

BILL ANALYSIS

C.S.H.B. 1929
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

A growing trend at all levels of the public sector is the use of electronic funds transfer ("EFT") and debit cards to deliver a variety of funds to end-users on behalf of government agencies. Thanks to new technology, growing ATM networks, and a steady growth in retailer Point-of-Sale ("POS") capabilities, payment processes have been increasingly streamlined while the options for funds delivery have multiplied many times over.

These new resources are still largely untapped by government, but with legislation like CSHB 1929, that can quickly change to the benefit of all concerned. Payroll cards save money by replacing paper checks with re-loadable, stored-value cards that can be used at almost any POS merchant or ATM.

Payroll cards are a ready solution for workers who do not want to manage a checking account but would like the combined benefit of direct deposit and a nationally branded debit card. But foremost, payroll cards are a cost reduction tool for government and those individuals who use check-cashing outlets to cash their paychecks.

CSHB 1929 provides for the comptroller to pay an employee's net salary and travel expenses, as well as annuitants paid by the Employees Retirement System of Texas, Teacher Retirement System of Texas, Texas Emergency Services Retirement System or any other state issued annuities on an electronic paycard if the employee or annuitant agrees.

RULEMAKING AUTHORITY

This bill does not expressly delegate any additional rulemaking authority to a state officer, department, agency or institution.

ANALYSIS

Committee Substitute House Bill 1929 amends Section 403.016, Government Code, providing for the comptroller to pay an employee's net salary and travel expenses, as well as payments that exceed \$100.00 to annuitants paid by the Employees Retirement System of Texas, the Teacher Retirement System of Texas, The Texas Emergency Services Retirement System, or another retirement system whose annuitants are paid from the state treasury or from a fund with the state comptroller on an electronic paycard if the employee or annuitant agrees.

CSHB 1929 deletes a reference to rules the comptroller currently shall adopt relating to certain notifications that may be provided by the comptroller.

CSHB 1929 authorizes the comptroller to make a payment in any amount to a state employee under subsection (b) or to an annuitant under subsection (c)(1), on an electronic paycard if the employee or annuitant agrees to accept payment by an electronic paycard.

CSHB 1929 also provides for the state comptroller to establish a contract with one or more vendors for the provision of paycard services.

CSHB 1929 amends Section 659.084, Government Code to provide that employees who are not paid through an electronic funds transfer, in other words by warrant, be paid on an electronic paycard.

CSHB 1929 repeals Section 403.016, (h), Government Code.

CSHB 1929 takes effect on January 1, 2008.

EFFECTIVE DATE

January 1, 2008.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The Committee Substitute modifies the original by adding a provision to section 403.016, Government Code for the comptroller to provide payments of more than \$100.00 by electronic funds transfer to annuitants of the Texas Emergency Services Retirement System or to any other annuitant whose annuities are paid from the state treasury or from a fund with the comptroller, unless the annuitant agrees to accept payment on an electronic paycard. The original HB 1929 provided for the comptroller to provide payments of more than \$100.00 by electronic funds transfer to annuitants of the Employment Retirement System of Texas or the Teacher Retirement System of Texas on an electronic paycard; the Committee Substitute extends the provision to be paid by any amount on electronic paycard to annuitants of the Texas Emergency Services Retirement System or another retirement system, in addition to annuitant of ERS or TRS

CSHB 1929 modifies the original by striking language in Section 403.016 (j), that provides for the comptroller to establish rules relating to the notifications that may be provided to the comptroller under subsection (h).

CSHB 1929 modifies the original by amending Section 403.016 (k) to authorize the comptroller to make a payment of any amount to a state employee under subsection (b) or to an annuitant under subsection (c)(1) on an electronic paycard, should the employee agree to accept payment on an electronic paycard. The original HB 1929 authorized the comptroller to make a payment to a state employee under subsection (b) or to an annuitant under subsection (c).

CSHB 1929 modifies the original by amending Subchapter B, Chapter 403, Government Code by adding Section 403.0161. Section 403.0161 provides for the comptroller to establish a contract with one or more vendors for electronic paycard services.

CSHB 1929 modifies the original by adding language that repeals Section 403.016 (h). By repealing Section 403.016 (h), CSHB 1929 prohibits the comptroller from issuing payment in the form of a warrant.

CSHB 1929 modifies the original by amending the Effective Date, providing for the act to take effect on January 1, 2008; the original HB 1929 provided for the act to take effect on September 1, 2007.