

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**May 8, 2003**

**TO:** Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB215** by Hamric (Relating to the regulation of fireworks by certain counties; providing a criminal penalty.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB215, As Engrossed: a negative impact of (\$282,000) through the biennium ending August 31, 2005.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$141,000)
2005	(\$141,000)
2006	(\$141,000)
2007	(\$141,000)
2008	(\$141,000)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/(Loss) from <i>RURAL VOLUNTEER FIRE DEPT INS</i> 5066
2004	(\$141,000)	(\$45,000)
2005	(\$141,000)	(\$45,000)
2006	(\$141,000)	(\$45,000)
2007	(\$141,000)	(\$45,000)
2008	(\$141,000)	(\$45,000)

**Fiscal Analysis**

If the Harris County Commissioners Court were to prohibit the sale of fireworks in any part of the unincorporated area of Harris County, GR Account 5066—Rural Volunteer Fire Department Insurance—could lose \$45,000 annually in state fireworks tax revenue, and the General Revenue Fund 0001 could lose \$141,000 in state sales tax revenue.

**Methodology**

These illustrative examples of state revenue losses assume that one-half of existing fireworks sales would continue through purchases in surrounding counties.

## **Local Government Impact**

The Houston Metropolitan Transit Authority could lose approximately \$40,000 in local sales tax revenue per year.

The Harris County Budget Office indicates that the loss of tax revenue to the county would be less than 1 percent of the county's general fund and that the loss would be offset by an estimated \$200,000 in savings in administrative costs.

No significant fiscal impact to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 454 Department of Insurance

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