

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1417

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Jurisprudence

4/20/1999

Committee Report (Substituted)

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. C.S.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, C.S.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. 237.006. DIRECT DEPOSIT OF CHILD SUPPORT PAYMENTS. Authorizes 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 to recommend implementation of such a system to the Title IV-D agency. Authorizes the Title IV-D agency or the vendor selected by the Title IV-D agency to operate the state disbursement unit to provide for electronic benefits transfer, if the request for proposals and a consent resulting from the vendor selection provides for electronic transfer. Authorizes the workgroup to recommend and the Title IV-D agency to establish procedures to implement this section. Authorizes the Title IV-D agency, upon receiving the recommendation, to require an obligee to receive payments by direct deposit to the obligee's bank account or by electronic benefit transfer to a certain account, if the account is established at no cost to the obligee.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 234.006, Family Code, to recommend implementation of a direct deposit child support payment system to a Title IV-D agency. Sets forth operation and implementation, by a Title IV-D agency, of electronic benefit transfer for the state disbursement unit. Deletes proposed text regarding the administration of an electronic benefit transfer system and Subsection (e).