

Sponsor Statement for HB 520

Business License Fees/Bus Development Fun

An Act relating to business licenses, business license endorsements, and business license and license endorsement fees, to a trade and business development fund, and to the international trade and business endowment; and providing for an effective date.

Released: April 19, 2002
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House Bill 520 doubles the business licensing fees from \$25 to \$50 per year and creates a new Trade and Business Development fund from which the legislature can appropriate money to fund the administrative expenses of the business licensing program and operate the department's international trade and business development activities.

House Bill 520 also repeals the International Trade and Business Endowment Fund and essentially replaces it with the Trade and Business Development fund into which all business licensing fees receipts will be deposited. Repealing the International Trade and Business Endowment fund will free up approximately \$5 million in general funds and make it immediately available for appropriation.

Business licensing fees have remained unchanged since 1949. Currently, there are approximately 76,000 two-year licensees resulting in approximately \$1.9 million each year. Doubling the business licensing fees, even with an anticipated reduction in licensees, will generate approximately \$3.6 million in revenue each year ensuring a steady funding source for economic development in the state, funded by those benefiting from the service.