

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 9, 2007**

**TO:** Honorable Wayne Smith, Chair, House Committee on County Affairs

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB539** by Smith, Wayne (Relating to the regulation of fireworks and fireworks displays.),  
**As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Occupations Code regarding regulation of fireworks by municipalities and counties and to add to statutory restrictions on the use of fireworks. Among the proposed changes, if a municipality or a county were to enact an ordinance, order, or rule prohibiting or further regulating fireworks that would result in discontinuance of otherwise permitted or licensed manufacture, sale, storage, possession, or transport of fireworks, the municipality or county would be required to provide just and adequate compensation to the person(s) to whom damages would be caused by the discontinuation.

The bill would also expand the membership of the advisory council appointed to assist the Texas Commissioner of Insurance in enforcing the provisions of Chapter 2154, to include a member of a county fire marshal's office. The commissioner would be required to report to the legislature the advisory council's recommendations for rule changes related to regulating fireworks. The advisory council and the state fire marshal would be required to promote cooperation between the fireworks industry and local governments in establishing a fireworks public awareness and safety campaign.

The minimum age of a person to whom fireworks may be sold would be increased from 12 to 16. A person younger than 16 years of age would not be allowed to be employed to manufacture, distribute, sell, or purchase fireworks. A person older than 16 and younger than 18 would not be allowed to sell fireworks at a retail sales location unless accompanied by a person who is 18 or older. A violation would be a Class C misdemeanor, which is punishable by a fine not to exceed \$500.

The Department of Insurance indicates that implementing provisions of the bill could be accomplished using existing resources.

**Local Government Impact**

The negative fiscal impact of having to provide compensation to a person or persons who would suffer damages as the result of discontinuance of the manufacture or sale of otherwise permitted and licensed fireworks would depend on the number of persons affected, the amount of fireworks affected, and the value considered to be just and adequate for compensation purposes.

Expansion of which fireworks would be prohibited or further restricted by statute and changes in age of persons who may purchase, buy, manufacture, or sell fireworks could result in an increase in costs associated with enforcement, although it is assumed that those costs would be offset somewhat by fines imposed.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** JOB, DB