

BILL ANALYSIS

H.B. 3308
By: Capelo
Economic Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Direct deposit of is a cost effective method of paying wages, allowing for a savings of time and money for employers and employees. Counties and businesses are able to reduce personnel time associated with preparing and distributing checks, and other costs, such as banking fees and postage, while employees are guaranteed receipt of their wages if they are sick or out of town. HB 3308 would allow employers to pay wages, to employees who maintain an account at a financial institution that accepts direct deposit, solely through direct deposit.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

HB 3308 amends the Labor Code to allow an employer to pay wages through direct deposit.

HB 3308 requires an employer to notify each employee 60 days before implementing a direct deposit payroll system, and get all necessary information required by the employees' financial institution from the employee for the implementation of such system.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.