



**George E. Pataki**  
Governor

**NEW YORK STATE**  
**OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE**  
40 NORTH PEARL STREET  
ALBANY, NY 12243-0001

**Brian J. Wing**  
Commissioner

## Administrative Directive

### Section 1

<b>Transmittal:</b>	01 ADM 15
<b>To:</b>	Local District Commissioners
<b>Issuing Division/Office:</b>	Temporary Assistance
<b>Date:</b>	November 2, 2001
<b>Subject:</b>	Change in the Automobile Exemption Policy for Applicants and Recipients of Food Stamps
<b>Suggested Distribution:</b>	Food Stamp Directors Temporary Assistance Directors Medicaid Directors Staff Development Coordinators CAP Coordinators TOP Coordinators Directors of Services
<b>Contact Person(s):</b>	Food Stamp Policy-Eastern Regional Team at (800)-343-8859 ext. 3-1469 Temporary Assistance Policy-Central Regional Team at (800)-343-8859 ext. 4-9344 Medicaid-Upstate Regional Representative at (518) 474-8216 Medicaid-New York City Representative at (212) 268-6855
<b>Attachments:</b>	Food Stamp Vehicle Resource Desk Guide Flowchart
<b>Attachment Available On – Line:</b>	<input checked="" type="checkbox"/>

### Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
00 ADM-5 98 OMM/INF-02	GIS00 TA/ DC010	18 NYCRR 387.9	7 CFR 273.8 PL 106-387 SSL 131-N	FSSB XVI-D- All; XVI-C-9 #24	GIS 01 TA/ DC035 GIS 01 TA/ DC018 GIS 99 TA/ DC013 GIS 99 TA/ DC015

## **Section 2**

### **I. Purpose**

The purpose of this release is to advise local districts of a change in the vehicle resource exemption policy for applicants and recipients of Food Stamps. Effective October 29, 2001, New York State will completely exclude one licensed general purpose vehicle per household from the Food Stamp resource test.

### **II. Background**

The Food Stamp (FS) Program currently provides for the resource exclusion of certain licensed vehicles when they meet one of the following requirements:

- Used to produce earned income (including situations where the use of one's personally owned vehicle is required for employment such as that of a courier, delivery person, etc.);
- Annually producing income consistent with its fair market value, even if used only on a seasonal basis;
- Necessary for long distance travel, other than daily commuting, if it is essential to the employment of a household member or ineligible alien or disqualified person whose resources are being considered available to the household;
- Used as the household's home and is, therefore, excluded as such;
- Necessary to transport a physically disabled household member or ineligible alien or disqualified person whose resources are being considered available to the household regardless of the purpose of such transportation;
- Any vehicle operated on those Indian reservations that do not require vehicles driven by tribal members to be licensed;
- Any vehicle leased by a household member;
- Any vehicle title which is held by a non-household member so long as no member of the household is permitted to access the cash value of the vehicle;
- Any vehicle upon which a household depends to carry fuel for heating or water for home use when such transported fuel or water is the primary source of fuel or water for the household.

In addition, as outlined in GIS 01 TA/DC018, vehicles are also to be excluded from the Food Stamp resource test if the sale of the vehicle is likely to produce a return of \$1500.00 or less because the household's interest in the vehicle is relatively slight or the cost of selling it would be relatively great (inaccessible resource provision).

Licensed vehicles that did not meet one of the above criteria for exclusion, were to be evaluated for their fair market value. Any amount exceeding the fair market value exemption of \$4650.00 was applied to the household's resource limit regardless of any encumbrances on the vehicle. This applied to:

- One licensed vehicle per adult household member regardless of use, and
- Any licensed vehicle a household member under age 18 drives to work, school, training or to look for work.

Other licensed vehicles that the household owned were subject to the dual assessment test of excess fair market value and full equity value. Only the greater of the two amounts was counted as a resource.

Unlicensed vehicles are evaluated on the basis of their equity value.

Resources of categorically eligible individuals continue to be exempt from the Food Stamp resource test.

### **III. Program Implications**

The Federal Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriation Act of 2001 allows states to adopt vehicle allowance rules from any program that receives TANF or TANF maintenance-of-effort (MOE) funds, including those programs which exclude vehicles completely. New York State has TANF funded programs that employ a variety of vehicle policies ranging from complete exclusion to employment related restrictions. The purpose of substituting another program's vehicle rules for the Food Stamp vehicle rules is to lessen the household's countable resources.

New York State has decided to completely exclude one licensed general-purpose vehicle per household from the Food Stamp resource test. Additional licensed vehicles are excluded if more than one person in the household is employed, attending training or education preparatory to employment or seeking employment in compliance with the requirements of the Food Stamp program. The total number of licensed vehicles excluded (including the general-purpose vehicle) may not exceed the number of individuals who are working or participating in employment-related activities. For example, a two person household with two licensed vehicles and only one person working would only qualify for one vehicle to be excluded, (the general-purpose vehicle). The household would not get the general-purpose exclusion and the exclusion for the second vehicle because there is only one employed individual in the household. The general-purpose vehicle, although always allowed, is included in the count of vehicles that are excluded when there are employed individuals in the household.

Additional licensed vehicles not subject to complete exclusion are to be evaluated based on their full equity value. Equity value is defined as a vehicle's fair market value less any encumbrances. In determining a vehicle's fair market value, districts are to use the lowest reasonable price possible and are not to increase the basic value of a vehicle due to low mileage, optional equipment or special apparatus for the handicapped. A number of sources may be used including Internet web sites dealing with vehicle appraisals, up-to-date printed "blue books", or dealer appraisals. Districts are not required to do an exhaustive search in order to determine fair market value but should use the lowest value in the source that it chooses to consult.

In order to qualify for one of the above exclusions, licensed vehicles must be used primarily for household transportation. This does not include recreational vehicles such as boats, snowmobiles or campers whose main purpose is leisure. Recreational vehicles are subject to having their full equity value applied to the household's applicable liquid resource limit.

### **IV. Required Action**

Districts are required to evaluate household claims of automobiles and to completely exclude from the Food Stamp resource test one licensed general-purpose vehicle. Additional licensed vehicles are to be evaluated for possible exclusion based upon the number of employed individuals in the household. In order to exclude additional licensed vehicles more than one person must be employed. The total number of licensed vehicles excluded, (including the general-purpose vehicle), must not exceed the number of individuals who are employed, attending training or education preparatory to employment, or seeking employment in compliance with the requirements of the Food Stamp program.

Additional licensed vehicles that are not excluded under the employment/training provision must be evaluated for exclusion under the existing Food Stamp vehicle rules such as being used to produce earned income, to transport a physically disabled household member, etc. This includes evaluating

licensed vehicles under the inaccessible resource provision and excluding them if the return on the vehicle when sold is likely to be \$1500.00 or less.

Additional licensed vehicles that do not meet the criteria for exclusion under the new employment/training provision or under the existing Food Stamp vehicle rules must have their full equity value applied to the household's applicable liquid resource limit. As outlined above in "Background", unlicensed vehicles are also to be evaluated for their full equity value. The attached vehicle resource flowchart outlines New York State's vehicle resource exemption policy and refers specifically to licensed vehicles used primarily for household transportation.

## **V. Systems Implications**

There are no WMS implications.

## **VI. Additional Information**

### **Temporary Assistance Implications:**

There is no change to the method by which the value of an automobile is determined or the amount that is exempted under TA. The vehicle resource exemption policy as outlined in 00 ADM-5, "Change in the Automobile Exemption Policy for Applicants and Recipients of Family Assistance (FA) and Safety Net Assistance (SNA), continues to apply to all FA and SNA cases.

### **Medicaid Implications:**

There is no change in Medicaid policy regarding the value or exemption of a vehicle as a resource in determining Medicaid eligibility. The Medicaid eligibility policy for all the Medicaid categories is described in 98 OMM/INF-02 and 00 ADM-5. As under the new Food Stamp policy, one vehicle in use is exempt under medically needy eligibility. Local districts have the option to exempt additional vehicles in determining Medicaid eligibility. Districts are reminded that there is no resource test for Family Health Plus, therefore, the value of a vehicle is not an eligibility consideration. Households that have applied jointly for Food Stamps and Medicaid and have been found ineligible for Food Stamps, should have their Medicaid eligibility separately determined under Medicaid programs or Family Health Plus.

## **VII. Effective Date**

This release is effective for applicants and recipients October 29, 2001.

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### **Issued By**

**Name: Patricia A. Stevens**

**Title: Deputy Commissioner**

**Division/Office: Division of Temporary Assistance**