

1-1 By: Murphy, Cain (Senate Sponsor - Hinojosa) H.B. No. 2240
 1-2 (In the Senate - Received from the House May 6, 2019;
 1-3 May 6, 2019, read first time and referred to Committee on Natural
 1-4 Resources & Economic Development; May 9, 2019, reported favorably
 1-5 by the following vote: Yeas 11, Nays 0; May 9, 2019, sent to
 1-6 printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			

1-20 A BILL TO BE ENTITLED
 1-21 AN ACT

1-22 relating to the payment of wages by an employer through a payroll
 1-23 card account.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 61.001, Labor Code, is amended by adding
 1-26 Subdivision (6-a) to read as follows:

1-27 (6-a) "Payroll card account" means an account that is
 1-28 directly or indirectly established by an employer into which each
 1-29 participating employee's wages, salary, or other form of
 1-30 compensation is deposited on a recurring basis and for which the
 1-31 employee receives a payroll card to access the funds in the account.

1-32 SECTION 2. Section 61.016(a), Labor Code, is amended to
 1-33 read as follows:

1-34 (a) An employer shall pay wages to an employee:

1-35 (1) in United States currency;

1-36 (2) by a written instrument issued by the employer
 1-37 that is negotiable on demand at full face value for United States
 1-38 currency; or

1-39 (3) by the electronic transfer of funds to:

1-40 (A) a financial institution account designated
 1-41 by the employee; or

1-42 (B) a payroll card account established by the
 1-43 employer.

1-44 SECTION 3. Section 61.017, Labor Code, is amended by adding
 1-45 Subsections (d) and (e) to read as follows:

1-46 (d) An employer may elect to pay wages to an employee
 1-47 through a payroll card account plan that is linked to a federally
 1-48 insured financial institution and uses electronic funds transfer to
 1-49 deposit wages in the employee's payroll card account. An employer
 1-50 who elects to pay wages through a payroll card account shall:

1-51 (1) not later than the 60th day before the date of the
 1-52 first electronic funds transfer to the payroll card account of an
 1-53 affected employee or, for an employee hired after the date the
 1-54 employer adopts the plan, not later than the employee's first day of
 1-55 work:

1-56 (A) notify the employee in writing regarding the
 1-57 employer's adoption of a payroll card account plan; and

1-58 (B) provide to the employee:

1-59 (i) a complete list of all fees associated
 1-60 with the employee's payroll card account in English, or, if the
 1-61 employer offers a payroll card account to an employee in a language

2-1 other than English, in that other language; and
2-2 (ii) a form the employee may use to request
2-3 an alternate form of payment if the employee elects to opt out of
2-4 the payroll card account plan; and
2-5 (2) obtain from the employee any information required
2-6 by the payroll card account issuer that is necessary to implement
2-7 the electronic funds transfer.
2-8 (e) If an employee requests an alternate form of payment
2-9 under Subsection (d)(1)(B)(ii), the employer shall pay the
2-10 employee's wages in the alternate form as soon as practicable, but
2-11 not later than the first payday occurring after the 30th day after
2-12 the employee requests the alternate form of payment.

2-13 SECTION 4. This Act takes effect September 1, 2019.

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