**BILL ANALYSIS**

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| Senate Research Center | S.B. 557 |
|  | By: Kolkhorst |
|  | State Affairs |
|  | 6/24/2019 |
|  | Enrolled |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, Section 403.016, Government Code, requires the comptroller of public accounts of the State of Texas (comptroller) to establish and oversee the state's electronic funds transfer (EFT) payment system. Within this system, the comptroller makes EFT payments of more than $100 to Employee Retirement System, Teacher Retirement System, and Texas Emergency Services Retirement System (TESRS) annuitants.

S.B. 557 adds TESRS into Section 403.016 to allow their retirees to receive EFT payments. The comptroller pays system annuitants by EFT but the current law does not specify TESRS along with other system annuitants. This language ensures TESRS annuitants are included in authorized EFT payments.

S.B. 557 also conforms the statute's text to the state's current Position Classification Plan and Salary Classification Schedule. The Position Classification Plan and the Salary Classification Schedule as defined in the General Appropriations Act, Article IX, Section 2.01 is no longer in sync with existing language. The bill text ensures all potential payees, regardless of annual salary, are eligible for EFT.

Finally, the bill allows the comptroller to pay all authorized employee payroll deductions via EFT. S.B. 557 specifies the comptroller may use the EFT system to pay any state employee payroll deduction authorized by law. The updated text allows the comptroller to withhold future authorized employee payroll deductions as required. All annuitants will continue to have the ability to opt out of payment by EFT. (Original Author's/Sponsor's Statement of Intent)

S.B. 557 amends current law relating to use of the electronic funds transfer system operated by the comptroller.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 403.016, Government Code, by amending Subsections (b), (c), and (f) and adding Subsections (f-1) and (f-2), as follows:

(b) Deletes text of existing Subdivisions (1) and (2), which created exceptions to the requirement that the comptroller of public accounts of the State of Texas (comptroller) use the electronic funds transfer system to pay an employee's net state salary and travel expense reimbursements.

(c) Requires the comptroller to use the electronic funds transfer system to make payments of more than $100 to annuitants by the Employees Retirement System of Texas (ERS), the Teacher Retirement System of Texas (TRS), or the Texas Emergency Services Retirement System under each system's administrative jurisdiction, rather than by ERS or TRS under either system's administrative jurisdiction, and to make certain other payments.

(f) Redesignates existing Subdivisions (2) and (3) of this subsection as Subsections (f-1) and (f-2) ad creates this subsection from existing Subdivision (1). Deletes existing Subdivision (4) relating to deposits into an account of an eligible state employee organization. Creates an exception under Subsection (f-1), rather than under Subdivisions (2) and (4), to the authority of the comptroller to use the electronic funds transfer system to make certain deposits.

(f-1) Authorizes the comptroller to also use the electronic funds transfer system to deposit the amount of an employee's payroll deduction made as authorized by law, rather than to deposit a portion of an employee's gross pay into the employee's account at a credit union as prescribed by Subchapter G (Supplemental Deductions), Chapter 659.

(f-2) Makes no further changes to this subsection.

SECTION 2. Effective date: upon passage or September 1, 2019.