

SUMMARY ANALYSIS OF AMENDED BILL

Author: Liu Analyst: Deborah Barrett Bill Number: AB 2098
 Related Bills: See Prior Analysis Telephone: 845-4301 Amended Date: August 7,2006
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Electronic Funds Transfer Task Force/Includes Appointed Representative From FTB

- DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.
- AMENDMENTS IMPACT REVENUE A new revenue estimate is provided.
- AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as introduced/amended _____.
- FURTHER AMENDMENTS NECESSARY
- DEPARTMENT POSITION CHANGED TO _____.
- REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED February 17, 2006, STILL APPLIES.
- OTHER – See comments below.

SUMMARY

This bill would establish the Electronic Funds Transfer Task Force to develop a comprehensive approach to implementing an electronic payment system for all state agencies.

SUMMARY OF AMENDMENTS

The August 7, 2006, amendments replaced provisions that required state agencies to utilize an electronic payment system with provisions that establish a statewide task force to examine and evaluate the feasibility of implementing a statewide electronic payment system for use by all state agencies. "This Bill" and "Technical Consideration" discussions have been revised. The remainder of the department's analysis of this bill as introduced February 17, 2006, still applies.

POSITION

Pending.

Board Position:	Legislative Director	Date
<input type="checkbox"/> S	Brian Putler	8/17/06
<input type="checkbox"/> NA		
<input type="checkbox"/> SA		
<input type="checkbox"/> N		
<input type="checkbox"/> NP		
<input type="checkbox"/> O		
<input type="checkbox"/> NAR		
<input checked="" type="checkbox"/> PENDING		

THIS BILL

This bill would establish the Electronic Funds Transfer Task Force to study the feasibility and desirability of expanding current electronic funds transfer practices to a more comprehensive state-wide approach for receiving and dispersing electronic payments. The task force would consist of representatives from the following agencies, boards, or departments:

- State Board of Equalization
- Franchise Tax Board
- Employment Development Department
- Treasurer
- Controller
- Department of Finance
- Department of General Services
- Department of Technology Services

On or before July 1, 2007, the Task Force would be required to study and report to the Legislature a plan for the development and implementation of a new electronic funds transfer system. As specified in this bill, the task force will be required to examine multiple facets of the impact of implementing an electronic payment system, including costs of development, savings and process efficiencies to be achieved, and benefits to both taxpayers and the state agencies of leveraging technology to improve payment processing functions for all state agencies. The task force will be required to provide the following recommendations and information in its report:

- Which payments should be included in a new electronic payment system.
- How a comprehensive electronic payment system should be developed, including considerations of whether a private administrator should be used, whether the system should be developed within state government, or any other feasible alternative.
- An analysis of the costs savings to be realized through an electronic payments system and an examination of the fees charged for electronic payment of services by students attending a University of California or California State University campus.
- Methods to maximize the state's bargaining power to minimize the service rates and fees associated with accepting credit cards and other forms of electronic funds transfers.
- Which state agencies boards and departments should be required to use the electronic payment system for payment and collection of funds and what, if any, exceptions should be provided.
- Whether the collection and dispersal of funds for localities should be incorporated into the electronic payment system.

- An evaluation of current system flexibility for future expansions of services.
- Whether electronic payment cards, electronic check conversion, or similar products should be incorporated into the system.
- Recommendation on timely development of the electronic payment system.

TECHNICAL CONSIDERATION

On page 5, line 5, "An" should be changed to "A".

LEGISLATIVE STAFF CONTACT

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