



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 4743 (Substitute S-4 as reported)
Sponsor: Representative Harold Haugh
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

CONTENT

The bill would amend the Michigan Fireworks Safety Act to do the following:

- Allow a local unit of government to regulate the use of consumer fireworks during certain nighttime hours on the day before, the day of, and the day after a national holiday.
- Remove a January 1, 2014, sunset on the requirement for payment of a consumer fireworks certificate application fee of \$1,000 for a retail location that is a permanent building or structure or \$600 for a retail location that is not permanent.
- Revise the allocation of money received from fireworks safety fees and consumer fireworks certificate fees.
- Allow the Department of Licensing and Regulatory Affairs (LARA) to establish a program for delegating inspection duties to local units of government.
- Require LARA to pay 70% of a retailer's certificate fee to a local unit that inspected the retail location.
- Require retailers to remit fireworks safety fees to LARA within 20 days after the end of each preceding month, and require LARA to inspect fees reported but not paid.
- Allow LARA to refer past-due fireworks safety fees to the Department of Treasury for collection.
- Provide that any provision of the Single State Construction Code Act that conflicted with particular National Fire Protection Association codes would be superseded.

The Act permits local units of government (cities, villages, and townships) to enact an ordinance regulating the ignition, discharge, and use of consumer fireworks, but an ordinance may not regulate the use of consumer fireworks on the day before, the day of, or the day after a national holiday. Under the bill, an ordinance could regulate the ignition, discharge, or use of consumer fireworks on the day before, the day of, or the day after a national holiday as follows:

- A local unit with a population of 50,000 or more, or a local unit in a county with a population of 750,000 or more: between midnight and 8 a.m., or between 1 a.m. and 8 a.m. on New Year's Day.
- A local unit with a population of less than 50,000, or a local unit in a county with a population of less than 750,000: between 1 a.m. and 8 a.m.

The bill also provides that an ordinance could impose only a maximum civil fine of \$500 for each violation.

The Act requires fireworks safety fees (paid on retail transactions for the sale of consumer fireworks and low-impact fireworks) and consumer fireworks certificate fees (paid by consumer fireworks retailers) to be deposited in the Fireworks Safety Fund. The Department must spend money in the Fund to carry out the purposes of the Act, the Fire Prevention Code, and the Firefighters Training Council. Of the first \$1.0 million collected in the Fund each year, LARA may spend up to that amount in discretionary grants to local units of government to defray inspection costs associated with enforcement of the Act. The bill would delete these provisions.

The bill would require 100% of the money received from fireworks safety fees to be used for the training of firefighters under the direction and approval of the Firefighters Training Council. The bill also would require LARA to use 100% of the money received from consumer fireworks certificates to administer the Act and to pay the costs of delegating inspections under it to local units of government.

MCL 28.454 et al.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have a significant positive fiscal impact on the Department of Licensing and Regulatory Affairs, and a positive fiscal impact on local units of government. The bill would remove January 1, 2014, sunsets on the certificate fees paid by fireworks retailers. This would allow LARA to continue collecting these fees, which are used to administer the Michigan Fireworks Safety Act and provide discretionary grants to local units of government.

The bill also would require that the penalty for violating fireworks ordinances enacted by local units of government be no greater than a \$500 civil fine. This would likely have no fiscal impact on local units, as it appears that no local units have enacted a penalty greater than \$500 for the violation of a local fireworks ordinance.

The bill would redirect the expenditure of firework safety and certificate fees by LARA. Currently, the fees are deposited into the Fireworks Safety Fund and then spent, upon appropriation, on the administration of the Michigan Fireworks Safety Act, administration of the Fire Prevention Code, support of Section 3 of the Firefighters Training Council Act, and up to \$1.0 million annually on discretionary grants to local units to help defray inspection costs. Under the bill, all of the fireworks safety fees would have to be spent on the training of firefighters, and all of the certificate fees would have to be spent on the administration of the Act and to help defray the costs of delegating inspection to locals. It is unknown at this time what impact this change would have on both LARA and local units of government.

Date Completed: 6-10-13

Fiscal Analyst: Josh Sefton

Floor\hb4743

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.