

## **BILL ANALYSIS**

Senate Research Center

H.B. 1209  
By: Maxey (Ellis)  
Finance  
5-13-97  
Engrossed

### **DIGEST**

The Comptroller of Public Accounts Texas Performance Review, in the December 1996 report, *Disturbing the Peace*, recommended that the legislature allow the comptroller to pay vendors via electronic funds transfers. The U.S. Congress passed legislation in 1996 that requires all new recipients of government payments to receive them electronically. Eventually, all recipients with accounts at financial institutions will have to accept funds from the federal government electronically. Currently, state law allows vendors to voluntarily request state payment via electronic funds transfer, and the comptroller pays roughly 8,100 vendors electronically. This is about eight percent of all payments. This bill would effectively translate the comptroller's recommendations into law. This bill would require the comptroller to pay all vendors electronically and allow the comptroller to schedule payments and bundle interest payments into one warrant to vendors.

### **PURPOSE**

As proposed, H.B. 1209 requires the comptroller to pay all vendors electronically and authorizes the comptroller to schedule payments and bundle interest payments into one warrant to vendors.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the comptroller in SECTION 3 (Section 2251.026(f), Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. (a) Amends Section 403.016, Government Code, by amending Subsection (c) and by adding Subsection (k), to require the comptroller to use the electronic funds transfer (EFT) system to make payments to vendors, among other required actions. Deletes text requiring the comptroller to use the EFT system to make payments to vendors designated by the comptroller, among other required actions. Provides that Paragraphs (A) and (B) of Subsection (h)(1) do not apply to a vendor.

(b) Effective date for this SECTION: September 1, 1998.

SECTION 2. Amends Section 2155.382, Government Code, by adding Subsections (c)-(e), to authorize the comptroller to issue the warrant directly to the vendor. Authorizes the comptroller to combine into a single warrant payments that the state owes to a vendor under more than one invoice. Authorizes the comptroller to allow or require a state agency to schedule payments that the comptroller will make to a vendor. Requires the comptroller to prescribe the circumstances under which advance scheduling of payments is allowed or required. Requires the comptroller to require advance scheduling of payments when it is advantageous to the state. Authorizes the comptroller to require vendors to provide payment addresses, vendor identification numbers, and other account information directly to the comptroller.

SECTION 3. (a) Amends Section 2251.026, Government Code, to require the comptroller to compute interest imposed on the state agency under this chapter. Requires the comptroller to pay the interest at the time payment is made on the principal. Requires the comptroller to submit the interest payment with the net amount due for goods and services. Prohibits the comptroller and the state agency from requiring a vendor to petition, bill, or wait an additional day to receive the interest

due. Authorizes the comptroller to require necessary and timely information and adopt rules to administer this section.

(b) Effective date for this SECTION: September 1, 1999. Makes application of this Act prospective.

SECTION 4. (a) Repealer: Section 2251.041, Government Code (Claim for Interest Imposed Against State Agency).

(b) Effective date for this SECTION: September 1, 1999. Makes application of this Act prospective.

SECTION 5. Emergency clause.

Effective date: 90 days after adjournment.