

FIREWORKS SAFETY ACT AMENDMENTS

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House Bills 4743 and 4744

Sponsor: Rep. Harold Haugh

Committee: Regulatory Reform

Complete to 5-20-13

A SUMMARY OF HOUSE BILLS 4743 & 4744 AS INTRODUCED 5-16-13

The bills would each amend the Fireworks Safety Act (2011 PA 256). The bills would:

- Require retail locations to post signage meeting certain requirements;
- Allow local units of government to regulate the use of consumer fireworks between midnight and 8:00 a.m. on the day before, day of, and day after a national holiday; and
- Alter the distribution of revenues collected under the act.

House Bill 4743 would require retail locations to post signage and allow local units of government to regulate the use of consumer fireworks between midnight and 8:00 a.m. on the day before, day of, and day after a national holiday

Signage

Retail locations selling consumer fireworks would be required to post signage informing customers that (1) a copy of the Fireworks Safety Act could be viewed by visiting the Department of Licensing and Regulatory Affairs (LARA) website and (2) information regarding local ordinances concerning the use of consumer fireworks could be obtained from the local unit of government in which the retail facility is located.

Local ordinances

The bill would allow local units of government to enact ordinances regulating the ignition, discharge, and use of consumer fireworks from midnight to 8:00 a.m. on the day before, the day of, and the day after a national holiday. Currently, local units of government can enact ordinances regulating such use but are prohibited from regulating during the three-day period surrounding a national holiday. Fines under such ordinances would be restricted to a \$500 maximum fine for each violation and violations could not be subject to any further fine or sanction.

Elimination of sunsets

The bill would eliminate the January 1, 2014, sunset on provisions (1) requiring the application for a consumer fireworks certificate be accompanied by a \$1,000 fee for a certificate for each retail location that is a permanent building or structure and \$600 for each retail location that is not a permanent building or structure, and (2) limiting the fireworks certificate fee for a retail location that is not a permanent building from exceeding 60% of the fee for a location that is a permanent building.

Compliance with NFPA

The bill would require retail locations to comply with the applicable requirements of NFPA 101 and NFPA 1124 (of the National Fire Protection Association Code) that are not in conflict with the Fireworks Safety Act and the Stille-Derossett-Hale Single State Construction Act.

House Bill 4744 would alter the process by which the fireworks safety fee is remitted to the state and the distribution of revenues collected under the Fireworks Safety Act.

Fireworks safety fee remittance

The bill would clarify that a retailer or a person issued a consumer fireworks certificate is responsible for remitting all fireworks safety fees to LARA, holding fireworks safety fees in trust until remitted, and is personally liable for the payment of all fireworks safety fees to the state. Currently, these requirements only apply to retailers.

LARA would be permitted to refer past due amounts of the fireworks safety fee to the Department of Treasury for collection. Additionally the bill would require retailers to remit fireworks safety fees within 20 days after the end of each month. LARA would be required to investigate any reported, but unpaid, fireworks safety fees by a retailer by September 30 of each year.

Fireworks safety fund distribution

LARA would be required to spend money deposited in the Fireworks Safety Fund as follows:

- All of the money received from fireworks safety fees for the training of firefighters under the direction and approval of the Firefighters Training Council.
- All of the money received from consumer fireworks safety certificates to administer the Fireworks Safety Act and to pay the costs of delegating inspections to local units of government (see below).

LARA would be permitted to establish a program for delegating inspection duties to one or more local units of government. If a local unit agreed to perform the inspection duties, LARA would be required to pay the local unit 70% of the consumer fireworks safety certificate fee paid by each retail location inspected by the local unit. LARA would retain the remaining 30% of the fee collected. LARA would retain inspection responsibilities under the act if a local unit of government declined to participate in the program.

Currently, money in the Fireworks Safety Fund can be spent 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 in each fiscal year, LARA is permitted to spend up to \$1.0 million in discretionary grants to local units of government to offset inspection costs.

FISCAL IMPACT:

House Bill 4743 would have a positive significant fiscal impact on the Bureau of Fire Services (BFS) within the Department of Licensing and Regulatory Affairs (LARA) in fiscal years after 2013 as a result of the elimination of sunsets on the Consumer Fireworks Certificate fees. If the sunsets, under current law, remain in effect, the BFS would no longer collect fees from retailers seeking to sell consumer fireworks under the Fireworks Safety Act of 2011. Additionally, House Bill 4743 would have a fiscal impact on local units of government to the extent that individuals violate local ordinances and are liable to pay civil fines.

House Bill 4744 would have an impact on the distribution of Consumer Fireworks Certificate fees and Fireworks Safety Fees. Under current law both of these fees are deposited into the Fireworks Safety Fund and expended, contingent upon annual appropriation, for the purposes of the Fireworks Safety Act of 2011 (including up to \$1.0 million in discretionary grants to local units of government to defray inspection costs associated with the act), the Fire Prevention Code of 1941, and the Firefighters Training Council Act of 1966. House Bill 4744 would stipulate that 100% of Fireworks Safety Fees be used for firefighter training under the direction and approval of the Firefighters training Council and that 100% of the Consumer Fireworks Certificate fees be used for the administration of the Fireworks Safety Act of 2011 (including grants to local units of government for the inspection of retail locations equivalent to 70% of the Consumer Fireworks Certificate fees paid by retail locations inspected by local units of government).

In fiscal year 2012, the BFS collected approximately \$1.3 million in Fireworks Safety Fees and approximately \$496,000 in Consumer Fireworks Certificate fees and expended the entire appropriated amount of \$470,000 for administration of the Fireworks Safety Act of 2011 by the BFS. As of the close of fiscal year 2012, the BFS has not made any discretionary grants from the Fireworks Safety Grants to local units of government for inspection costs.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.