

BILL ANALYSIS

Senate Research Center
81R28314 JRD-F

C.S.S.B. 474
By: Estes
Finance
4/28/2009
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This legislation is an attempt to implement the Legislative Budget Board's recommendation detailed in the "Texas State Government Effectiveness and Efficiency" report to eliminate paper warrants by using direct deposit or electronic paycards for state payments.

C.S.S.B. 474 amends current law relating to the comptroller of public account's use of electronic paycards to make certain payments.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the comptroller of public accounts is modified in SECTION 1 (Section 403.016, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 403.016, Government Code, by adding Subsection (k), as follows:

(k) Authorizes the comptroller of public accounts (comptroller), notwithstanding another provision of this section, to make a payment in any amount to a state employee under Subsection (b) (relating to using the electronic funds transfer (EFT) system to pay certain expenses) or to an annuitant under Subsection (c)(1) (relating to the Employees Retirement System of Texas or the Teacher Retirement System of Texas) or other law on an electronic paycard (paycard) if the employee or annuitant agrees to accept payment by that method.

SECTION 2. Amends Subchapter B, Chapter 403, Government Code, by adding Section 403.0161, as follows:

Sec. 403.0161. **CONTRACTS FOR ELECTRONIC PAYCARD SERVICES.** Requires the comptroller to contract, by competitive bid, with one or more vendors for the provision of paycard services. Requires the comptroller to provide the qualifications for bidders, to include requirements that the entity that issues the paycards are required to be federally insured or possess sufficient financial resources to ensure protection of payees, and to demonstrate adequate 24-hour customer service to ensure that all payees are able to reasonably access their funds worldwide at any time.

SECTION 3. Amends Section 659.084, Government Code, as follows:

Sec. 659.084. **ELECTRONIC FUNDS TRANSFER.** Requires that salaries for state officers and employees paid once a month be paid through EFT under Section 403.016 unless paid on a paycard or warrant as permitted under that section.

SECTION 4. Effective date: January 1, 2010.