

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

February 10, 2003

TO: Honorable Glenn Lewis, Chair, House Committee on County Affairs

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 Introduced**

No significant fiscal implication to the State is anticipated.

The bill would add a new section to Chapter 352 of the Local Government Code to allow the commissioners court of a county with a population of 3.3 million or more to prohibit or regulate the sale, possession, or use of fireworks in any part of the unincorporated area of the county. Violations of an order adopted under the proposed section would be a Class C misdemeanor.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature; otherwise, it would take effect September 1, 2003.

Based on the population limitation specified in the bill, the new section of the Local Government Code would only apply to Harris County.

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. (These illustrative examples of state revenue losses assume that one-half of existing fireworks sales would continue through purchases in surrounding counties.) The Houston Metropolitan Transit Authority could lose approximately \$40,000 in local sales tax revenue per year.

Local Government Impact

Losses to local government are described above; however, the Harris County Budget Office indicates that the loss of tax revenue 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.

Source Agencies: 304 Comptroller Of Public Accounts, 454 Department Of Insurance

LBB Staff: JK, DLBa, JO, WP, SM