

1-1 By: Capelo (Senate Sponsor - Hinojosa) H.B. No. 3308
1-2 (In the Senate - Received from the House May 19, 2003;
1-3 May 20, 2003, read first time and referred to Committee on Business
1-4 and Commerce; May 23, 2003, reported favorably by the following
1-5 vote: Yeas 9, Nays 0; May 23, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the payment of wages through a direct deposit plan.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Section 61.017, Labor Code, is amended to read as
1-11 follows:

1-12 Sec. 61.017. DELIVERY OF PAYMENT. (a) An employer shall
1-13 pay wages through a means authorized by this section.

1-14 (b) An employer may pay wages by:

1-15 (1) delivering them to the employee at the employee's
1-16 regular place of employment during regular employment hours;

1-17 (2) delivering them to the employee at a time and place
1-18 agreed on by the employer and employee;

1-19 (3) sending them to the employee by registered mail,
1-20 to be received by the employee not later than payday;

1-21 (4) delivering them in a manner similar to a manner
1-22 specified by Subdivision (1), (2), or (3) to a person designated by
1-23 the employee in writing; or

1-24 (5) delivering them to the employee by any reasonable
1-25 means authorized by the employee in writing.

1-26 (c) An employer may elect to pay wages to an employee who
1-27 maintains at a financial institution an account that qualifies for
1-28 electronic funds transfer through a direct deposit plan that uses
1-29 electronic funds transfer to deposit the wages in the employee's
1-30 account. An employer who desires to pay wages through a direct
1-31 deposit plan shall:

1-32 (1) notify each affected employee in writing, at least
1-33 60 days before the date on which the direct deposit payroll system
1-34 is scheduled to begin, that the employer is adopting a direct
1-35 deposit payroll system; and

1-36 (2) obtain from the employee any information required
1-37 by the financial institution in which the employee maintains the
1-38 account that is necessary to implement the electronic funds
1-39 transfer.

1-40 SECTION 2. This Act takes effect immediately if it receives
1-41 a vote of two-thirds of all the members elected to each house, as
1-42 provided by Section 39, Article III, Texas Constitution. If this
1-43 Act does not receive the vote necessary for immediate effect, this
1-44 Act takes effect September 1, 2003.

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