

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 8191
BILL NUMBER: HB 1996

DATE PREPARED: Jan 21, 1999
BILL AMENDED:

SUBJECT: Fireworks.

FISCAL ANALYST: Beverly Holloway
PHONE NUMBER: 232-9851

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes building and fire suppression requirements for the sale of fireworks. It requires a manufacturer, wholesaler, importer, or distributor of fireworks to pay a \$100 registration fee for a second or subsequent location where fireworks are offered for sale.

This bill prohibits the sale of certain fireworks to a person under the age of 18. It also prohibits the sale, distribution, and use of a specific sky rocket unless the sky rocket is sold by a licensed wholesaler exclusively for the purpose of out-of-state distribution.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues: Fireworks permits are issued by the State Fire Marshal's Office and are \$1,000 per permit. This bill requires that an additional fee of \$100 be paid for a second or subsequent location from which fireworks are being sold. 176 permits were issued in 1998, generating a net revenue of \$176,000, which was deposited into the Fire and Building Services Fund. Assuming that half or 88 permits are required for a second or subsequent location, the additional estimated revenue would be \$8,800. This revenue would also be deposited into the Fire and Building Services Fund. The Fund is used to defray the personal services, other operating expense, and capital outlay of the Department of Fire and Building Services, the Board of Firefighting Personnel Standards and Education, the Boiler Pressure and Vessel Rules Board, and the Fire Prevention and Building Safety Commission.

This bill provides that if specific fireworks are sold to an individual under the age of 18 or if a person sells, distributes, or uses a specific sky rocket for a purpose other than out of state distribution, the individual commits a Class A Misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund could increase. The maximum fine for a Class A

Misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, county or municipal court (courts of record), 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed, and if collected would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed, and if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: State Fire Marshal.

Local Agencies Affected: Trial courts; Local law enforcement agencies.

Information Sources: Mara Snyder, State Fire Marshal's Office, (317) 233-5341.