

# Fiscal Note & Local Impact Statement

122<sup>nd</sup> General Assembly of Ohio

BILL: Am. Sub. H.B. 6

DATE: May 28, 1997

STATUS: As Passed by the House

SPONSOR: Rep. Carey

LOCAL IMPACT STATEMENT REQUIRED: No — Minimal cost

CONTENTS: Makes several changes to the Ohio fireworks law, including raising the license fee for fireworks manufacturers and wholesalers and establishing new penalties

## State Fiscal Highlights

STATE FUND	FY 1997	FY 1998	FUTURE YEARS
<b>State Fire Marshal (Fund 546)</b>			
Revenues	- 0 -	\$118,000 gain	\$118,000 gain
Expenditures	- 0 -	\$10,000 to \$13,000 increase plus indeterminate increase	\$10,000 to \$13,000 increase plus indeterminate increase
<b>General Revenue Fund</b>			
Revenues	- 0 -	Potential minimal gain	Potential minimal gain
Expenditures	- 0 -	Potential increase	Potential increase

- Three changes regarding fees and one involving a class of license will affect the State Fire Marshal. The first fee change, an increase in the license fee for wholesalers and manufacturers of fireworks, will annually generate an additional \$67,500 for the State Fire Marshal. The second fee for a shipping permit license could raise revenues by \$12,500 per year. Third, license fees for exhibitors would be increased by \$100, from \$50 to \$150, raising an additional \$50,500 per year. Finally, temporary exhibitor licenses are eliminated, creating an estimated \$12,500 loss in revenues per year. The net effect of these changes is a projected \$118,000 gain in revenues.
- The State Fire Marshal, under this bill, also has responsibility to establish a continuing education program. According to a spokesperson from the State Fire Marshal's office, this requirement would raise expenditures by approximately \$10,000 to \$13,000 per fiscal year. The bill also requires the State Fire Marshal to maintain a record of employees of licensed fireworks exhibitor. A minimal increase in expenditures is expected from this change. The Fire Marshal will also provide necessary staff, facilities, supplies and services to the newly created Fire Suppression Systems Task Force.
- The Fire Suppression Task Force is created by this bill. The bill does not indicate that any monetary compensation, either for their duties or for travel expenses, will be provided to members of this task force.
- State costs could increase for incarceration associated with two new a new 5<sup>th</sup> degree felony for persons knowingly disabling a fire suppression system in certain fireworks premises.



## ***Local Fiscal Highlights***

<b>LOCAL GOVERNMENT</b>	<b>FY 1997</b>	<b>FY 1998</b>	<b>FUTURE YEARS</b>
<b>Counties, Municipalities</b>			
Revenues	- 0 -	Potential minimal gain	Potential minimal gain
Expenditures	- 0 -	Potential minimal increase	Potential minimal increase

- This bill establishes a 5<sup>th</sup> degree felony and a 1<sup>st</sup> degree misdemeanor. Counties and municipalities may incur additional expenses related to prosecuting (counties), adjudicating (county or municipality) and incarcerating (county) these violations. Likewise, a potential minimal gain in revenues may occur. Fines (county), forfeitures (arresting agency, counties, municipalities), local court costs (county, municipality) could raise revenues. It is anticipated that the number of prosecutions under these new penalties will be small.

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## ***Detailed Fiscal Analysis***

This bill makes several changes to the Fireworks Law. In general, it increases safety requirements for fireworks sales, storage and exhibition. It also raises the licensing fee for fireworks wholesalers and manufacturers, exhibitors and for a shipping permit. The bill also requires fireworks wholesalers and exhibitors to complete eight hours of continuing education each year. In addition, the bill extends a moratorium on issuing new fireworks manufacturing and wholesaler permits from January 1, 1998, to two years after the effective date of this bill.

### **State Effects**

Overall, revenues to the State Fire Marshal should increase. The primary reason is an increase in the licensing fee for fireworks manufacturers and wholesalers from \$1,500 to \$2,750 per year, an increase in revenues from raising the shipping permit fee from \$1,500 to \$2,750 per year and an increase in exhibitor license fees from \$50 to \$150 per year. It is expected that an additional \$67,500 will be collected by the State Fire Marshal as a result of the manufacturer and wholesaler fee increase. (The bill specifies that revenues from these license fees will be used for fireworks education. However, since the bill does not specify which fund will receive these revenues, this fiscal note assumes that Fund 546, the State Fire Marshal, will receive these revenues.) An additional \$12,500 is expected to be raised from an increase in the shipping permit fee. The exhibitor license fee increase is expected to raise an additional \$50,500 in revenues per year. Countering these increases is the removal of temporary exhibitor licenses. Approximately \$12,500 less per year may be collected as a result. The net effect of these changes is a revenue gain of \$118,000. Revenues could change depending upon the number of licenses issued or renewed. The Fire Marshal will also provide necessary staff, facilities, supplies and services to the newly created Fire Suppression Systems Task Force. It is not known by what amount this will increase the Fire Marshal's expenditures.

### **Criminal Offenses**

The bill establishes a new 5<sup>th</sup> degree felony for persons knowingly disabling a fire suppression system in certain fireworks premises and creates a 1<sup>st</sup> degree misdemeanor for persons other than employees of licensed fireworks exhibitor are within the fireworks discharge perimeter. Incarceration costs for felony cases would be the responsibility of the state, whereas other costs for felonies and for misdemeanors would fall on counties (primarily) and municipalities.

### **Local Effects**

Local effects are limited to expenditures and revenues related to the two new penalties. Counties and municipalities may incur additional expenses related to prosecuting (counties), adjudicating (county or municipality) and incarcerating (county) violators. Likewise, a potential minimal gain in revenues may occur. Fines (county), forfeitures (arresting agency, counties, municipalities), local court costs (county, municipality) could raise revenues. It is anticipated that the number of prosecutions under these new penalties will be small.

☐ *LBO staff: Rick Graycarek, Budget/Policy Analyst*

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