



LEGISLATIVE FISCAL OFFICE

Fiscal Note

ACT 10

Fiscal Note On: HB 113 HLS 12RS 461

Bill Text Version: ENROLLED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 14, 2012 5:31 AM Author: SCHEXNAYDER
Dept./Agy.: Public Safety Services Analyst: Alan M. Boxberger
Subject: Creates a nonresident fireworks retailer permit

AMUSEMENTS/FIREWORKS EN +\$107,800 SG RV See Note Page 1 of 1
Establishes a nonresident fireworks retailer permit and increases the maximum fine for operating without a permit

Present law establishes permit fees for manufacturers, assemblers, distributors, importers, jobbers and retailers of fireworks, provides that the permit fee for retailers is \$100, and provides that any such entity operating without a proper permit shall, upon conviction, be subject to a fine of not more than \$1,000 or imprisonment for not more than six months, or both. Proposed law defines a resident with respect to fireworks permits and divides the permits for retailers into resident and nonresident permits. Proposed law provides that the permit fee for resident retailers remains at \$100 and that the permit fee for nonresidents shall be \$800. Proposed law increases the maximum fine to \$10,000.

Table with 7 columns: EXPENDITURES/REVENUES, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The proposed law establishes a nonresident fireworks retailer permit fee of \$800 annually and increases the maximum fine for operating without a permit from \$1,000 to \$10,000. Under current law, all fireworks retailers pay a \$100 permit fee and the permit fee shall remain at that level for residents under proposed law.

There are currently 791 retail firework permits listed with the Office of State Fire Marshal. Of this number, 154 are listed as out of state and would fall under the nonresident status of the proposed law, while 637 would fall under the resident classification. The proposed law will generate an increase in agency SGR within the nonresident population from \$15,400 annually (\$100 fee X 154 retailers = \$15,400) to \$123,200 annually (\$800 fee x 154 retailers = \$123,200), resulting in a net increase of \$107,800 (\$123,200 - \$15,400 = \$107,800). The projected revenue impact assumes that all nonresident retailers will continue to buy retailer permits if the proposed law is enacted. Additionally, this projection does not take into account permits that may be purchased after April 1st of any fiscal year. R.S. 51:656(B)(2) states that, "all applications filed after April 1st shall be assessed a late fee equal to the amount of the permit required by this section." Any nonresident application for a nonresident fireworks retailer permit would result in an additional fee of \$800 each, or \$1,600 total.

The Office of State Fire Marshal (OSFM) estimates that the increase in the maximum fine for operating without a permit from \$1,000 to \$10,000 will have a minimal impact on revenues generated by the agency, as historically any noncompliance associated with retailer permits has been corrected or made in a timely manner. To the degree that a fine is issued, OSFM would realize an additional \$9,000 per day any such violation exists. The total revenues generated under this penalty are indeterminable.

Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}
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