

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. [~~The 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 to receive child support payments
22 through direct deposit into a debit card account and request that
23 payments be provided by paper warrants. [~~After receiving any~~
24 ~~recommendations by the work group under Subsection (c), the Title~~
25 ~~IV-D agency or the vendor selected by the Title IV-D agency to~~
26 ~~operate the state disbursement unit may provide for electronic~~
27 ~~benefits transfer, if the request for proposals issued by the Title~~

1 ~~IV-D agency and any contract resulting from the selection of a~~
2 ~~vendor to provide the services specified in the request for~~
3 ~~proposals provides for electronic benefits transfer.]~~

4 (e) A child support payment disbursed by the state
5 disbursement unit by electronic funds transfer into an account with
6 a financial institution maintained by the obligee or into a debit
7 card account established for the obligee under Subsection (b) is
8 solely the property of the obligee. If an electronic funds transfer
9 transaction is returned to the state disbursement unit, the child
10 support payment covered by that transaction and subsequent child
11 support payments may be disbursed by mailing paper warrants to the
12 obligee's last known address. [The work group may recommend and the
13 Title IV-D agency may establish procedures to implement this
14 section.

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

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

23 (e) This section does not apply to money collected as child
24 support and held for disbursement by the state disbursement unit
25 under Chapter 234, Family Code, or a local registry, as defined by
26 Section 101.018, Family Code, pending identification and location
27 of the person to whom the money is owed.

1 SECTION 3. Section 73.001(a)(1), Property Code, is amended
2 to read as follows:

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

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

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