

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: House Bill 367 (First Edition)

SHORT TITLE: NC Consumer Fireworks Safety Act.

SPONSOR(S): Representatives Brody, Bumgardner, Hager, and Waddell

FISCAL IMPACT					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
State Impact					
General Fund Revenues:					
General Fund Expenditures:	\$515,000	\$240,000	\$243,550	\$247,542	\$251,191
Special Fund Revenues:					
Special Fund Expenditures:					
State Positions:	3.0	3.0	3.0	3.0	3.0
NET STATE IMPACT	-\$515,000	-\$240,000	-\$243,550	-\$247,542	-\$251,191
Local Impact					
Revenues:					
Expenditures:					
NET LOCAL IMPACT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:					
Department of Insurance					
EFFECTIVE DATE: July 1, 2015 or when becomes law.					
TECHNICAL CONSIDERATIONS:					
None					

This fiscal note only addresses the potential fiscal impact of the policy changes included in this bill. A separate incarceration note will be prepared to address the potential fiscal impact of new or increased criminal penalties included in the proposed legislation.

BILL SUMMARY (prepared by UNC School of Government):

Recodifies GS 58-82A-1 through GS 58-82A-55 as Part 1 of Article 82A of GS Chapter 58, and names it Display Pyrotechnics Training Permitting and enacts new Part 2, Consumer Fireworks, as follows. Places the following conditions on the possession and use of consumer fireworks: (1) the person possessing or using the consumer fireworks must be at least 18 years old; (2) the use of

consumer fireworks may occur only between the hours of 10 am and 10 pm except for other specified times on July 4th and December 31st and the following January 1st; (3) the discharge of consumer fireworks is prohibited in or on the premises of a public or private primary or secondary school or on the campus of a college or university, unless the person has received written authorization from the college or university and within 500 feet of a hospital, veterinary hospital, licensed child care center, fireworks retailer, fireworks distributor, gas station, or bulk storage facility for petroleum products or other explosive or flammable substances; and (4) the possession or discharge of consumer fireworks is prohibited in or on the premises of any public park or public space, except as otherwise permitted by the person, state agency, or unit of local government owning or otherwise controlling the park, property, or space. Allows a county or city to prohibit the possession or use of consumer fireworks. Prohibits selling consumer fireworks without a permit from a county or city authorized to issue retail fireworks permits. Sets out conditions that must be included in the retailer or temporary retailer permit and establishes permit fees. Prohibits a county or municipality from restricting or excluding the transportation of consumer fireworks across or through the county or municipality when the transportation is solely for the purpose of supplying consumer fireworks retailers permitted under the statute. Sets out provisions concerning permit holder financial responsibility, the power of the Commissioner of Insurance to exclude certain categories of pyrotechnics from the definition consumer fireworks, and prohibiting the use of consumer fireworks during hazardous forest fire conditions. GS 14-415 (violations of the prohibition on the manufacture, sale and use of pyrotechnics) and GS 58-2-70 (Civil penalties or restitution for violations; administrative procedure) apply to violations of this Part. Enacts new GS 153A-130.1 and GS 160A-190.1 allowing counties and cities to, by ordinance, regulate the possession, use, and, sale of consumer fireworks to the public. Amends GS 14410 to define consumer fireworks to all consumer fireworks to be advertised, sold, used, transported, handled, or discharged in accordance with new Part 2. Effective July 1, 2015.

ASSUMPTIONS AND METHODOLOGY:

There are costs to the Department of Insurance for the following functions: permitting for individuals and businesses in order to sell fireworks and investigating and reporting illegalities regarding transport and distribution of fireworks. This permit will be issued by cities and counties developed and authorized by the Commissioner of Insurance to do so.

- It is estimated that two administrative staff would be needed for developing rules, issuing guidelines for seller permits and managing information technology databases/websites.
- There is a need for one investigator position to monitor fireworks shipped into North Carolina and to whom.
- The total cost for three staff is estimated at \$165,000.
- In addition to staff, there is expected to be one-time and recurring costs for IT development, website upgrades, and program development costs. The Department of Insurance estimates that approximately \$350,000 will be needed for initial one time information technology and program development costs and \$75,000 for ongoing program costs.

SOURCES OF DATA:

Department of Insurance

TECHNICAL CONSIDERATIONS: None

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DATE: July 21, 2015



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