

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4284-04
Bill No.: Truly Agreed to and Finally Passed HS for SCS for SB 1196
Subject: Fireworks; Fire Marshal.
Type: Original
Date: May 20, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(\$99,628)	(\$108,275)	(\$108,275)
Total Estimated Net Effect on General Revenue Fund	(\$99,628)	(\$108,275)	(\$108,275)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Fire Education Fund	\$173,450	\$173,450	\$173,450
Total Estimated Net Effect on <u>Other</u> State Funds	\$173,450	\$173,450	\$173,450

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

In response to a previous version of this proposal, officials from the **Office of the State Public Defender** assumed the proposal would not fiscally impact their agency.

Officials from the **Office of the State Treasurer** and the **Department of Revenue** each assume this proposal would not fiscally impact their respective agencies.

Officials from the **Office of the State Courts Administrator** assume the proposal would have no fiscal impact upon the courts.

Officials from the **Office of Prosecution Services (OPS)** did not respond to our request for fiscal impact. However, **Oversight** assumes OPS could absorb any costs arising as a result of this proposal with existing resources.

Officials from the **Office of Administration - Administrative Hearing Commission** anticipates that this proposal will not significantly alter its caseload. However, if other similar bills pass, there will be fiscal impact. If there are more cases, or more complex cases, there could be a fiscal impact.

ASSUMPTION (continued)

Officials from the **Office of Secretary of State (SOS)** assume there would be costs due to additional publishing duties related to the Department of Public Safety's authority to promulgate rules, regulations, and forms. SOS estimates the division could require approximately 8 new pages of regulations in the Code of State Regulations at a cost of \$27.00 per page, and 12 new pages in the Missouri Register at a cost of \$23.00 per page. Costs due to this proposal are estimated to be \$492, however, the actual fiscal impact would be dependent upon the actual rule-making authority and may be more or less. Financial impact in subsequent fiscal years would depend entirely on the number, length, and frequency of the rules filed, amended, rescinded, or withdrawn. SOS does not anticipate the need for additional staff as a result of this proposal, however, the enactment of more than one similar proposal may, in the aggregate, necessitate additional staff.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **University of Missouri** state the proposal could cost them up to \$175,000, depending on how the moneys in the fire education fund would be distributed.

Officials from the **Department of Corrections (DOC)** assume they could not predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY03 average of \$3.15 per offender per day or an annual cost of \$1,150 per offender).

In summary, supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Department of Public Safety - Division of Fire Safety (DFS)** state this legislation relates to the fireworks licensing program which is currently housed within DFS. It increases the fee on several classifications of permits, as well as implements new permit

ASSUMPTION (continued)

requirements for indoor "proximate" displays, as well as requires a "licensed operator" and "pyrotechnic operator" permit for fireworks shooters. Additionally, the legislation requires DFS to inspect locations of indoor and outdoor firework displays when the local jurisdiction does not. This version of the bill also specifies that the fees generated by this program be deposited into the Fire Education Fund.

DFS states that permit fees will be deposited into the Fire Education Fund. In FY 2003, DFS issued 1,455 permits in various classifications, totaling \$103,775.00 for General Revenue. Due to the increase in fees contained in this legislation, it is estimated the annual revenues of this program to rise to approximately \$173,450 annually. This was calculated based on the average number of permits issued in various classifications over the past three fiscal years. Because the permits required for the operators is a three-year permit, the total fees generated will vary, with the first year being the highest.

DFS assumes \$4,500 in expenses resulting from this proposal, such as printing, postage, envelopes, etcetera due to the increase in permits generated by the additional classifications in this legislation. DFS states they no longer have the funds to support these additional expenses. DFS also assumes an annual loss of the \$103,775 of permit fees (\$95,128 in FY 2005) from the General Revenue Fund, since it will now be going to the Fire Education Fund.

Oversight assumes the amount of revenue that would have been deposited into the General Revenue Fund (\$103,775 per DFS' estimate) will now be deposited into the Fire Education Safety Fund. Oversight will reflect this as loss to General Revenue and an increase of income to the Fire Education Safety Fund. Oversight will utilize DFS' estimates for the increase in permit fee revenue.

Oversight also assumes the changes made to section 320.094 allow the Division of Fire Safety to contract for training for other entities or institutions besides the University of Missouri. Oversight assumes this simply expands the options available to DFS, and therefore, have not reflected a potential fiscal impact from this part of the proposal.

This proposal will increase Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GENERAL REVENUE			
<u>Loss</u> - Division of Fire Safety			
Firework Permit Fee now going to Fire Education Fund	(\$95,128)	(\$103,775)	(\$103,775)
<u>Costs</u> - Division of Fire Safety			
Printing, envelopes and postage for increased number of permits	<u>(\$4,500)</u>	<u>(\$4,500)</u>	<u>(\$4,500)</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE	<u>(\$99,628)</u>	<u>(\$108,275)</u>	<u>(\$108,275)</u>
 FIRE EDUCATION FUND			
<u>Income</u> - Division of Fire Safety			
Firework Permit Fee that previously would go the General Revenue Fund	\$95,128	\$103,775	\$103,775
<u>Income</u> - Division of Fire Safety			
Firework Permit Fee increases in proposal	<u>\$78,322</u>	<u>\$69,675</u>	<u>\$69,675</u>
ESTIMATED NET EFFECT TO THE FIRE EDUCATION FUND	<u>\$173,450</u>	<u>\$173,450</u>	<u>\$173,450</u>
 <u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that sell, distribute, manufacture or ship fireworks would be fiscally impacted by this proposal.

RAS:LR:OD (12/02)

DESCRIPTION

This proposal changes the definition and permit requirements for displays or proximate fireworks and where fireworks can be stored and ignited. It increases the fees the State Fire Marshal charges for permits and changes the distribution of the fees between the General Revenue Fund and the Fire Education Fund.

Any false statement or declaration made on a permit application may result in the State Fire Marshal refusing to issue a permit for up to three years. Civil penalties are established for anyone who manufactures, sells, offers for sale, ships or causes fireworks to be shipped into the state without possessing the applicable permits.

All costs associated with an adjudication of rights pursuant to the bill will be placed upon the defendant.

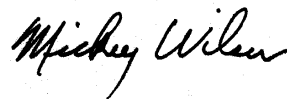
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety
Division of Fire Safety
Office of the Secretary of State
Office of Administration
Administrative Hearing Commission
Office of the State Courts Administrator
Office of the State Public Defender
Department of Corrections
University of Missouri

NOT RESPONDING

Office of Prosecution Services



Mickey Wilson, CPA

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