

Department of Planning and Budget

2017 Fiscal Impact Statement

1. Bill Number: SB1433

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Reeves

3. Committee: General Laws and Technology

4. Title: Regulation sale of consumer fireworks; Board of Housing and Community Development; criminal and civil penalties.

- 5. Summary:** This bill authorizes a person to sell consumer fireworks if he possesses a federal permit to sell fireworks, a permit issued by the Board of Housing and Community Development, and a local permit, if and as required by the locality where the sales facility is located. The measure directs the Board to establish requirements and establish a process for the issuance and renewal of permits for the sale of consumer fireworks, including the establishment of an initial and renewal fee to accompany an application for a permit. A permittee is required to carry, with respect to each permitted facility, public liability and product liability insurance with minimum limits of \$5 million to cover the losses, damages, or injuries that might ensue to persons or property as a result of the sales of consumer fireworks. The measure specifies certain requirements for facilities at which consumer fireworks are permitted to be sold, including prohibitions on an individual under 18 years of age (i) being admitted into any consumer fireworks retail sales facility unless accompanied by a parent, guardian, or responsible adult or (ii) working in any consumer fireworks retail sales facility. The measure prohibits a person from, among other acts, (a) selling consumer fireworks within the Commonwealth unless he is a permittee or an employee or agent of a permittee; (b) selling consumer fireworks from a place other than a permanent consumer fireworks retail sales facility; (c) selling consumer fireworks to an individual who appears to be under the influence of alcohol or drugs; (d) knowingly selling or otherwise furnishing consumer fireworks to an individual under 18 years of age; (e) purchasing, using, or possessing consumer fireworks if the individual is under 18 years of age; or (f) selling or storing fireworks that are not consumer fireworks as defined in a standard established by the American Pyrotechnics Association.

Certain violations of the provisions are punishable as a Class 1 misdemeanor. A person violating restrictions on the hours during which, or places where, consumer fireworks may be used is subject to a civil penalty not to exceed \$150 per violation.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate. See item 8.

- 8. Fiscal Implications:** This bill requires the Board of Housing and Community Development to establish requirements and a process for the issuance and renewal of permits for the sale of consumer fireworks. The provisions state that the initial permit fee be set at \$5,000 and each permit renewal fee be set at \$2,500. The bill does not specify where the revenue from these permits is to be deposited or for what purposes the revenue shall be utilized. Thus, it is anticipated that this fee revenue will be deposited to the general fund. The number of individuals who may apply for such a permit cannot be determined at this time. In addition, the bill does not specifically identify the entity charged with regulation and enforcement of these provisions. As such, the administrative costs to the Department of Housing and Community Development to implement the provisions of this bill are indeterminate, and the amount of revenue the fees will generate is also indeterminate.

Certain violations of the provisions are punishable as a Class 1 misdemeanor. As such, the bill could result in an increase in the jail population since Class 1 misdemeanors are subject to a sentence of up to 12 months in jail. There is not enough information available to reliably estimate how many additional inmates in jail could result from this proposal. Ultimately, the presiding judge will decide if there is to be any time served in jail; however, any increase in jail population will increase costs to the state. The Commonwealth presently pays the localities \$4.00 a day for each misdemeanant or otherwise local responsible prisoner held in a jail.

Lastly, the bill provides that a person violating restrictions on the hours during which, or places where, consumer fireworks may be used is subject to a civil penalty not to exceed \$150 per violation. Revenue resulting from this penalty cannot be determined. Any civil penalties resulting from this bill are required for deposit to the Literary Fund.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Housing and Community Development; State Fire Marshall; localities; state and local courts and jails.

10. Technical Amendment Necessary: No.

11. Other Comments: None.