

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 298** HLS 15RS 1185

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 7, 2015	4:00 PM	Author: BURRELL
Dept./Agy.: Public Safety		Analyst: Matthew LaBruyere
Subject: Sale of Fireworks		

AMUSEMENTS/FIREWORKS OR -\$63,000 SG RV See Note
Provides for the time period and permits regarding the sale of fireworks

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Present law allows the sale of fireworks from June 25 through July 5 and from Dec. 15 through Jan. 1 of each year. Proposed law changes the start date for the sale of fireworks from June 25 to June 16 and otherwise retains present law.

Present law requires that in order to sell, construct, or manufacture fireworks, a retailer or manufacturer must first obtain a permit from the state fire marshal. Present law provides for an \$800 fee for nonresident retailers and a \$100 fee for resident retailers. Proposed law removes "nonresident" from the fee schedule, making the fee of \$100 per permit applicable to all retailers. Proposed law repeals the defined term "resident".

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$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	\$0

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	(\$63,000)	(\$63,000)	(\$63,000)	(\$63,000)	(\$63,000)	(\$315,000)
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	(\$63,000)	(\$63,000)	(\$63,000)	(\$63,000)	(\$63,000)	(\$315,000)

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The proposed legislation will result in a decrease in self-generated revenues as a result of removing the Nonresident Retailer fireworks permit. According to the State Fire Marshal there were 90 nonresident permits issued in FY 14, which generated \$72,000 (\$800 permit x 90 permits issued). Those that applied for nonresident permits will now apply for resident permits which is \$100. To the extent these 90 permits continue to be issued with the resident permit rate, \$9,000 will be generated (\$100 permit x 90 permits). This will result in a decrease of \$63,000 (\$72,000 nonresident permit - \$9,000 resident permit) for the department.

NOTE: The nonresident permit was found to be unconstitutional in July 2014 in the case of C&A Pyro LLC vs LA State Fire Marshal Office. As a result of the ruling all nonresidential permits were refunded.

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Evan Brasseaux
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