

AMENDED IN SENATE JUNE 17, 2010

AMENDED IN ASSEMBLY MAY 28, 2010

AMENDED IN ASSEMBLY APRIL 13, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2188**

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**Introduced by Assembly Member Bradford  
(Coauthors: Assembly Members *Beall*, *Caballero*, *Carter*, *Salas*,  
and *Solorio*)**

February 18, 2010

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An act to amend Section 3075 of, ~~and to add Section 2702.5 to,~~ the Unemployment Insurance Code, relating to unemployment insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2188, as amended, Bradford. Unemployment compensation: disability benefits: electronic payment.

Existing law authorizes the Employment Development Department to administer the disability compensation program. Existing law requires the department, among other duties, to make disability benefit payments by checks drawn on a specified bank, as provided.

The bill would remove the requirement to pay by check and thus allow the director to make these payments using electronic technology; ~~and if using a vendor to provide electronic payments, prescribe criteria for a contract between the department and the vendor.~~

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Section 2702.5 is added to the Unemployment~~  
2     ~~Insurance Code, to read:~~

3     ~~2702.5. Any contract entered into between the department and~~  
4     ~~a vendor for the electronic payment of disability benefits shall~~  
5     ~~include the following criteria:~~

6     ~~(a) Provide claimants a process to resolve disputes with the~~  
7     ~~vendor in a timely manner.~~

8     ~~(b) Require that claimants have free and unlimited access to~~  
9     ~~customer service that meets or exceeds the services provided by~~  
10    ~~the department prior to the implementation of electronic payment~~  
11    ~~of disability benefits.~~

12    ~~(c) Prohibit the assessment of any fees to a claimant for~~  
13    ~~accessing the electronic payment of disability benefits under all~~  
14    ~~of the following circumstances:~~

15    ~~(1) A transaction with a teller at any bank, credit union, or other~~  
16    ~~similar financial institution.~~

17    ~~(2) A point of sale transaction where an electronic benefit card~~  
18    ~~is utilized to purchase goods or services.~~

19    ~~(3) A transaction at any automatic teller machine in the vendor's~~  
20    ~~financial network.~~

21    ~~(d) Allow for inquiries on account balances from automatic~~  
22    ~~teller machines.~~

23    ~~(e) Charge no fees wherever the vendor can exercise that option.~~

24    ~~(f) Require the vendor to meet or exceed all federal and state~~  
25    ~~laws for financial privacy and language access requirements.~~

26    ~~(g) Meet the requirements set forth in Section 19130 of the~~  
27    ~~Government Code.~~

28    ~~(h) Create a procedure to prevent overdraft fees.~~

29    ~~(i) Prohibit the deduction of any fees, charges, or debt from~~  
30    ~~future disability benefits.~~

31    ~~SEC. 2.~~

32    ~~SECTION 1. Section 3075 of the Unemployment Insurance~~  
33    ~~Code is amended to read:~~

34    ~~3075. The director shall, without presenting vouchers and~~  
35    ~~itemized statements, withdraw from the Disability Fund any sums~~  
36    ~~that he or she deems necessary for the payment of disability~~  
37    ~~benefits for a reasonable future period. The Controller shall draw~~  
38    ~~his or her warrant for any claim presented by the director for the~~

1 payment and the Treasurer shall pay the warrant. Upon the  
2 withdrawal thereof, those sums shall be deposited in a disability  
3 benefit payment account in such bank or public depository and  
4 under those conditions as the director determines, with the approval  
5 of the Department of Finance. The bank or public depository shall  
6 be one in which general funds of the state may be deposited, but  
7 no public deposit insurance charge or premium shall be paid out  
8 of that account. Money in this account shall be used solely to pay  
9 disability benefits by the department pursuant to authorized  
10 regulations and no other disbursement shall be made from that  
11 account, except that amounts erroneously and illegally deposited  
12 in that account may be refunded. The procedure prescribed by  
13 those regulations shall satisfy and be in lieu of any and all statutory  
14 requirements of specific appropriation or other form of release by  
15 state officers of money in their custody prior to expenditure that  
16 might otherwise be applicable to withdrawals from that account.

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