

1-1 By: Harris S.B. No. 1777  
1-2 (In the Senate - Filed March 11, 2009; March 20, 2009, read  
1-3 first time and referred to Committee on Jurisprudence;  
1-4 April 14, 2009, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 7, Nays 0; April 14, 2009,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1777 By: Harris

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to disbursement of child support payments in Title IV-D  
1-11 cases.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 234.010, Family Code, is amended to read  
1-14 as follows:

1-15 Sec. 234.010. DIRECT DEPOSIT AND ELECTRONIC BENEFITS  
1-16 TRANSFER OF CHILD SUPPORT PAYMENTS. (a) The state disbursement  
1-17 unit authorized under this chapter may make a direct deposit of  
1-18 [transmit] a child support payment to an obligee by electronic  
1-19 funds transfer into [if the obligee maintains] an account with a  
1-20 financial institution maintained by the obligee. It is the  
1-21 responsibility of the obligee to notify the state disbursement unit  
1-22 of:

1-23 (1) the existence of an account;  
1-24 (2) the appropriate routing information for direct  
1-25 deposit by electronic funds transfer into an account; and  
1-26 (3) any modification to account information  
1-27 previously provided to the state disbursement unit, including  
1-28 information that an account has been closed.

1-29 (b) Except as provided by Subsection (d), the state  
1-30 disbursement unit shall deposit a child support payment by  
1-31 electronic funds transfer into a debit card account established for  
1-32 the obligee by the Title IV-D agency if the obligee:

1-33 (1) does not maintain an account with a financial  
1-34 institution;  
1-35 (2) fails to notify the state disbursement unit of the  
1-36 existence of an account maintained with a financial institution; or  
1-37 (3) closes an account maintained with a financial  
1-38 institution previously used to accept direct deposit of a child  
1-39 support payment without establishing a new account and notifying  
1-40 the state disbursement unit of the new account in accordance with  
1-41 Subsection (a) [The work group convened under this subchapter may  
1-42 develop a plan to assist an obligee who does not have an account  
1-43 with a financial institution to obtain an account].

1-44 (c) The Title IV-D agency shall:

1-45 (1) issue a debit card to each obligee for whom a debit  
1-46 card account is established under Subsection (b); and  
1-47 (2) provide the obligee with instructions for  
1-48 activating and using the debit card [The work group may determine  
1-49 whether it is feasible and cost-effective for the state to  
1-50 administer an electronic benefits transfer system for child support  
1-51 obligees and may recommend implementation of such a system to the  
1-52 Title IV-D agency].

1-53 (d) An obligee may decline in writing to receive child  
1-54 support payments by electronic funds transfer into an account with  
1-55 a financial institution or a debit card account and request that  
1-56 payments be provided by paper warrants if the obligee alleges that  
1-57 receiving payments by electronic funds transfer would impose a  
1-58 substantial hardship [After receiving any recommendations by the  
1-59 work group under Subsection (c), the Title IV-D agency or the vendor  
1-60 selected by the Title IV-D agency to operate the state disbursement  
1-61 unit may provide for electronic benefits transfer, if the request  
1-62 for proposals issued by the Title IV-D agency and any contract  
1-63 resulting from the selection of a vendor to provide the services

2-1 ~~specified in the request for proposals provides for electronic~~  
2-2 ~~benefits transfer].~~

2-3 (e) A child support payment disbursed by the state  
2-4 disbursement unit by electronic funds transfer into an account with  
2-5 a financial institution maintained by the obligee or into a debit  
2-6 card account established for the obligee under Subsection (b) is  
2-7 solely the property of the obligee [The work group may recommend and  
2-8 the Title IV-D agency may establish procedures to implement this  
2-9 section.

2-10 ~~[(f) The Title IV-D agency, after receiving the~~  
2-11 ~~recommendation of the work group, may require an obligee to receive~~  
2-12 ~~payments by direct deposit to the obligee's bank account or by~~  
2-13 ~~electronic benefits transfer to an account established by the Title~~  
2-14 ~~IV-D agency or the state disbursement unit if the account is~~  
2-15 ~~established at no cost to the obligee].~~

2-16 SECTION 2. Section 72.101, Property Code, is amended by  
2-17 adding Subsection (e) to read as follows:

2-18 (e) This section does not apply to money collected as child  
2-19 support that:

2-20 (1) is being held for disbursement by the state  
2-21 disbursement unit under Chapter 234, Family Code, or a local  
2-22 registry, as defined by Section 101.018, Family Code, pending  
2-23 identification and location of the person to whom the money is owed;  
2-24 or

2-25 (2) has been disbursed by the state disbursement unit  
2-26 under Chapter 234, Family Code, by electronic funds transfer into a  
2-27 child support debit card account established for an individual  
2-28 under Section 234.010, Family Code, but not activated by the  
2-29 individual.

2-30 SECTION 3. Subdivision (1), Subsection (a), Section 73.001,  
2-31 Property Code, is amended to read as follows:

2-32 (1) "Account" means funds deposited with a depository  
2-33 in an interest-bearing account, a checking or savings account, or a  
2-34 child support debit card account established under Section 234.010,  
2-35 Family Code, or funds received by a depository in exchange for the  
2-36 purchase of a stored value card.

2-37 SECTION 4. Section 234.011, Family Code, is repealed.

2-38 SECTION 5. This Act takes effect immediately if it receives  
2-39 a vote of two-thirds of all the members elected to each house, as  
2-40 provided by Section 39, Article III, Texas Constitution. If this  
2-41 Act does not receive the vote necessary for immediate effect, this  
2-42 Act takes effect September 1, 2009.

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