

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 9, 2003**

**TO:** Honorable Ron Wilson, Chair, House Committee on Ways & Means

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB3501** by Raymond (Relating to customs brokers and export documentation; providing penalties.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Chapter 151 of the Tax Code to require the Comptroller to maintain a website that customs brokers would use to prepare documentation to show the sales tax exemption for tangible personal property exported outside the United States. The Comptroller could require a broker to pay the amount of any tax refunded if the broker did not comply with statutes or rules governing the broker program.

Customs brokers would be required to pay an unspecified license fee to the Comptroller. Brokers could not obtain more than one license. Not later than October 1, 2003, the Comptroller would require each customs broker that has been licensed for more than one year to pay the new license fee. Additionally, the Comptroller would determine, by October 1, 2003, if a broker had more than one license and require those with multiple licenses to apply for a new license and revoke all previous licenses effective January 1, 2004. If a broker's license was revoked, the broker could not apply for a new license before the first anniversary of the date on which the previous license was revoked. The Comptroller would charge an unspecified amount for export stamps used by customs brokers to certify that property had been exported outside the United States. Revenue from the sale of export stamps could only be used to cover costs related to the administration of the customs broker program. No later than November 1, 2003, the Comptroller would be required to print new export stamps and make them available to customs brokers. Only the new stamps could be used for documentation after January 1, 2004.

Sections of the bill relating to the development of the website, penalties for not complying with the rules of the broker program, the unspecified fee for export stamps, and requirements for applying for a new license if a broker's license was revoked would take effect January 1, 2004. Otherwise, it would take effect September 1, 2003.

Currently, there are 239 customs brokers operating in approximately 800 locations in Texas. These brokers are issued approximately 2.5 million export stamps annually.

As written, the bill specifies neither the license fee or the stamp fee. A fiscal gain, therefore, could occur equal to 239 customs brokers times the unspecified license fee. Similarly, stamps are not charged for at the current time; therefore, a stamp fee would also produce a small revenue gain.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. Legislative policy, implemented as Government Code 403.094, consolidated special funds (except those affected by constitutional, federal, or other restrictions) into the General Revenue Fund as of August 31, 1993 and eliminated all applicable statutory revenue dedications as of August 31, 1995. Each subsequent Legislature has reviewed bills that affect funds consolidation. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Note: Although this bill would not make an appropriation, it would establish the basis for an appropriation.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JK, SD, WP, SM