service and in accordance with paragraphs (3) and (9) of section 2020(e) of this title in the case of a household that is entitled to expedited service.

**(d) Reduction of public assistance benefits****(1) In general**

If the benefits of a household are reduced under a Federal, State, or local law relating to a means-tested public assistance program for the failure of a member of the household to perform an action required under the law or program, for the duration of the reduction—

(A) the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of the reduction; and

(B) the State agency may reduce the allotment of the household by not more than 25 percent.

**(2) Rules and procedures**

If the allotment of a household is reduced under this subsection for a failure to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to reduce the allotment under the supplemental nutrition assistance program.

**(e) Allotments for households residing in centers****(1) In general**

In the case of an individual who resides in a center for the purpose of a drug or alcoholic treatment program described in section 2012(m)(5) of this title, a State agency may provide an allotment for the individual to—

(A) the center as an authorized representative of the individual for a period that is less than 1 month; and

(B) the individual, if the individual leaves the center.

**(2) Direct payment**

A State agency may require an individual referred to in paragraph (1) to designate the center in which the individual resides as the authorized representative of the individual for the purpose of receiving an allotment.

**(f) Alternative procedures for residents of certain group facilities****(1) In general****(A) Applicability****(i) In general**

Subject to clause (ii), at the option of the State agency, allotments for residents of any facility described in subparagraph (B), (C), (D), or (E) of section 2012(m)(5) of this title (referred to in this subsection as a “covered facility”) may be determined and issued under this paragraph in lieu of subsection (a).

**(ii) Limitation**

Unless the Secretary authorizes implementation of this paragraph in all States under paragraph (3), clause (i) shall apply only to residents of covered facilities participating in a pilot project under paragraph (2).

**(B) Amount of allotment**

The allotment for each eligible resident described in subparagraph (A) shall be calculated in accordance with standardized procedures established by the Secretary that take into account the allotments typically received by residents of covered facilities.

**(C) Issuance of allotment****(i) In general**

The State agency shall issue an allotment determined under this paragraph to a covered facility as the authorized representative of the residents of the covered facility.

**(ii) Adjustment**

The Secretary shall establish procedures to ensure that a covered facility does not receive a greater proportion of a resident’s monthly allotment than the proportion of the month during which the resident lived in the covered facility.

**(D) Departures of residents of covered facilities****(i) Notification**

Any covered facility that receives an allotment for a resident under this paragraph shall—

(I) notify the State agency promptly on the departure of the resident; and

(II) notify the resident, before the departure of the resident, that the resident—

(aa) is eligible for continued benefits under the supplemental nutrition assistance program; and

(bb) should contact the State agency concerning continuation of the benefits.

**(ii) Issuance to departed residents**

On receiving a notification under clause (i)(I) concerning the departure of a resident, the State agency—

(I) shall promptly issue the departed resident an allotment for the days of the month after the departure of the resi-

dent (calculated in a manner prescribed by the Secretary) unless the departed resident reapplies to participate in the supplemental nutrition assistance program; and

(II) may issue an allotment for the month following the month of the departure (but not any subsequent month) based on this paragraph unless the departed resident reapplies to participate in the supplemental nutrition assistance program.

**(iii) State option**

The State agency may elect not to issue an allotment under clause (ii)(I) if the State agency lacks sufficient information on the location of the departed resident to provide the allotment.

**(iv) Effect of reapplication**

If the departed resident reapplies to participate in the supplemental nutrition assistance program, the allotment of the departed resident shall be determined without regard to this paragraph.

**(2) Pilot projects****(A) In general**

Before the Secretary authorizes implementation of paragraph (1) in all States, the Secretary shall carry out, at the request of 1 or more State agencies and in 1 or more areas of the United States, such number of pilot projects as the Secretary determines to be sufficient to test the feasibility of determining and issuing allotments to residents of covered facilities under paragraph (1) in lieu of subsection (a).

**(B) Project plan**

To be eligible to participate in a pilot project under subparagraph (A), a State agency shall submit to the Secretary for approval a project plan that includes—

(i) a specification of the covered facilities in the State that will participate in the pilot project;

(ii) a schedule for reports to be submitted to the Secretary on the pilot project;

(iii) procedures for standardizing allotment amounts that takes into account the allotments typically received by residents of covered facilities; and

(iv) a commitment to carry out the pilot project in compliance with the requirements of this subsection other than paragraph (1)(B).

**(3) Authorization of implementation in all States****(A) In general**

The Secretary shall—

(i) determine whether to authorize implementation of paragraph (1) in all States; and

(ii) notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the determination.

**(B) Determination not to authorize implementation in all States****(i) In general**

If the Secretary makes a finding described in clause (i), the Secretary—

(I) shall not authorize implementation of paragraph (1) in all States; and

(II) shall terminate all pilot projects under paragraph (2) within a reasonable period of time (as determined by the Secretary).

**(ii) Finding**

The finding referred to in clause (i) is that—

(I) an insufficient number of project plans that the Secretary determines to be eligible for approval are submitted by State agencies under paragraph (2)(B); or

(II)(aa) a sufficient number of pilot projects have been carried out under paragraph (2)(A); and

(bb) authorization of implementation of paragraph (1) in all States is not in the best interest of the supplemental nutrition assistance program.

(Pub. L. 88-525, § 8, Aug. 31, 1964, 78 Stat. 705; Pub. L. 95-113, title XIII, § 1301, Sept. 29, 1977, 91 Stat. 968; Pub. L. 97-35, title I, §§ 104(b), 110, Aug. 13, 1981, 95 Stat. 359, 361; Pub. L. 97-253, title I, §§ 143(c), 152(b), 163, 164, Sept. 8, 1982, 96 Stat. 773, 776, 778; Pub. L. 99-198, title XV, § 1520, Dec. 23, 1985, 99 Stat. 1578; Pub. L. 100-387, title V, § 502(a), Aug. 11, 1988, 102 Stat. 960; Pub. L. 100-435, title II, § 203(a), Sept. 19, 1988, 102 Stat. 1656; Pub. L. 101-624, title XVII, §§ 1730, 1732, Nov. 28, 1990, 104 Stat. 3790; Pub. L. 102-237, title IX, §§ 909, 910, Dec. 13, 1991, 105 Stat. 1887; Pub. L. 103-66, title XIII, § 13916, Aug. 10, 1993, 107 Stat. 674; Pub. L. 103-296, title I, § 108(f)(1), Aug. 15, 1994, 108 Stat. 1486; Pub. L. 104-193, title VIII, §§ 826-830, 854(c)(1), Aug. 22, 1996, 110 Stat. 2327, 2342; Pub. L. 107-171, title IV, § 4112(a), (b)(3), May 13, 2002, 116 Stat. 310, 313; Pub. L. 110-234, title IV, §§ 4001(b), 4107, 4115(b)(5), May 22, 2008, 122 Stat. 1092, 1101, 1106; Pub. L. 110-246, § 4(a), title IV, §§ 4001(b), 4107, 4115(b)(5), June 18, 2008, 122 Stat. 1664, 1853, 1863, 1868; Pub. L. 115-334, title IV, § 4022(3), Dec. 20, 2018, 132 Stat. 4653.)

**Editorial Notes****REFERENCES IN TEXT**

The Social Security Act, referred to in subsec. (d)(2), is act Aug. 14, 1935, ch. 531, 49 Stat. 620, as amended. Part A of title IV of the Act is classified generally to part A (§ 601 et seq.) of subchapter IV of chapter 7 of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see section 1305 of this title and Tables.

**CODIFICATION**

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

**AMENDMENTS**

2018—Subsec. (e)(1). Pub. L. 115-334 substituted “2012(m)(5)” for “2012(n)(5)” in introductory provisions.

Subsec. (f)(1)(A)(i). Pub. L. 115-334 substituted “2012(m)(5)” for “2012(n)(5)”.

2008—Subsec. (a). Pub. L. 110-246, § 4107, substituted “8 percent of the cost of the thrifty food plan for a household containing 1 member, as determined by the Secretary under section 2012 of this title, rounded to the nearest whole dollar increment” for “\$10 per month”.

Pub. L. 110-246, § 4001(b), substituted “supplemental nutrition assistance program” for “food stamp program”.

Subsec. (b). Pub. L. 110-246, § 4115(b)(5)(A), struck out “, whether through coupons, access devices, or otherwise” before “shall not”.

Subsecs. (c)(2), (d)(2). Pub. L. 110-246, § 4001(b), substituted “supplemental nutrition assistance program” for “food stamp program” wherever appearing.

Subsec. (e)(1). Pub. L. 110-246, § 4115(b)(5)(B), substituted “section 2012(n)(5)” for “section 2012(i)(5)” in introductory provisions.

Subsec. (f)(1)(A)(i). Pub. L. 110-246, § 4115(b)(5)(B), substituted “section 2012(m)(5)” for “section 2012(i)(5)”.

Subsec. (f)(1)(D), (3)(B). Pub. L. 110-246, § 4001(b), substituted “supplemental nutrition assistance program” for “food stamp program” wherever appearing.

2002—Subsec. (e)(1). Pub. L. 107-171, § 4112(b)(3), substituted “section 2012(i)(5) of this title” for “the last sentence of section 2012(i) of this title” in introductory provisions.

Subsec. (f). Pub. L. 107-171, § 4112(a), added subsec. (f).

1996—Subsec. (a). Pub. L. 104-193, § 826, struck out before period at end “, and shall be adjusted on each October 1 to reflect the percentage change in the cost of the thrifty food plan without regard to the special adjustments under section 2012(o) of this title for the 12-month period ending the preceding June, with the result rounded to the nearest \$5”.

Subsec. (c)(2)(B). Pub. L. 104-193, § 827, struck out “of more than one month” after “following any period”.

Subsec. (c)(3). Pub. L. 104-193, § 828, added par. (3) and struck out former par. (3) which read as follows: “A State agency—

“(A) in the case of a household that is not entitled in the month in which it applies to expedited service under section 2020(e)(9) of this title, may provide that an eligible household applying after the 15th day of the month shall receive, in lieu of its initial allotment and its regular allotment for the following month, an allotment that is the aggregate of the initial allotment and the first regular allotment, which shall be provided in accordance with paragraph (3) of section 2020(e) of this title; and

“(B) in the case of a household that is entitled in the month in which it applies to expedited service under section 2020(e)(9) of this title, shall provide that an eligible household applying after the 15th day of the month shall receive, in lieu of its initial allotment and its regular allotment for the following month, an allotment that is the aggregate of the initial allotment and the first regular allotment, which shall be provided in accordance with paragraphs (3) and (9) of section 2020(e) of this title.”

Subsec. (d). Pub. L. 104-193, § 829, added subsec. (d) and struck out former subsec. (d) which read as follows: “A household against which a penalty has been imposed for an intentional failure to comply with a Federal, State, or local law relating to welfare or a public assistance program may not, for the duration of the penalty, receive an increased allotment as the result of a decrease in the household’s income (as determined under sections 2014(d) and 2014(e) of this title) to the extent that the decrease is the result of such penalty.”

Subsec. (e). Pub. L. 104-193, § 854(c)(1), redesignated subsec. (f) as (e) and struck out former subsec. (e) which provided for simplified application procedures for beneficiaries of other programs, and for allotments, evaluation, cost sharing, and standardized procedures and benefits.

Subsec. (f). Pub. L. 104-193, § 854(c)(1), redesignated subsec. (f) as (e).

Pub. L. 104-193, § 830, added subsec. (f).

1994—Subsec. (e)(6). Pub. L. 103-296 inserted “the Commissioner of Social Security and” before “the Secretary of Health and Human Services”.

1993—Subsec. (c)(2)(B). Pub. L. 103-66 inserted “of more than one month in” after “following any period”.

1991—Subsec. (b). Pub. L. 102-237, §909, substituted “benefits that may be provided under this chapter, whether through coupons, access devices, or otherwise” for “the allotment provided any eligible household” and “benefits” for “an allotment”.

Subsec. (c)(1). Pub. L. 102-237, §910(1), inserted at end “Households shall receive full months’ allotments for all months within a certification period, except as provided in the first sentence of this paragraph with respect to an initial month.”

Subsec. (c)(2)(B). Pub. L. 102-237, §910(2), substituted “the expiration of a certification period or after the termination of the certification of a household, during a certification period, when the household ceased to be eligible after notice and an opportunity for a hearing under section 2020(e)(10) of this title” for “previous participation in such program”.

1990—Subsec. (a). Pub. L. 101-624, §1730, inserted before period at end “, and shall be adjusted on each October 1 to reflect the percentage change in the cost of the thrifty food plan without regard to the special adjustments under section 2012(o) of this title for the 12-month period ending the preceding June, with the result rounded to the nearest \$5”.

Subsec. (c)(3). Pub. L. 101-624, §1732, amended par. (3) generally. Prior to amendment, par. (3) read as follows: “An eligible household applying after the 15th day of the month shall receive, in lieu of its initial allotment and its regular allotment for the following month, an allotment that is the aggregate of the initial allotment and the first regular allotment, which shall be provided in accordance with paragraphs (3) and (9) of section 2020(e) of this title.”

1988—Subsec. (c). Pub. L. 100-387 substituted “(2)” for “and (2)” and added cl. (3).

Subsec. (c)(1), (2). Pub. L. 100-435, §203(a)(1), (2), designated first sentence of subsec. (c) as par. (1) and designated second sentence of subsec. (c) as par. (2), and redesignated cls. (1) to (3) of par. (2) as cls. (A) to (C), respectively.

Subsec. (c)(3). Pub. L. 100-435, §203(a)(3), added par. (3).

1985—Subsec. (e). Pub. L. 99-198 added subsec. (e).

1982—Subsec. (a). Pub. L. 97-253, §§143(c), 152(b), substituted “nearest lower whole dollar” for “nearest whole dollar”, and struck out provision which required the Secretary, six months after the implementation of the elimination of the charge for allotments and annually thereafter, to report to Congress the effect on participation and cost thereof.

Subsec. (c). Pub. L. 97-253, §163, inserted provision that no allotment may be issued to a household for the initial month or period if the value of the allotment which such household would otherwise be eligible to receive under this subsection is less than \$10, and substituted “following any period” for “following any period of more than thirty days” in cl. (2).

Subsec. (d). Pub. L. 97-253, §164, added subsec. (d).

1981—Subsec. (a). Pub. L. 97-35, §104(b), inserted “(d) and (e)” after “2014”.

Subsec. (c). Pub. L. 97-35, §110, added subsec. (c).

1977—Pub. L. 95-113 substituted revised provisions relating to the value of the coupon allotment for provisions covering approval of retail stores and wholesale food concerns which are now covered by section 2018 of this title.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, except as otherwise provided, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of this title.

Amendment by sections 4001(b), 4107, and 4115(b)(5) of Pub. L. 110-246 effective Oct. 1, 2008, see section 4407 of

Pub. L. 110-246, set out as a note under section 1161 of Title 2, The Congress.

##### EFFECTIVE DATE OF 2002 AMENDMENT

Amendment by Pub. L. 107-171 effective Oct. 1, 2002, except as otherwise provided, see section 4405 of Pub. L. 107-171, set out as an Effective Date note under section 1161 of Title 2, The Congress.

##### EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103-296 effective Mar. 31, 1995, see section 110(a) of Pub. L. 103-296, set out as a note under section 401 of Title 42, The Public Health and Welfare.

##### EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103-66 effective, and to be implemented beginning on, Sept. 1, 1994, see section 13971(b)(4) of Pub. L. 103-66, set out as a note under section 2025 of this title.

##### EFFECTIVE DATE OF 1991 AMENDMENT

Amendment by Pub. L. 102-237 effective and to be implemented no later than Feb. 1, 1992, see section 1101(d)(1) of Pub. L. 102-237, set out as a note under section 1421 of this title.

##### EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by section 1730 of Pub. L. 101-624 effective Oct. 1, 1990, and amendment by section 1732 of Pub. L. 101-624 effective and implemented first day of month beginning 120 days after publication of implementing regulations to be promulgated not later than Oct. 1, 1991, see section 1781(a), (b)(1) of Pub. L. 101-624, set out as a note under section 2012 of this title.

##### EFFECTIVE DATE OF 1988 AMENDMENTS

Amendment by Pub. L. 100-435 effective Jan. 1, 1989, and implemented by States by Jan. 1, 1990, see section 701(b)(3)(A) of Pub. L. 100-435, set out as a note under section 2012 of this title.

Pub. L. 100-387, title V, §502(b), Aug. 11, 1988, 102 Stat. 960, as amended by Pub. L. 110-234, title IV, §4002(b)(1)(B), (2)(JJ), May 22, 2008, 122 Stat. 1096, 1098; Pub. L. 110-246, §4(a), title IV, §4002(b)(1)(B), (2)(JJ), June 18, 2008, 122 Stat. 1664, 1857, 1859, provided that:

“(1) The amendments made by this section [amending this section] take effect on the date of enactment of this Act [Aug. 11, 1988].

“(2) The amendments made by this section shall not apply with respect to allotments issued under the Food and Nutrition Act of 2008 [7 U.S.C. 2011 et seq.] to any household for any month beginning before the effective period of this section begins.”

##### EFFECTIVE DATE OF 1982 AMENDMENT

Amendment by Pub. L. 97-253 effective Sept. 8, 1982, see section 193(a) of Pub. L. 97-253, set out as a note under section 2012 of this title.

##### EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective on earlier of Sept. 8, 1982, or date such amendment became effective pursuant to section 117 of Pub. L. 97-35, set out as a note under section 2012 of this title, see section 192(a) of Pub. L. 97-253, set out as a note under section 2012 of this title.

Amendment by Pub. L. 97-35 effective and implemented upon such dates as Secretary of Agriculture may prescribe, taking into account need for orderly implementation, see section 117 of Pub. L. 97-35, set out as a note under section 2012 of this title.

##### EFFECTIVE DATE OF 1977 AMENDMENT

Pub. L. 95-113, title XIII, §1301, Sept. 29, 1977, 91 Stat. 958, provided that the amendment made by section 1301 is effective Oct. 1, 1977.

**§ 2018. Approval of retail food stores and wholesale food concerns**

**(a) Authorization to accept and redeem benefits**

**(1) APPLICATIONS.—**

(A) IN GENERAL.—Regulations issued pursuant to this chapter shall provide for the submission of applications for approval by retail food stores and wholesale food concerns which desire to be authorized to accept and redeem benefits under the supplemental nutrition assistance program and for the approval of those applicants whose participation will effectuate the purposes of the supplemental nutrition assistance program.

(B) FACTORS FOR CONSIDERATION.—In determining the qualifications of applicants, there shall be considered among such other factors as may be appropriate, the following:

(i) the nature and extent of the food business conducted by the applicant;

(ii) the volume of benefit transactions which may reasonably be expected to be conducted by the applicant food store or wholesale food concern;

(iii) whether the applicant is located in an area with significantly limited access to food;

(iv) any information, if available, about the ability of the anticipated or existing electronic benefit transfer equipment and service provider of the applicant to provide sufficient information through the electronic benefit transfer system to minimize the risk of fraudulent transactions; and

(v) the business integrity and reputation of the applicant.

(C) CERTIFICATE.—Approval of an applicant shall be evidenced by the issuance to such applicant of a nontransferable certificate of approval.

(D) VISIT REQUIRED.—No retail food store or wholesale food concern of a type determined by the Secretary, based on factors that include size, location, and type of items sold, shall be approved to be authorized or reauthorized for participation in the supplemental nutrition assistance program unless an authorized employee of the Department of Agriculture, a designee of the Secretary, or, if practicable, an official of the State or local government designated by the Secretary has visited the store or concern for the purpose of determining whether the store or concern should be approved or reauthorized, as appropriate.

(2) The Secretary shall issue regulations providing for—

(A) the periodic reauthorization of retail food stores and wholesale food concerns; and

(B) periodic notice to participating retail food stores and wholesale food concerns of the definitions of “retail food store”, “staple foods”, “eligible foods”, and “perishable foods”.

(3) AUTHORIZATION PERIODS.—The Secretary shall establish specific time periods during which authorization to accept and redeem benefits shall be valid under the supplemental nutrition assistance program.

(4) ELECTRONIC BENEFIT TRANSFER EQUIPMENT AND SERVICE PROVIDERS.—Before implementing

clause (iv) of paragraph (1)(B), the Secretary shall issue guidance for retail food stores on how to select electronic benefit transfer equipment and service providers that are able to meet the requirements of that clause.

**(b) Effective and efficient operation of program; effect of disqualification; posting of bond**

(1) No wholesale food concern may be authorized to accept and redeem benefits unless the Secretary determines that its participation is required for the effective and efficient operation of the supplemental nutrition assistance program. No co-located wholesale-retail food concern may be authorized to accept and redeem benefits as a retail food store, unless (A) the concern does a substantial level of retail food business, or (B) the Secretary determines that failure to authorize such a food concern as a retail food store would cause hardship to households that receive supplemental nutrition assistance program benefits. In addition, no firm may be authorized to accept and redeem benefits as both a retail food store and as a wholesale food concern at the same time.

(2)(A) A buyer or transferee (other than a bona fide buyer or transferee) of a retail food store or wholesale food concern that has been disqualified under section 2021(a) of this title may not accept or redeem benefits until the Secretary receives full payment of any penalty imposed on such store or concern.

(B) A buyer or transferee may not, as a result of the sale or transfer of such store or concern, be required to furnish a bond under section 2021(d) of this title.

**(c) Information submitted by applicants; safeguards; disclosure to and use by State agencies**

Regulations issued pursuant to this chapter shall require an applicant retail food store or wholesale food concern to submit information, which may include relevant income and sales tax filing documents, purchase invoices, records relating to electronic benefit transfer equipment and related services, transaction and redemption data provided through the electronic benefit transfer system, or program-related records, which will permit a determination to be made as to whether such applicant qualifies, or continues to qualify, for approval under the provisions of this chapter or the regulations issued pursuant to this chapter. The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources so that the accuracy of information provided by the stores and concerns may be verified. Regulations issued pursuant to this chapter shall provide for safeguards which limit the use or disclosure of information obtained under the authority granted by this subsection to purposes directly connected with administration and enforcement of the provisions of this chapter or the regulations issued pursuant to this chapter, except that such information may be disclosed to and used by Federal law enforcement and investigative agencies and law enforcement and investigative agencies of a State government for