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FISCAL IMPACT STATEMENT

LS 6610

BILL NUMBER: HB 1147

NOTE PREPARED: Dec 15, 2008

BILL AMENDED:

SUBJECT: Local Control of Consumer Fireworks.

FIRST AUTHOR: Rep. Pond

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill authorizes a county, city, or town to adopt an ordinance limiting or prohibiting the sale or use of consumer fireworks within the jurisdiction of the county, city, or town, with certain restrictions.

Effective Date: July 1, 2009.

Explanation of State Expenditures:

Explanation of State Revenues: *Sales Tax Revenue:* The bill could affect revenues collected by the Department of Revenue (DOR) if limiting the use of fireworks results in less sales tax collected on fireworks. For FY 2008, an estimated \$3.1 M in Sales Tax had been collected on the sale of fireworks. Sales tax revenue is distributed as follows:

- 99.178% to the state General Fund
- 0.670% to the Public Mass Transportation Fund
- 0.029% to the Industrial Rail Service Fund
- 0.123% to the Commuter Rail Service Fund.

Public Safety Fees. In addition to sales tax, persons who acquire fireworks in a retail transaction are liable for a 5% public safety fee, which is deposited in the state General Fund. The bill could affect revenues collected by the DOR if limiting the use of fireworks results in less public safety fees collected. For FY 2008, the DOR had collected \$2.7 M in public safety fees.

Penalty: If additional court cases occur and fines are collected, revenue to both the Common School Fund

(from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class C misdemeanor or a Class C infraction is \$500. However, any additional revenue would likely be small.

Explanation of Local Expenditures: The bill allows a county, city, or town to limit the use of fireworks. Local units could experience a decrease in expenditures for public safety and emergency medical services that could result from the reduced use of fireworks. The proposal could also reduce expenditures associated with local inspections and re-inspections of vendors and displays. The specific impact on local expenditures is indeterminable and would vary by location.

Penalty: A Class C misdemeanor is punishable by up to 60 days in jail.

Explanation of Local Revenues: *Penalty:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

State Agencies Affected: State Fire Marshal's Office.

Local Agencies Affected: Trial courts, local law enforcement, public safety, and emergency medical services agencies.

Information Sources: DHS, 317-232-3241.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.