

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: HB3786 by Isett, Carl (Relating to the regulation of fireworks by counties.), **As Introduced**

If a county were to prohibit or restrict the sale of fireworks, it would have a negative fiscal impact on the sales tax revenue for the state. The amount would depend on the level of the prohibition or restriction and the amount of sales that would generally have occurred in the affected county.

The bill would amend Chapter 352 of the Local Government Code by adding Section 325.052, which would prohibit the commissioners court of a county from prohibiting or restricting the sale or use of fireworks, except as provided by Section 352.051, Local Government Code (regulation during drought conditions).

The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

The Comptroller of Public Accounts states that the fireworks tax in Texas is due twice a year, on February 20 and August 20, and is an additional 2 percent of the sales tax rate. It is imposed on all retail sales of fireworks in Texas. The tax was created to fund a program to assist rural fire departments. Currently, fireworks can only be sold in Texas from June 24 through July 4 and from December 20 to January 1.

Local Government Impact

If a county were to prohibit or restrict the sale of fireworks, it would have a negative fiscal impact on the sales tax revenue for the county. The amount would depend on the level of the prohibition or restriction and the amount of sales that would generally have occurred in the affected county.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, DB