

**BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS ON REFERRAL  
BY THE COMMISSIONER OF HEALTH AND SOCIAL SERVICES**

In the Matter of                            )  
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OAH No. 13-0256-CMB  
Agency No.

**DECISION**

**I. Introduction**

T U applied for Food Stamp benefits (also referred to as Supplemental Nutrition Assistance Program benefits) on February 5, 2013.<sup>1</sup> The Department of Health and Social Services, Division of Public Assistance (Division) notified her that her application was denied because one of her household members owned a non-exempt vehicle that was worth more than the Food Stamp program’s \$2,000 resource limit.<sup>2</sup> She requested a hearing.<sup>3</sup>

Ms. U’s hearing was held on March 27, 2013. Ms. U represented herself and testified on her own behalf. Terri Gagne, Public Assistance Analyst with the Division, represented the Division.

Ms. U failed to establish that the vehicle was either exempt from being counted as a resource or that its value was less than \$2,000. Accordingly, the Division’s decision denying her application is affirmed.

**II. Facts**

Ms. U applied for Food Stamp benefits on February 5, 2013. None of her household members have reached 60 years of age. In response to a question on the application that asked for the “estimated value” of vehicles owned by household members, she stated that her adult daughter owned a vehicle valued at \$3,500.<sup>4</sup> The vehicle was located in Washington State and was not being used.<sup>5</sup> There are no other vehicles owned by members of Ms. U’s household.<sup>6</sup> The Division counted the vehicle as a resource worth \$3,500 and denied Ms. U’s application because her household owned countable resources worth more than the \$2,000 Food Stamp program resource limit.<sup>7</sup>

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<sup>1</sup> Ex. 2.0.  
<sup>2</sup> Ex. 2.21.  
<sup>3</sup> The Division also informed Ms. U that she was not financially eligible for Medicaid benefits. At hearing, Ms. U clarified she only wished to challenge the denial of her application for Food Stamp benefits.  
<sup>4</sup> Ex. 2.0, 2.5.  
<sup>5</sup> Ex. 2.11.  
<sup>6</sup> U testimony.  
<sup>7</sup> Ex. 2.21.

Ms. U testified that the vehicle was not worth the \$3,500 value she wrote on the application. She said that was the purchase price her daughter paid for it, not its value, and that the vehicle was in poor condition with a mileage of 124,000. She said she checked the NADA Blue Book value on the computer and that the vehicle was worth between \$800 and \$1,500. Ms. U was provided the opportunity to supplement the record with a copy of her computer printout showing the NADA Blue Book valuation. She did not avail herself of the opportunity.

### III. Discussion

Food Stamps is a federal program administered by the State.<sup>8</sup> The Code of Federal Regulations (C.F.R.) contains the rules for determining a household's financial eligibility, which is determined, in part, based on the resources (assets) owned by the household members. The program has a resource limit of \$2,000 for a household whose members are under 60 years of age.<sup>9</sup>

Resources fall into two categories, countable and exempt. If a resource is exempt, then it does not affect financial eligibility for Food Stamps, regardless of its value. Exempt vehicles include those used for basic household transportation, used to produce income, to transport a disabled person, and vehicles with a realizable value of less than \$1,500.<sup>10</sup> There is a federal Food Stamp regulation, 7 C.F.R. § 273.8(f)(2)(ii), which provides that “[o]ne licensed vehicle per adult household member . . . regardless of the use of the vehicle” is exempt from the “equity test.” At first blush, this regulation appears to exempt one vehicle per adult household member from being counted as a resource, regardless of its value or use. However, providing a one vehicle per adult household member blanket exemption would largely make the other exemption categories (value less than \$1,500, used for basic household transportation, etc.) meaningless. There would also be no need to assess the value of vehicles as required by other parts of the federal Food Stamp regulations.<sup>11</sup> The reference in 7 C.F.R. § 273.8(f)(2)(ii) can therefore not be interpreted to expand the list of exempt vehicles. Consequently, looking at the regulations as a whole, the Division is required to value the vehicle and count it as a resource, unless it fits within any of the exemption categories. The vehicle is therefore not exempt

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<sup>8</sup> 7 C.F.R. § 271.4(a).

<sup>9</sup> 7 C.F.R. § 273.8(b).

<sup>10</sup> 7 C.F.R. § 273.8(e)(3)(i), *Alaska Food Stamp Manual* § 602-2C.

<sup>11</sup> *See* 7 C.F.R. § 273.8(f)(1).

from being counted as an asset simply because it is owned by an adult household member. And because it is not being used, it does not fall within any of the exemption categories relating to use.

Whether the vehicle is not countable as a resource, because its saleable value is \$1,500 or less, or whether it has a value of less than \$2,000, either of which would cause the U household to be financially eligible for Food Stamp benefits, are factual questions. Ms. U, as the applicant for Food Stamp benefits, had the burden of proof by a preponderance of the evidence on these factual questions. She did not meet her burden of proof for the following reasons. The application asked for the “value” of the vehicle. Ms. U answered this question with \$3,500. Ms. U’s testimony was that she made a mistake in writing down the purchase price and not the value. She then testified that she had researched the Blue Book NADA value, which was between \$800 and \$1,500. She was provided an opportunity to supplement the record with the computer printout of that research. She did not. Ms. U therefore failed to prove that the vehicle’s worth was less than the \$3,500 she wrote on the application. Accordingly, the vehicle is a countable resource worth more than \$2,000. As a result, Ms. U was not financially eligible for Food Stamp benefits.

#### **IV. Decision**

The Division’s decision to deny Ms. U’s Food Stamp application is affirmed.

DATED this 1<sup>st</sup> day of April, 2013.

Signed  
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Lawrence A. Pederson  
Administrative Law Judge

## Adoption

The undersigned, by delegation from the Commissioner of Health and Social Services, adopts this Decision, under the authority of AS 44.64.060(e)(1), as the final administrative determination in this matter.

Judicial review of this decision may be obtained by filing an appeal in the Alaska Superior Court in accordance with Alaska R. App. P. 602(a)(2) within 30 days after the date of this decision.

DATED this 16<sup>th</sup> day of April, 2013.

By: *Signed*  
Name: Lawrence A. Pederson  
Title/Agency: Admin. Law Judge/DOA/OAH

[This document has been modified to conform to the technical standards for publication.]