

By: Guillen

H.B. No. 1152

A BILL TO BE ENTITLED

1 AN ACT
2 relating to payments by the comptroller of public accounts to
3 employees, vendors, annuitants, and other recipients of
4 state-issued payments through the electronic funds transfer system
5 or by electronic pay card.

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

7 SECTION 1. Section 403.016, Government Code, is amended to
8 read as follows:

9 Sec. 403.016. ELECTRONIC FUNDS TRANSFER AND ELECTRONIC PAY
10 CARDS. (a) The comptroller shall establish and operate an
11 electronic funds transfer system in accordance with this section.
12 The comptroller may use the services of financial institutions,
13 automated clearinghouses, and the federal government to establish
14 and operate the electronic funds transfer system. The comptroller
15 also shall establish and operate an efficient and effective system
16 of making payments by electronic pay card.

17 (b) The comptroller shall use either the electronic funds
18 transfer system or an electronic pay card to pay an employee's net
19 state salary and travel expense reimbursements [~~unless:~~

20 [~~(1) the employee does not hold a classified position~~
21 ~~under the state's position classification plan and the employee's~~
22 ~~gross state salary is less than the gross state salary for a~~
23 ~~position classified to group 8, step 1, of the state position~~
24 ~~classification plan; or~~

1 ~~[(2) the employee holds a classified position under~~
2 ~~the state's position classification plan that is classified below~~
3 ~~group 8].~~

4 (c) The comptroller shall use either the electronic funds
5 transfer system or an electronic pay card to make:

6 (1) payments ~~[of more than \$100]~~ to annuitants by the
7 Employees Retirement System of Texas or the Teacher Retirement
8 System of Texas under either system's administrative jurisdiction
9 and payments to annuitants of any other retirement system who are
10 paid from funds in the state treasury;

11 (2) recurring payments to municipalities, counties,
12 political subdivisions, special districts, and other governmental
13 entities of this state; and

14 (3) payments to vendors who choose to receive payment
15 through the electronic funds transfer system or an electronic pay
16 card rather than by warrant.

17 (d) If the comptroller is not required by this section to
18 use either the electronic funds transfer system or an electronic
19 pay card to pay a person, the comptroller may use the electronic
20 funds transfer system or an electronic pay card to pay the person on
21 the person's request.

22 (e)(1) ~~[(f)(1)]~~ Except as provided by Subdivisions (2) and
23 (4) and subject to any limitation in rules adopted by the
24 comptroller, an automated clearinghouse, or the federal
25 government, the comptroller may use the electronic funds transfer
26 system to deposit payments only to one or more accounts of a payee
27 at one or more financial institutions, including credit unions.

1 (2) The comptroller may also use the electronic funds
2 transfer system to deposit a portion of an employee's gross pay into
3 the employee's account at a credit union as prescribed by
4 Subchapter G, Chapter 659.

5 (3) A single electronic funds transfer may contain
6 payments to multiple payees. Individual transfers or warrants are
7 not required for each payee.

8 (4) The comptroller may also use the electronic funds
9 transfer system to deposit a portion of an employee's gross pay into
10 an account of an eligible state employee organization for a
11 membership as prescribed by Subchapter G, Chapter 659.

12 (f) [~~(g)~~] When a law requires the comptroller to make a
13 payment by warrant, the comptroller may instead make the payment
14 through the electronic funds transfer system or by electronic pay
15 card. The comptroller's use of the electronic funds transfer
16 system, an electronic pay card, or any other payment means does not
17 create a right that would not have been created if a warrant had
18 been issued.

19 (g) [~~(h)~~ ~~Notwithstanding any requirement in this section~~
20 ~~to make a payment through the electronic funds transfer system, the~~
21 ~~comptroller shall issue a warrant to pay a person if:~~

22 [~~(1)~~ ~~the person properly notifies the comptroller~~
23 ~~that:~~

24 [~~(A)~~ ~~receiving the payment by electronic funds~~
25 ~~transfer would be impractical to the person,~~

26 [~~(B)~~ ~~receiving the payment by electronic funds~~
27 ~~transfer would be more costly to the person than receiving the~~

1 ~~payment by warrant;~~

2 ~~[(C) the person is unable to establish a~~
3 ~~qualifying account at a financial institution to receive electronic~~
4 ~~funds transfers; or~~

5 ~~[(D) the person chooses to receive the payment by~~
6 ~~warrant; or~~

7 ~~[(2) the state agency on whose behalf the comptroller~~
8 ~~makes the payment properly notifies the comptroller that:~~

9 ~~[(A) making the payment by electronic funds~~
10 ~~transfer would be impractical to the agency; or~~

11 ~~[(B) making the payment by electronic funds~~
12 ~~transfer would be more costly to the agency than making the payment~~
13 ~~by warrant.~~

14 ~~[(i)]~~ Notwithstanding any requirement in this section to
15 make a payment through the electronic funds transfer system or by
16 electronic pay card, the comptroller may make a payment by warrant
17 if the comptroller determines after conducting a cost analysis
18 that~~+~~

19 ~~[(1) using the electronic funds transfer system would~~
20 ~~be impractical to the state; or~~

21 ~~[(2)]~~ the cost to the state of using the electronic
22 funds transfer or electronic pay card system would exceed the cost
23 of issuing a warrant. The comptroller shall submit to the
24 Legislative Budget Board the cost analysis supporting each
25 determination made by the comptroller under this subsection.

26 (h) ~~[(j)]~~ The comptroller shall adopt rules to administer
27 this section, including rules relating to allowing recipients of

1 state payments to choose at appropriate times between receiving
2 payment through the electronic funds transfer system, by electronic
3 pay card, or by warrant [~~the notifications that may be provided to~~
4 ~~the comptroller under Subsection (h)~~].

5 SECTION 2. Subchapter B, Chapter 403, Government Code, is
6 amended by adding Section 403.0161 to read as follows:

7 Sec. 403.0161. CONTRACTS FOR ELECTRONIC PAY CARD SERVICES.

8 The comptroller shall contract with one or more vendors for the
9 provision of electronic pay card services. A contract under this
10 section must be by competitive bid. The comptroller shall specify
11 the qualifications for bidders, which must include requirements
12 that the entity that issues the pay card must:

13 (1) be federally insured or possess sufficient
14 financial resources to ensure protection of payees; and

15 (2) demonstrate adequate 24-hour customer service to
16 ensure that all payees are able to reasonably access their funds
17 worldwide at any time.

18 SECTION 3. Section 659.084, Government Code, is amended to
19 read as follows:

20 Sec. 659.084. ELECTRONIC FUNDS TRANSFER. Salaries for
21 state officers and employees paid once a month shall be paid through
22 electronic funds transfer under Section 403.016 unless paid on an
23 electronic pay card [~~warrant~~] as permitted under that section.

24 SECTION 4. This Act takes effect January 1, 2012.