

## BILL ANALYSIS

Senate Research Center  
80R3283 CLG-D

S.B. 268  
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Finance  
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As Filed

### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, those who reside in Texas in violation of federal law are allowed to transfer funds to family around the world with little or no restriction. Approximately \$5 billion left Texas to go to foreign economies in 2006. Concern exists for the potential for some of the monies transferred out of Texas, and out of the United States, to be used in supporting drug cartels, terrorists, and others to whom providing funding may be inappropriate in relation to national security and the security of the state economy. Additionally, those who transfer funds out of the United States avoid paying sales and use taxes on the transfer of money.

As proposed, S.B. 268 provides for an assessment of a 10 percent wire transfer fee on amounts up to \$5,000 bound for foreign countries. This bill entitles U.S. citizens who pay this transfer fee to apply for a refund of the fee through the office of the comptroller of public accounts. This bill provides for the deposit of the collected funds into a border security account and authorizes its appropriation solely by the governor's office for programs and initiatives to secure Texas' international border.

### RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 (Section 279.054, Finance Code) of this bill.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle Z, Title 3, Finance Code, by adding Chapter 279, as follows:

#### CHAPTER 279. MONEY TRANSMISSION FEE

##### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 279.001. DEFINITIONS. Defines "money" or "monetary value," "money transmission," and "money transmission business."

[Reserves Sections 279.002-279.050 for expansion.]

##### SUBCHAPTER B. FEE ON CERTAIN MONEY TRANSMISSIONS

Sec. 279.051. FEE ON TRANSMISSIONS TO DESTINATIONS OUTSIDE OF THE UNITED STATES. Requires a money transmission business (business) to charge a fee on a money transmission of \$5,000 or less that originates in Texas and is transmitted out of the United States. Specifies the fee as 10 percent of the total amount of the money transmitted. Requires the business to collect the fee from the person transmitting the money and to remit the fee to the comptroller of public accounts (comptroller) at the times and in the manner prescribed by the comptroller. Requires the comptroller to deposit the revenue received from the money transmission fees to the credit of the border security account (account). Specifies that the border security account is an account in the general revenue fund. Authorizes money in the account to be appropriated only to the governor's office for programs and initiatives to secure Texas' international border.

Sec. 279.052. REFUND OF FEE. Entitles a United States citizen or a person who is lawfully present in the United States to apply to the comptroller for a refund of the fee.

Sets forth the requirements for the fee refund application. Requires an applicant to submit at least two of certain documents relating to identity and citizenship with the refund application, except as provided by Section 279.052, Finance Code.

Sec. 279.053. LETTER OF QUALIFICATION. Requires the comptroller to determine whether the applicant is eligible for a refund and has satisfied the aforementioned requirements on receipt of an application for initial refund. Requires the comptroller, before paying the refund, to promptly issue a letter of qualification to the applicant stating that all necessary requirements have been met if the comptroller makes such a determination. Authorizes the applicant to submit a copy of the letter of qualification, along with a statement that the previously submitted information has not materially changed, for any subsequent refund applications.

Sec. 279.054. RULES. Requires the comptroller to adopt rules necessary for implementing the fee as described in this subchapter.

SECTION 2. Makes application of this Act prospective to October 1, 2007.

SECTION 3. Requires the comptroller to adopt rules as necessary to implement Chapter 279, Finance Code, as added by this Act, by October 1, 2007.

SECTION 4. Effective date: upon passage or September 1, 2007.