

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 532** HLS 18RS 614
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 27, 2018 9:25 AM	Author: MACK
Dept./Agy.: Dept. of Public Safety/Office of State Fire Marshal	Analyst: Ryan Guidry
Subject: Fireworks "Class C public displays" licenses, permits and fees	

FIRE PROTECT/FIRE MARSHAL EG INCREASE SG RV See Note Page 1 of 1
 Provides relative to the regulation of fireworks and pyrotechnics

Present law provides certain definitions related to fireworks. Proposed law adds and defines additional terms related to fireworks. Present law provides certain civil penalties for violations. Proposed law adds that each violation of present law and proposed law constitutes a separate offense. Proposed law provides for the requirements and responsibilities for a pyrotechnic operator's license and sets the cost of a new license at \$50 and a renewal at \$25. Proposed law creates and defines Class C public displays. Proposed law provides for the requirements and responsibilities for a Class C pyrotechnic operator's license and sets the cost of a new license at \$25 and a renewal at \$15. Proposed law prohibits a person or firm from making a public display, proximate display, or Class C public display without first obtaining a permit from the Office of State Fire Marshal, and provides the application fee at \$100 and permit fee at \$25. Present law authorizes a retailer permit fee of \$100 for residents and \$800 for nonresidents. Proposed law deletes the resident and nonresident designation and fees in present law and adds the permit fee is \$100 for all applicants.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will increase expenditures by \$5,000 for a one-time update to the Information Management System to incorporate the new class C pyrotechnic operator's license. The Office of State Fire Marshal (OSFM) indicates the expenditure requirements of proposed law can be accomplished utilizing existing resources and budget authority.

REVENUE EXPLANATION

Proposed law will increase SGR for OSFM by an indeterminable amount as additional license and permit fees will be collected by the creation of the Class C public display. The Class C public display refers to the outdoor display of 1.4G fireworks which are classified by the United States Department of Transportation as consumer fireworks for use by the general public; these fireworks are available to the general public for purchase without a license. Proposed law requires a person or firm to obtain a permit from OSFM, the same permit required for regular public displays, for the outdoor display of consumer fireworks for any purpose relating to the amusement of the general public sanctioned or made by a public entity. An application fee of \$100 and a permit fee of \$25 is required for each public display, and both fees are collected as SGR for OSFM. The number of permits that will be requested is unknown, but SGR will increase by \$125 for each permit.

Additionally, proposed law will require a Class C pyrotechnic operator's license in order to make a Class C public display. The cost of a new Class C pyrotechnic license is \$25 and a renewal is \$15. In present law, individuals can obtain a pyrotechnic operator's license which allows for the use of both consumer and non-consumer fireworks. OSFM reports that it does not anticipate current pyrotechnic operator licensees will supplant their current license for a Class C pyrotechnic operator's license. However, the number of individuals that will apply for the new class C licenses is unknown. To the extent that Class C pyrotechnic operator's licenses are issued to individuals in addition to existing pyrotechnic operator's licenses, SGR will increase.

Finally, proposed law eliminates the \$800 nonresident retailer permit fee in present law and replaces it with a \$100 fee for all retailers. A retail permit is required for the sale, construction, or manufacturing of any items related to fireworks. OSFM reports that the courts found the \$800 nonresident permit was in violation of the U.S. Constitutions Commerce Clause, and they have been unable to collect the fee. Currently, OSFM collects a \$100 permit fee for all retailers, and therefore this change will have no impact on revenues.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
Evan Brasseaux
Staff Director