

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 21, 2015

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3029 by Huberty (Relating to regulation of the retail sale of fireworks.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB3029, As Introduced: an impact of \$0 through the biennium ending August 31, 2017.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	\$0
2017	\$0
2018	\$0
2019	\$0
2020	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from Rural Volunteer Fire Dept Ins 5066
2016	\$220,000
2017	\$220,000
2018	\$220,000
2019	\$220,000
2020	\$220,000

Fiscal Analysis

The bill would amend Chapter 2154 of the Occupations Code, regarding the regulation of fireworks, to authorize the sale of certain fireworks to the public during various holidays.

The bill would authorize licensed manufacturers, distributors, and jobbers holding a location

permit issued by the state fire marshal's office, to sell fireworks to the public. No fee would be charged for the location permits.

The bill would make conforming changes to Chapter 352 of the Local Government Code, regarding county fire protection.

The bill would take effect September 1, 2015

Methodology

Based on information provided by the Comptroller of Public Accounts, this analysis assumes that the authorization of additional fireworks seasons would result in incremental growth in sales subject to the 2 percent fireworks tax under Chapter 161 of the Tax Code. However, the incremental sales would not be expected to exceed approximately 15 percent of the sales that occur during the traditional Fourth of July and December holiday seasons. That increased revenue, estimated to be approximately \$220,000 each fiscal year, would be deposited to the credit of the General Revenue Dedicated Account 5066-Rural Volunteer Fire Department Insurance. No significant increase in general sales tax revenues would be expected, as incremental sales of fireworks would likely be at the expense of other discretionary purchases of sales taxable items.

Based on information provided by the Texas Department of Insurance, it is assumed that all duties and responsibilities necessary to implement the provisions of the bill could be accomplished utilizing existing staff and resources.

Local Government Impact

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

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

LBB Staff: UP, AG, NV, ER