

By: Harris

S.B. No. 1777

A BILL TO BE ENTITLED

AN ACT

relating to disbursement of child support payments in Title IV-D cases.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 234.010, Family Code, is amended to read as follows:

Sec. 234.010. DIRECT DEPOSIT AND ELECTRONIC BENEFITS TRANSFER OF CHILD SUPPORT PAYMENTS. (a) The state disbursement unit authorized under this chapter may make a direct deposit of ~~[transmit]~~ a child support payment to an obligee by electronic funds transfer into ~~[if the obligee maintains]~~ an account with a financial institution maintained by the obligee. It is the responsibility of the obligee to notify the state disbursement unit of:

(1) the existence of an account;

(2) the appropriate routing information for direct deposit by electronic funds transfer into an account; and

(3) any modification to account information previously provided to the state disbursement unit, including information that an account has been closed.

(b) Except as provided by Subsection (d), the state disbursement unit shall deposit a child support payment by electronic funds transfer into a debit card account established for the obligee by the Title IV-D agency if the obligee:

1 (1) does not maintain an account with a financial
2 institution;

3 (2) fails to notify the state disbursement unit of the
4 existence of an account maintained with a financial institution; or

5 (3) closes an account maintained with a financial
6 institution previously used to accept direct deposit of a child
7 support payment without establishing a new account and notifying
8 the state disbursement unit of the new account in accordance with
9 Subsection (a) [The work group convened under this subchapter may
10 develop a plan to assist an obligee who does not have an account
11 with a financial institution to obtain an account].

12 (c) The Title IV-D agency shall:

13 (1) issue a debit card to each obligee for whom a debit
14 card account is established under Subsection (b); and

15 (2) provide the obligee with instructions for
16 activating and using the debit card [work group may determine
17 whether it is feasible and cost-effective for the state to
18 administer an electronic benefits transfer system for child support
19 obligees and may recommend implementation of such a system to the
20 Title IV-D agency].

21 (d) An obligee may decline in writing to receive child
22 support payments by electronic funds transfer into an account with
23 a financial institution or a debit card account and request that
24 payments be provided by paper warrants if the obligee alleges that
25 receiving payments by electronic funds transfer would impose a
26 substantial hardship [After receiving any recommendations by the
27 work group under Subsection (c), the Title IV-D agency or the vendor

1 ~~selected by the Title IV-D agency to operate the state disbursement~~
2 ~~unit may provide for electronic benefits transfer, if the request~~
3 ~~for proposals issued by the Title IV-D agency and any contract~~
4 ~~resulting from the selection of a vendor to provide the services~~
5 ~~specified in the request for proposals provides for electronic~~
6 ~~benefits transfer].~~

7 (e) A child support payment disbursed by the state
8 disbursement unit by electronic funds transfer into an account with
9 a financial institution maintained by the obligee or into a debit
10 card account established for the obligee under Subsection (b) is
11 solely the property of the obligee [~~The work group may recommend and~~
12 ~~the Title IV-D agency may establish procedures to implement this~~
13 ~~section.~~

14 [~~(f) The Title IV-D agency, after receiving the~~
15 ~~recommendation of the work group, may require an obligee to receive~~
16 ~~payments by direct deposit to the obligee's bank account or by~~
17 ~~electronic benefits transfer to an account established by the Title~~
18 ~~IV-D agency or the state disbursement unit if the account is~~
19 ~~established at no cost to the obligee].~~

20 SECTION 2. Section 72.101, Property Code, is amended by
21 adding Subsection (e) to read as follows:

22 (e) This section does not apply to money collected as child
23 support that:

24 (1) is being held for disbursement by the state
25 disbursement unit under Chapter 234, Family Code, or a local
26 registry, as defined by Section 101.018, Family Code, pending
27 identification and location of the person to whom the money is owed;

1 or

2 (2) has been disbursed by the state disbursement unit
3 under Chapter 234, Family Code, by electronic funds transfer into a
4 child support debit card account established for an individual
5 under Section 234.010, Family Code, but not activated by the
6 individual.

7 SECTION 3. Subdivision (1), Subsection (a), Section 73.001,
8 Property Code, is amended to read as follows:

9 (1) "Account" means funds deposited with a depository
10 in an interest-bearing account, a checking or savings account, or a
11 child support debit card account established under Section 234.010,
12 Family Code, or funds received by a depository in exchange for the
13 purchase of a stored value card.

14 SECTION 4. Section 234.011, Family Code, is repealed.

15 SECTION 5. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2009.