



**House
Legislative
Analysis
Section**

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DIRECT DEPOSIT: STATE PAYROLL

House Bill 4047

Sponsor: Rep. Kirk A. Profit

Committee: Corporations & Finance

Complete to 2-12-91

A SUMMARY OF HOUSE BILL 4047 AS INTRODUCED 2-5-91

The bill would create a new act to require the Department of Treasury, within six months of the bill's effective date, to establish a system to allow the direct deposit of state payroll or retirement benefit checks into financial institutions. The recipient of a check could request part or all of the check to be directly deposited. The department would have to promulgate rules to implement the bill's provisions that would have to include at least the following:

- * A reimbursement schedule for the "reasonable" fees and actual costs of a financial institution participating in the program;

- * The terms and conditions of any agreements between the participating financial institutions and the department;

- * The terms and conditions under which a third person could be designated by the recipient to receive the warrant payment and act as an intermediary to process the payment electronically or otherwise to a financial institution on the recipient's behalf; and

- * That the payment transmission to a financial institution could be done electronically or otherwise, including via the Michigan Automated Clearinghouse Association.