

BILL ANALYSIS

S.B. 474
By: Estes
Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Legislative Budget Board recommended in the Texas State Government Effectiveness and Efficiency report that the government eliminate paper warrants by using direct deposit or electronic paycards for state payments.

S.B. 474 authorizes the comptroller of public accounts to make certain payments to state employees on an electronic paycard and sets forth provisions relating to contracting with an electronic paycard services vendor.

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

S.B. 474 amends the Government Code to authorize the comptroller of public accounts to make a payment in any amount to a state employee to pay the employee's net state salary and travel expense reimbursements or to an annuitant under the administrative jurisdiction of the Employees Retirement System of Texas or the Teacher Retirement System of Texas or other law on an electronic paycard if the employee or annuitant agrees to accept payment by that method.

S.B. 474 requires the comptroller to contract with one or more vendors for the provision of electronic paycard services and requires such a contract to be by competitive bid. The bill requires the comptroller to specify the qualifications for bidders and requires that such qualifications include requirements for the entity that issues the paycard 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. The bill makes a conforming change in a provision relating to payment of state officer and employee salaries through electronic fund transfers to reflect the inclusion of an electronic paycard as a method of payment.

EFFECTIVE DATE

January 1, 2010.