

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1552 Session of
1981

INTRODUCED BY RICHARDSON, IRVIS, OLIVER, WHITE, J. D. WILLIAMS,
EVANS AND DEAL, JUNE 15, 1981

REFERRED TO COMMITTEE ON HEALTH AND WELFARE, JUNE 15, 1981

AN ACT

1 To strengthen the economy; to help to achieve a fuller and more
2 effective use of clothing abundances; to provide for improved
3 levels of clothing purchasing power among low-income
4 households through a cooperative State program of clothing
5 assistance to be operated through normal channels of trade;
6 and making an appropriation.

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8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. Short title.

11 This act shall be known and may be cited as the "Clothing
12 Stamp Act."

13 Section 2. Declaration of policy.

14 It is hereby declared to be the policy of the General
15 Assembly, in order to promote the general welfare, that the
16 State's abundance of clothing should be utilized cooperatively
17 by the State and local governmental units and other agencies to
18 safeguard the health and well-being of the Commonwealth's
19 population and to raise the level of clothing purchasing power
20 among low-income households. The General Assembly hereby finds
21 that the limited clothing purchasing power of low-income
22 households contributes to low self-esteem which has been
23 directly correlated with the level of performance in school,
24 occupational and related activities of the low-income
25 individual. The General Assembly further finds that increased
26 utilization of clothing will promote the distribution in a
27 beneficial manner of our clothing abundances and will strengthen
28 the sagging apparel and textile industries. In order to promote
29 adequate distribution of the basic essentials necessary to the
30 well-being of the Commonwealth's citizens, a clothing stamp

1 program is herein authorized which will permit low-income
2 households to purchase a respectable and balanced wardrobe
3 through normal channels of trade.

4 Section 3. Definitions.

5 The following words and phrases when used in this act shall
6 have, unless the context clearly indicates otherwise, the
7 meanings given to them in this section:

8 "Authorization to purchase card." Any document issued by the
9 department to an eligible household which shows the face value
10 of the coupon allotment the household is entitled to be issued
11 on presentment of such document and the amount to be paid by
12 such household for such allotment.

13 "Bank." Any member or nonmember bank of the Federal Reserve
14 System.

15 "Clothing." Any apparel or footwear (or any tool, fabric,
16 machine, or equipment used to make such apparel or footwear for
17 the personal use of the eligible household) which is produced by
18 any person who is a citizen of the United States, is an alien
19 lawfully admitted for permanent residence or otherwise
20 permanently residing in the United States under color of law or
21 is organized under the laws of the United States or any state,
22 except that such term does not include cosmetics, jewelry or
23 timepieces.

24 "Clothing stamp program." Any program promulgated pursuant
25 to the provisions of this act.

26 "Coupon." Any coupon, stamp or type of certificate issued
27 pursuant to the provisions of this act.

28 "Coupon allotment." The total value of coupons to be issued
29 to a household during each month or other time period.

30 "Coupon vendor." Any person, partnership, corporation,

1 organization, political subdivision or other entity with which a
2 State agency has contracted for, or to which it has delegated
3 administrative responsibility in connection with, the issuance
4 of coupons to households.

5 "Department." The Department of Public Welfare.

6 "Elderly person." A person 60 years of age or over.

7 "Household." A single individual who is living alone and who
8 is above the age of 18, or a group of individuals (including
9 legally adopted children and legally assigned foster children)
10 who are living as one economic unit, for whom clothing is
11 purchased for personal use.

12 "Retail clothing store." An establishment, including a
13 recognized department thereof or a house-to-house trade route
14 which sells clothing to households.

15 "Secretary." The Secretary of the Department of Public
16 Welfare.

17 "Wholesale clothing concern." An establishment which sells
18 clothing to retail clothing stores for resale to households.

19 Section 4. Establishment of the Clothing Stamp Program.

20 (a) The secretary with the department is authorized to
21 formulate and administer a clothing stamp program under which
22 eligible households within the Commonwealth shall be provided
23 with an opportunity to obtain an adequate supply of clothing
24 through the issuance to such households of a coupon allotment or
25 flat grant which shall have a greater monetary value than the
26 charge to be paid for such allotment by such households. The
27 coupons so received by such households shall be used only to
28 purchase clothing from retail clothing stores which have been
29 approved for participation in the clothing stamp program.

30 Coupons issued and used as provided in this act shall be

1 redeemable at face value by the secretary through the facilities
2 of the Treasury Department of the Commonwealth.

3 (b) The secretary shall issue such regulations, not
4 inconsistent with this act, as he deems necessary or appropriate
5 for the effective and efficient administration of the clothing
6 stamp program.

7 Section 5. Eligible households.

8 (a) Participation in the clothing stamp program shall be
9 limited to those households whose income and other financial
10 resources are determined to be substantial limiting factors in
11 permitting them to purchase an adequate supply of clothing.

12 (b) The secretary shall establish uniform standards of
13 eligibility for participation by households in the clothing
14 stamp program. The standards established by the secretary, at a
15 minimum, shall prescribe the amounts of household income and
16 other financial resources, including both liquid and nonliquid
17 assets, to be used as criteria of eligibility. Such standards
18 shall take into account payments in kind received from an
19 employer by members of a household, if such payments are in lieu
20 of or supplemental to household income. Such payments in kind
21 shall be limited only to housing provided by such employer to
22 such employee and shall be the actual value of such housing, but
23 in no event shall such value be considered to be in excess of
24 the sum of \$25 per month.

25 (c) Notwithstanding any other provision of law, the
26 secretary shall include in the uniform standards of eligibility
27 to be prescribed under subsection (b) a provision that a
28 household shall not be eligible for assistance under this act if
29 it includes an able-bodied adult person between the ages of 18
30 and 65 (except mothers or other members of the household who

1 have the responsibility of care of dependent children or of
2 incapacitated adults, bona fide students in any accredited
3 school or training program, or persons employed and working at
4 least 30 hours per week) who either:

5 (1) fails to register for employment at a State or
6 Federal employment office or, when impractical, at such other
7 appropriate State or Federal office designated by the
8 secretary; or

9 (2) has refused to accept employment or public work at
10 not less than:

11 (i) the applicable State minimum wage;

12 (ii) the applicable Federal minimum wage;

13 (iii) the applicable wage established by a valid
14 regulation of the State Government authorized by existing
15 law to establish such regulations; or

16 (iv) one dollar thirty cents per hour if there is no
17 applicable wage as described in subparagraph (i), (ii) or
18 (iii). Refusal to work at a plant or site subject to a
19 strike or a lockout for the duration of such strike or
20 lockout shall not be deemed to be a refusal to accept
21 employment.

22 Section 6. Issuance and use of coupons.

23 (a) Coupons shall be printed in such denominations as may be
24 determined to be necessary and shall be issued only to
25 households which have been duly certified as eligible to
26 participate in the clothing stamp program.

27 (b) (1) The secretary shall by regulation develop an
28 appropriate procedure for determining and monitoring the
29 level of coupon inventories in the hands of coupon vendors
30 for the purpose of insuring that such inventories are at

1 proper levels (taking into consideration the historical and
2 projected volume of coupon distribution by such vendors). Any
3 such regulations shall contain procedures to insure that
4 coupon inventories in the hands of coupon vendors are not in
5 excess of the reasonable needs of such vendors taking into
6 consideration the ease and feasibility of resupplying such
7 coupon inventories. The secretary may, at his discretion,
8 require periodic reports from such coupon vendors respecting
9 the level of such inventories.

10 (2) Any coupon vendor, or any officer, employee or agent
11 thereof, convicted of failing to provide a report required
12 under paragraph (1) shall be fined not more than \$3,000, or
13 imprisoned not more than one year, or both.

14 (3) Any coupon vendor, or any officer, employee or agent
15 thereof, who knowingly provides false information in any
16 report required under paragraph (1) shall be fined not more
17 than \$10,000, or imprisoned not more than ten years, or both.

18 (c) (1) The secretary shall by regulation prescribe
19 appropriate procedures for the delivery of coupons to coupon
20 vendors and for the custody, care, control and storage of
21 coupons in the hands of coupon vendors in order to secure
22 such coupons against theft, embezzlement, misuse, loss or
23 destruction.

24 (2) Any coupon vendor, or any officer, employee or agent
25 thereof, convicted of violating any regulation issued under
26 paragraph (1) shall be fined not more than \$3,000, or
27 imprisoned not more than one year, or both.

28 (d) Coupons issued to eligible households shall be used by
29 them only to purchase clothing in retail clothing stores which
30 have been approved for participation in the clothing stamp

1 program at prices prevailing in such stores. Nothing in this act
2 shall be construed as authorizing the secretary to specify the
3 prices at which clothing may be sold by wholesale clothing
4 concerns or retail clothing stores.

5 (e) Coupons issued to eligible households shall be simple in
6 design and shall include only such words or illustrations as are
7 required to explain their purpose and define their denomination.
8 The name of any public official shall not appear on such
9 coupons.

10 Section 7. Value of the coupon allotment and charges to be
11 made.

12 (a) The face value of the coupon allotment which the
13 department shall be authorized to issue to any households
14 certified as eligible to participate in the clothing stamp
15 program shall be in such amount as the secretary determines to
16 be the cost of an adequate supply of clothing, adjusted
17 semiannually by the nearest dollar increment that is a multiple
18 of two to reflect changes in the prices of clothing published by
19 the Bureau of Labor Statistics in the United States Department
20 of Labor to be implemented commencing with the allotments of
21 January 1, 1981, incorporating the changes in the prices of
22 clothing through August 31, 1980, but in no event shall such
23 adjustments be made for households of a given size unless the
24 increase in the face value of the coupon allotment for such
25 households, as calculated above, is a minimum of \$2.

26 (b) Notwithstanding any other provision of law, households
27 shall be charged for the coupon allotment issued to them, and
28 the amount of such charge shall represent a reasonable
29 investment on the part of the household, but in no event more
30 than 30% of the household's income. Coupon allotments may be

1 issued without charge to households with income of less than \$30
2 per month for a family of four under standards of eligibility
3 prescribed by the secretary. The secretary shall provide a
4 reasonable opportunity for any eligible household to elect to be
5 issued a coupon allotment having a face value which is less than
6 the face value of the coupon allotment authorized to be issued
7 to them under subsection (a). The charge to be paid by eligible
8 households electing to exercise the option set forth in this
9 subsection shall be an amount which bears the same ratio to the
10 amount which would have been charged under this subsection as
11 the face value of the coupon allotment actually issued to them
12 bears to the face value of the coupon allotment that would have
13 been issued to them under subsection (a).

14 (c) The value of the coupon allotment provided to any
15 eligible household which is in excess of the amount charged such
16 households for such allotment shall not be considered to be
17 income or resources for any purpose under any Federal or State
18 laws, including laws relating to taxation, welfare and public
19 assistance programs.

20 (d) (1) Funds derived from the charges made for the coupon
21 allotment shall be promptly deposited in a manner
22 prescribed in the regulations issued pursuant to this
23 act, in a separate account maintained in the Treasury
24 Department of the Commonwealth for such purpose. Such
25 deposits shall be available without limitation to fiscal
26 years, for the redemption of coupons.

27 (2) (i) The secretary shall by regulation prescribe the
28 manner in which funds derived from the distribution of
29 coupons (charges made for coupon allotments) shall be
30 deposited by coupon vendors. The regulations shall

1 contain provisions requiring that coupon vendors promptly
2 deposit such funds in the manner prescribed by the
3 secretary. Such regulations shall, at a minimum, require
4 that such deposits be made weekly and that upon the
5 accumulation of a balance on hand of \$1,000 or more, such
6 deposits be made within two banking days following the
7 accumulation of such amount.

8 (ii) Any coupon vendor, or any officer, employee or
9 agent thereof, convicted of violating the regulations
10 issued under subparagraph (i) shall be fined not more
11 than \$3,000, or imprisoned not more than one year, or
12 both.

13 (3) (i) Coupon vendors receiving funds derived from the
14 distribution of coupons (charges made for coupon
15 allotments) shall be deemed to be receiving such funds as
16 fiduciaries of the Commonwealth and such coupon vendors
17 shall immediately set aside all such funds as funds of
18 the Commonwealth. Funds derived from the distribution of
19 coupons (charges made for coupon allotments) shall not be
20 used, prior to the deposit of such funds in the manner
21 prescribed by the secretary, for the benefit of any
22 person, partnership, corporation, association,
23 organization or entity other than the Commonwealth.

24 (ii) Any coupon vendor, or any officer, employee or
25 agent thereof, convicted of violating subparagraph (i)
26 shall be fined not more than \$10,000, or a sum equal to
27 the amount of funds involved in the violation, whichever
28 is the greater, or imprisoned not more than ten years, or
29 both; except that if the amount of such funds is less
30 than \$1,000, such vendor shall be fined not more than

1 \$3,000, or imprisoned not more than one year, or both.

2 (4) (i) The secretary shall by regulation require that
3 upon the deposit, in the manner prescribed by the
4 secretary, of funds derived from the distribution of
5 coupons (charges made for coupon allotments), coupon
6 vendors shall immediately send a written notice to the
7 department, accompanied by an appropriate voucher,
8 confirming such deposit. In addition to such other
9 information deemed by the secretary to be appropriate,
10 such regulations shall require that the notice contain:

11 (A) the name and address of the coupon vendor;

12 (B) the total receipts of such coupon vendor
13 derived from the distribution of coupons (charges
14 made for coupon allotments) during the deposit
15 period;

16 (C) the amount of the deposit;

17 (D) the name and address of the depository; and

18 (E) an oath, or affirmation signed by the coupon
19 vendor, or in the case of a corporation or other
20 entity not a natural person, by an appropriate
21 official of the coupon vendor, certifying that the
22 information contained in such notice is true and
23 correct to the best of such person's knowledge and
24 belief.

25 (ii) Any coupon vendor, or any officer, employee or
26 agent thereof, convicted of failing to provide the notice
27 required under subparagraph (i) shall be fined not more
28 than \$3,000, or imprisoned not more than one year, or
29 both.

30 (iii) Any coupon vendor, or any officer, employee or

1 agent thereof, who knowingly provides false information
2 in any notice required under subparagraph (i) shall be
3 fined not more than \$10,000, or imprisoned not more than
4 ten years, or both.

5 (5) (i) The secretary shall by regulation require each
6 coupon vendor at intervals prescribed by the secretary,
7 but not less often than monthly, to send to the
8 secretary, or his designee, a written report of the
9 vendor's operations during such period under the clothing
10 stamp program. In addition to such other information
11 deemed by the secretary to be appropriate, the
12 regulations shall require that the report contain:

13 (A) the name and address of the coupon vendor;

14 (B) the total receipts of the coupon vendor
15 derived from the distribution of coupons (charges
16 made for coupon allotments) during the report period;

17 (C) the total amount of deposits made by the
18 vendor of funds derived from the distribution of
19 coupons (charges made for coupon allotments) during
20 such period;

21 (D) the name and address of each depository
22 receiving such funds from such vendor; and

23 (E) an oath, or affirmation, signed by the
24 coupon vendor, or in the case of a corporation or
25 other entity not a natural person, by an appropriate
26 official of the coupon vendor, certifying that the
27 information contained in the report is true and
28 correct to the best of such person's knowledge and
29 belief.

30 (ii) Any coupon vendor, or any officer, employee or

1 agent thereof, convicted of failing to provide any notice
2 required under subparagraph (i) shall be fined not more
3 than \$3,000, or imprisoned not more than one year, or
4 both.

5 (iii) Any coupon vendor, or any officer, employee or
6 agent thereof, who knowingly provides false information
7 in any notice required under subparagraph (i) shall be
8 fined not more than \$10,000, or imprisoned not more than
9 ten years, or both.

10 (iv) The department shall make periodic reports
11 containing a consolidation of the respective coupon
12 vendor's notices at such intervals as the secretary in
13 his discretion deems appropriate.

14 Section 8. Approval of retail clothing stores and wholesale
15 clothing concerns.

16 (a) Regulations issued pursuant to this act shall provide
17 for the submission of applications for approval by retail
18 clothing stores and wholesale clothing concerns which desire to
19 be authorized to accept and redeem coupons under the clothing
20 stamp program and for the approval of those applicants whose
21 participation will effectuate the purposes of the clothing stamp
22 program. In determining the qualifications of applicants there
23 shall be considered, among such other factors as may be
24 appropriate, the following:

25 (1) the nature and extent of the retail or wholesale
26 clothing business conducted by the applicant;

27 (2) the volume of coupon business which may reasonably
28 be expected to be conducted by the applicant retail clothing
29 store or wholesale clothing concern; and

30 (3) the business integrity and reputation of the

1 applicant. Approval of an applicant shall be evidenced by the
2 issuance to such applicant of a nontransferable certificate
3 of approval.

4 (b) Regulations issued pursuant to this act shall require an
5 applicant retail clothing store or wholesale clothing concern to
6 submit information which will permit a determination to be made
7 as to whether such applicant qualifies, or continues to qualify,
8 for approval under the provisions of this act and the
9 regulations issued pursuant to this act. Regulations issued
10 pursuant to this act shall provide for safeguards which restrict
11 the use or disclosure of information obtained under the
12 authority granted by this subsection to purposes directly
13 connected with administration and enforcement of the provisions
14 of this act or the regulations issued pursuant to this act.

15 (c) Any retail clothing store or wholesale clothing concern
16 which has failed upon application to receive approval to
17 participate in the clothing stamp program may obtain a hearing
18 on such refusal as provided in section 13.

19 Section 9. Redemption of coupons.

20 Regulations issued pursuant to this act shall provide for the
21 redemption of coupons accepted by retail clothing stores through
22 approved wholesale clothing concerns or through banks with the
23 cooperation of the Treasury Department.

24 Section 10. Administration.

25 (a) All practicable efforts shall be made in the
26 administration of the clothing stamp program to assure that
27 participants use their increased clothing purchasing power to
28 obtain the clothing most necessary for an adequate supply of
29 clothing and particularly to encourage the continued use of
30 clothing which is in abundant or surplus supply. In addition to

1 such steps as may be taken administratively, the voluntary
2 cooperation of existing Federal, State and local and private
3 agencies which carry out informational and educational programs
4 for consumers shall be enlisted.

5 (b) The department shall assume responsibility for the
6 certification of applicant households and for the issuance of
7 coupons. There shall be kept such records as may be necessary to
8 ascertain whether the program is being conducted in compliance
9 with the provisions of this act and the regulations issued
10 pursuant to this act. Such records shall be available for
11 inspection and audit at any reasonable time and shall be
12 preserved for such period of time, not in excess of three years,
13 as may be specified in the regulations.

14 (c) Certification of a household as eligible in any
15 political subdivision shall, in the event of removal of such
16 household to another political subdivision in which the clothing
17 stamp program is operating, remain valid for participation in
18 the clothing stamp program for a period of 60 days from the date
19 of such removal. In the certification of applicant households
20 for the clothing stamp program, there shall be no discrimination
21 against any household by reason of race, religious creed,
22 national origin or political beliefs.

23 (d) Participating political subdivisions thereof shall not
24 decrease welfare grants or other similar aid extended to any
25 person or persons as a consequence of such person's or persons'
26 participation in benefits made available under the provisions of
27 this act or the regulations issued pursuant to this act.

28 (e) The department shall implement the secretary's plan of
29 operation specifying the manner in which such program will be
30 conducted within the Commonwealth, the political subdivisions

1 within the Commonwealth in which the Commonwealth desires to
2 conduct the program and the effective dates of participation by
3 each such political subdivision. In addition, such plan of
4 operation shall provide, among such other provisions as may by
5 regulations be required, the following:

6 (1) the specific standards to be used in determining the
7 eligibility of applicant households;

8 (2) that the department shall undertake the
9 certification of applicant households in accordance with the
10 general procedures and personnel standards prescribed by the
11 secretary in the regulations issued pursuant to this act;

12 (3) safeguards which restrict the use or disclosure of
13 information obtained from applicant households to persons
14 directly connected with the administration or enforcement of
15 the provisions of this act or the regulation issued pursuant
16 to this act;

17 (4) for the submission of such reports and other
18 information as from time to time may be required;

19 (5) that the department shall undertake effective
20 action, including the use of services provided by other
21 Federally funded agencies and organizations, to inform low-
22 income households concerning the availability and benefits of
23 the clothing stamp program and to assure the participation of
24 eligible households;

25 (6) issuance of coupon allotments no less often than two
26 times per month; and

27 (7) for the granting of a fair hearing and a prompt
28 determination thereafter to any household aggrieved by the
29 action of the department under any provision of its plan of
30 operation as it effects the participation of such household

1 in the clothing stamp program.

2 In approving the participation of the political subdivisions
3 requested in its plan of operation, the secretary shall provide
4 for an equitable and orderly expansion in accordance with their
5 relative need and readiness to meet their requested effective
6 dates of participation. The department shall make such State
7 plan operable by January 1, 1982.

8 Section 11. Disqualification of retail clothing stores and
9 wholesale clothing concerns.

10 Any approved retail clothing store or wholesale clothing
11 concern may be disqualified from further participation in the
12 clothing stamp program on a finding, made as specified in the
13 regulations, that such store or concern has violated any of the
14 provisions of this act, or of the regulations issued pursuant to
15 this act. Such disqualification shall be for such period of time
16 as may be determined in accordance with regulations issued
17 pursuant to this act. The action of disqualification shall be
18 subject to review as provided in section 13.

19 Section 12. Determination and disposition of claims.

20 The secretary shall have the power to determine the amount of
21 and settle and adjust any claim and to compromise or deny all or
22 part of any such claim or claims arising under the provisions of
23 this act or the regulations issued pursuant to this act.

24 Section 13. Administrative and judicial review.

25 Whenever:

26 (1) an application of a retail clothing store or
27 wholesale clothing concern to participate in the clothing
28 stamp program is denied;

29 (2) a retail clothing store or a wholesale clothing
30 concern is disqualified under the provisions of section 11;

1 or

2 (3) all or part of any claim of a retail clothing store

3 or wholesale clothing concern is denied under the provisions

4 of section 12;

5 notice of such administrative action shall be issued to the

6 retail clothing store or wholesale clothing concern involved.

7 Such notice shall be delivered by certified mail or personal

8 service. If such store or concern is aggrieved by such action,

9 it may, in accordance with regulations promulgated under this

10 act, within ten days of the date of delivery of such notice,

11 file a written request for an opportunity to submit the

12 information in support of its position to such person or persons

13 as the regulations may designate. If such a request is not made

14 or if such store or concern fails to submit information in

15 support of its position after filing a request, the

16 administrative determination shall be final. If such a request

17 is made by such store or concern, such information as may be

18 submitted by the store or concern, as well as such other

19 information as may be available, shall be reviewed by the person

20 or persons designated, who shall, subject to the right of

21 judicial review hereinafter provided, make a determination which

22 shall be final and which shall take effect 15 days after the

23 date of the delivery or service of such final notice of

24 determination. If the store or concern suffers a legal wrong as

25 a result of, or is adversely affected or aggrieved by, such

26 final determination it may obtain judicial review thereof by

27 filing a complaint against the Commonwealth in the court of

28 common pleas in which it is engaged in business, or in any court

29 of record of the Commonwealth having competent jurisdiction,

30 within 30 days after the date of delivery or service of the

1 final notice of determination upon it, requesting the court to
2 set aside such determination. The copy of the summons and
3 complaint required to be delivered to the official or agency
4 whose order is being attacked shall be sent to the secretary or
5 such person or persons as he may designate to receive service of
6 process. The suit in the court of common pleas shall be a trial
7 de novo by the court in which the court shall determine the
8 validity of the questioned administrative action in issue. If
9 the court determines that such administrative action is invalid,
10 it shall enter such judgment or order as it determines is in
11 accordance with the law and the evidence. During the pendency of
12 such judicial review, or any appeal therefrom, the
13 administrative action under review shall be and remain in full
14 force and effect, unless an application to the court on not less
15 than ten days' notice, and after hearing thereon and a showing
16 of irreparable injury, the court temporarily stays such
17 administrative action pending disposition of such trial or
18 appeal.

19 Section 14. Violations and enforcement.

20 (a) Notwithstanding any other provisions of this act, the
21 secretary may provide for the purchase, issuance or presentment
22 for redemption of coupons to such person or persons, and at such
23 times and in such manner, as he deems necessary or appropriate
24 to protect the interests of the Commonwealth or to insure
25 enforcement of the provisions of this act or the regulations
26 issued pursuant to this act.

27 (b) Whoever knowingly uses, transfers, acquires, alters or
28 possesses coupons or authorization to purchase cards in any
29 manner not authorized by this act or the regulations issued
30 pursuant to this act shall, if such coupons or authorization to

1 purchase cards are of the value of \$100 or more, be guilty of a
2 felony and shall, upon conviction thereof, be fined not more
3 than \$10,000 or imprisoned for not more than five years or both,
4 or, if such coupons or authorization to purchase cards are of a
5 value of less than \$100, shall be guilty of a misdemeanor and
6 shall, upon conviction thereof, be fined not more than \$5,000 or
7 imprisoned for not more than one year, or both.

8 (c) Whoever presents, or causes to be presented, coupons for
9 payment or redemption of the value of \$100 or more, knowing the
10 same to have been received, transferred or used in any manner in
11 violation of the provisions of this act or the regulations
12 issued pursuant to this act shall be guilty of a felony and
13 shall, upon conviction thereof, be fined not more than \$10,000
14 or imprisoned for not more than five years, or both, or, if such
15 coupons are of a value of less than \$100, shall be guilty of a
16 misdemeanor and shall, upon conviction thereof, be fined not
17 more than \$5,000 or imprisoned for not more than one year, or
18 both.

19 (d) Coupons issued pursuant to this act shall be deemed to
20 be obligations of the Commonwealth.

21 Section 15. Appropriation.

22 (a) The sum of \$10,000,000 is hereby appropriated to carry
23 out the provisions of this act for the fiscal year 1981-1982.

24 (b) Sums appropriated under the provisions of this act
25 shall, notwithstanding the provisions of any other law, continue
26 to remain available until expended. Such portion of any such
27 appropriation as may be required to pay for the value of the
28 coupon allotments issued to eligible households which is in
29 excess of the charges paid by such households for such
30 allotments shall be transferred to and made a part of the

1 separate account created under section 7(d). This act shall be
2 carried out only with funds appropriated from the General Fund
3 of the Treasury Department for that specific purpose, and in no
4 event shall it be carried out with funds derived from permanent
5 appropriations. On or before January 20 of each year, the
6 secretary shall submit to the General Assembly a report setting
7 forth operations under this act during the preceding calendar
8 year and projecting needs for the ensuing calendar year.

9 (c) In any fiscal year, the secretary shall limit the value
10 of those coupons issued which is in excess of the value of
11 coupons for which households are charged, to an amount which is
12 not in excess of the portion of the appropriation for such
13 fiscal year which is transferred to the separate account under
14 the provisions of subsection (b). If in any fiscal year the
15 secretary finds that the requirements of the program will exceed
16 the limitation set forth herein, the secretary shall direct the
17 department to reduce the amount of such coupons to be issued to
18 participating households to the extent necessary to comply with
19 the provisions of this subsection.

20 (d) If the secretary determines that any of the funds in the
21 separate account created under section 7(d) are no longer
22 required to carry out the provisions of this act, such portion
23 of such funds shall be paid into the miscellaneous receipts of
24 the Treasury Department.

25 Section 16. Effective date.

26 This act shall take effect immediately.