

## **BILL ANALYSIS**

Senate Research Center  
76R9410 JMM-F

S.B. 1417  
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Jurisprudence  
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As Filed

### **DIGEST**

Currently, Title IV-D agencies send child support payments in the form of state warrants to custodial parents through the mail system. S.B. 910, enacted during the 75th Legislative Session, directed the Office of the Attorney General to analyze the cost-effectiveness of using electronic benefits transfer in conjunction with direct deposit to distribute child support payments. S.B. 1417 would establish the authority of the Title IV-D agency to offer direct deposit of child support payments to obligees.

### **PURPOSE**

As proposed, S.B. 1417 establishes the authority of the Title IV-D agency to offer direct deposit of child support payments to obligees.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 234A, Family Code, by adding Section 234.006, as follows:

Sec. 234.006. DIRECT DEPOSIT OF CHILD SUPPORT PAYMENTS. Authorized the state disbursement unit to transmit a child support payment to an obligee by electronic funds transfer if the obligee maintains an account with a financial institution. Authorizes the convened workgroup to develop a plan to assist an obligee who does not have an account with a financial institution to obtain an account. Authorizes the workgroup to determine whether it is feasible and cost-effective for the state to administer an electronic benefits transfer system for child support obligees and may consider proposals from financial institutions to administer the system. Authorizes a Title IV-D agency, after considering recommendations and adhering to applicable notice and bidding requirements, to contract with a suitable financial institution for the administration of an electronic benefits transfer system. Authorizes the workgroup to establish procedures to administer its duties under this section.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.