

**STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2011**

Introduced by Reps. Haugh, Liss, Dillon, Melton, Roy Schmidt, Hobbs, Durhal, Hammel, Franz, McCann, Stanley, Lane, Stapleton, Jackson, Nathan, Brown, Huuki, Foster, Shirkey, Lori, Pettalia, Tyler, Lipton, Geiss, Barnett, Rogers, Kandrevas, Wayne Schmidt, Stallworth, Howze, Rutledge, Santana, Womack, Walsh, Constan, Smiley, Townsend, McBroom, Irwin, Olumba and Oakes

ENROLLED HOUSE BILL No. 4293

AN ACT to revise, consolidate, and codify the laws relating to certain fireworks; to regulate the purchase, possession, sale, and use of certain fireworks; to establish a fireworks safety fund; to establish a fireworks safety fee; to provide for the transfer and expenditure of funds; to prescribe the powers and duties of certain state agencies; to provide for penalties and remedies; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

Sec. 1. This act shall be known and may be cited as the “Michigan fireworks safety act”.

Sec. 2. As used in this act:

(a) “Agricultural and wildlife fireworks” means fireworks devices distributed to farmers, ranchers, and growers through a wildlife management program administered by the United States department of the interior or the department of natural resources of this state.

(b) “APA standard 87-1” means 2001 APA standard 87-1, standard for construction and approval for transportation of fireworks, novelties, and theatrical pyrotechnics, published by the American pyrotechnics association of Bethesda, Maryland.

(c) “Articles pyrotechnic” means pyrotechnic devices for professional use that are similar to consumer fireworks in chemical composition and construction but not intended for consumer use, that meet the weight limits for consumer fireworks but are not labeled as such, and that are classified as UN0431 or UN0432 under 49 CFR 172.101.

(d) “Commercial manufacturer” means a person engaged in the manufacture of consumer fireworks.

(e) “Consumer fireworks” means fireworks devices that are designed to produce visible effects by combustion, that are required to comply with the construction, chemical composition, and labeling regulations promulgated by the United States consumer product safety commission under 16 CFR parts 1500 and 1507, and that are listed in APA standard 87-1, 3.1.2, 3.1.3, or 3.5. Consumer fireworks does not include low-impact fireworks.

(f) “Consumer fireworks certificate” means a certificate issued under section 4.

(g) “Department” means the department of licensing and regulatory affairs.

(h) “Display fireworks” means large fireworks devices that are explosive materials intended for use in fireworks displays and designed to produce visible or audible effects by combustion, deflagration, or detonation, as provided in 27 CFR 555.11, 49 CFR 172, and APA standard 87-1, 4.1.

(i) “Firework” or “fireworks” means any composition or device, except for a starting pistol, a flare gun, or a flare, designed for the purpose of producing a visible or audible effect by combustion, deflagration, or detonation. Fireworks consist of consumer fireworks, low-impact fireworks, articles pyrotechnic, display fireworks, and special effects.

(j) “Local unit of government” means a city, village, or township.

(k) “Low-impact fireworks” means ground and handheld sparkling devices as that phrase is defined under APA standard 87-1, 3.1, 3.1.1.1 to 3.1.1.8, and 3.5.

(l) “Minor” means an individual who is less than 18 years of age.

(m) “NFPA” means the national fire protection association headquartered at 1 Batterymarch Park, Quincy, Massachusetts.

(n) “NFPA 1” means the uniform fire code, 2006 edition, developed by NFPA.

(o) “NFPA 72” means the “National Fire Alarm Code”, 2002 edition, developed by NFPA.

(p) “NFPA 101” means the “Life Safety Code”, 2009 edition, developed by NFPA.

(q) “NFPA 1123” means the “Code for Fireworks Display”, 2010 edition, developed by NFPA.

(r) “NFPA 1124” means the “Code for the Manufacture, Transportation, Storage, and Retail Sales of Fireworks and Pyrotechnic Articles”, 2006 edition, developed by NFPA.

(s) “NFPA 1126” means the “Standard for the Use of Pyrotechnics Before a Proximate Audience”, 2011 edition, developed by NFPA.

(t) “Novelties” means that term as defined under APA standard 87-1, 3.2, 3.2.1, 3.2.2, 3.2.3, 3.2.4, and 3.2.5 and all of the following:

(i) Toy plastic or paper caps for toy pistols in sheets, strips, rolls, or individual caps containing not more than .25 of a grain of explosive content per cap, in packages labeled to indicate the maximum explosive content per cap.

(ii) Toy pistols, toy cannons, toy canes, toy trick noisemakers, and toy guns in which toy caps as described in subparagraph (i) are used, that are constructed so that the hand cannot come in contact with the cap when in place for the explosion, and that are not designed to break apart or be separated so as to form a missile by the explosion.

(iii) Flitter sparklers in paper tubes not exceeding 1/8 inch in diameter.

(iv) Toy snakes not containing mercury, if packed in cardboard boxes with not more than 12 pieces per box for retail sale and if the manufacturer’s name and the quantity contained in each box are printed on the box; and toy smoke devices.

(u) “Permanent building or structure” is a building or structure that is affixed to a foundation on a site that has fixed utility connections and that is intended to remain on the site for more than 180 consecutive calendar days.

(v) “Person” means an individual, agent, association, charitable organization, company, limited liability company, corporation, labor organization, legal representative, partnership, unincorporated organization, or any other legal or commercial entity.

(w) “Retailer” means a person who sells consumer fireworks or low-impact fireworks for resale to an individual for ultimate use.

(x) “Retail location” means a facility listed under NFPA 1124, 7.1.2.

(y) “Special effects” means a combination of chemical elements or chemical compounds capable of burning independently of the oxygen of the atmosphere and designed and intended to produce an audible, visual, mechanical, or thermal effect as an integral part of a motion picture, radio, television, theatrical, or opera production or live entertainment.

(z) “State fire marshal” means the state fire marshal appointed under section 1b of the fire prevention code, 1941 PA 207, MCL 29.1b.

(aa) “Warehouse” means a permanent building or structure used primarily for the storage of consumer fireworks or low-impact fireworks.

(bb) “Wholesaler” means any person who sells consumer fireworks or low-impact fireworks to a retailer or any other person for resale. Wholesaler does not include a person who sells only display fireworks or special effects.

Sec. 3. This act does not apply to novelties. Nothing in this act allows a local unit of government to enact or enforce an ordinance, code, or regulation pertaining to, or in any manner regulating, the sale, storage, display for sale, transportation, use, or distribution of novelties.

Sec. 4. (1) A person shall not sell consumer fireworks unless the person annually obtains a consumer fireworks certificate from the department under this section. A person who knows, or should know, that he or she is required to comply with this subsection and who fails or neglects to do so is guilty of a misdemeanor punishable by imprisonment for not more than 2 years or a fine of not more than \$5,000.00 for each day the person is in violation of this subsection, or both.

(2) An application for a consumer fireworks certificate shall meet all of the following requirements:

(a) Before January 1, 2012, the application shall be submitted not less than 90 days before the applicant sells consumer fireworks.

(b) Beginning January 1, 2012, the application shall be submitted no later than April 1 of each year in which consumer fireworks are to be sold.

(c) The application shall list the name and address of each retail location from which consumer fireworks are to be sold.

(d) Until January 1, 2014, the application shall be accompanied by a fee of \$1,000.00 for a certificate for each retail location that is a permanent building or structure or \$600.00 for each retail location that is not a permanent building or structure. Until January 1, 2014, the fireworks certificate fee required to be paid for a retail location that is not a permanent building or structure shall not exceed 60% of the fireworks certificate fee for a retail location that is a permanent building or structure.

(e) The application shall be accompanied by a copy of the applicant's current sales tax license, including the applicant's account number, issued by the department of treasury for each retail location where consumer fireworks are to be sold by the applicant.

(3) A consumer fireworks certificate issued under this section is valid from the date of issue until April 30 of the year after it was issued. A person may renew a consumer fireworks certificate for a retail location by making application in the same manner as provided under subsection (2). However, the department shall not issue a renewal consumer fireworks certificate unless the department determines that the applicant properly remitted all of the fireworks safety fees required to be paid in the preceding year. The department shall provide to the department of treasury the sales tax license information received from the applicant and any additional information as may be necessary to allow the department of treasury to confirm that each sales tax license submitted by the applicant is current and valid. The department shall enter into an agreement with the department of treasury under section 28(1) of 1941 PA 122, MCL 205.28, that will allow the department of treasury to provide that information to the department. The department shall not issue an original or renewal consumer fireworks certificate to an applicant until the department of treasury has confirmed to the department that each sales tax license submitted by the applicant is current and valid.

(4) Not more than 30 days after an application is submitted to the department under this section, the department shall issue or deny issuance of a consumer fireworks certificate to the applicant and, if issuance is denied, shall indicate to the applicant the reason for denial.

(5) If the department denies issuance of a consumer fireworks certificate under this section, the applicant may cure any defect of the application within 45 days after the denial without paying an additional fee. The department shall not unreasonably delay or deny an application under this section.

(6) A consumer fireworks certificate is transferable upon approval by the department and the payment of a \$25.00 transfer fee. However, the department shall not approve the transfer of a consumer fireworks certificate unless the transferee satisfies eligibility requirements for an original consumer fireworks certificate under this act.

(7) The holder of a consumer fireworks certificate shall prominently display the original or copy of the certificate in the appropriate retail location. A person that violates this subsection is responsible for a civil fine of \$100.00. Each day that the consumer fireworks certificate is not displayed as provided under this subsection is a separate violation.

(8) The department shall not issue a consumer fireworks certificate to either of the following:

(a) A person that is ineligible under section 8(4).

(b) An individual who has been convicted of a felony involving theft, fraud, or arson.

(9) The face of the consumer fireworks certificate shall indicate the location or address for which it was issued.

(10) Fees collected under this section shall be deposited in the fireworks safety fund created under section 11.

Sec. 5. (1) Consumer fireworks shall only be sold from a retail location if all of the following applicable conditions are met:

(a) Except as provided in subdivision (b), a retail location satisfies the applicable requirements of NFPA 101 and NFPA 1124 not in conflict with this act.

(b) Beginning 1 year after the effective date of this act, a permanent building or structure shall be equipped with a fire suppression system in compliance with NFPA 1124.

(c) The retailer at that retail location is licensed under section 3 of the general sales tax act, 1933 PA 167, MCL 205.53.

(d) The retailer has a valid federal taxpayer identification number issued by the federal department of the treasury, internal revenue service. This requirement does not apply to a retailer that is a sole proprietorship.

(2) A person that knows, or should know, that he or she is required to comply with subsection (1) and who fails or neglects to do so is responsible for a civil fine of \$2,500.00 for each violation. Each day that a person is in noncompliance constitutes a separate violation.

(3) During periods when consumer fireworks are sold, each retail location selling consumer fireworks either shall be added as an additional insured, or public liability and product liability insurance coverage shall be obtained and maintained, in an amount not less than \$10,000,000.00 per occurrence. A person that knows, or should know, that he or she is required to comply with this subsection and who fails or neglects to do so is liable for a civil fine of not more than \$5,000.00.

Sec. 6. (1) The department shall establish and maintain, or cause to be created and maintained, an internet website that has as its purpose the protection of the residents of this state who purchase, use, or transport fireworks. The website shall include, at a minimum, both of the following:

- (a) A list of every person and entity that is issued a consumer fireworks certificate under section 4.
- (b) A low-impact fireworks retail registry. All of the following apply to the online low-impact fireworks retail registry:
 - (i) It shall be maintained and operated at no cost to a user.
 - (ii) The cost of its maintenance and operation shall be paid with funds described in section 11(4).
 - (iii) It shall provide for instant registry without condition.
- (2) Beginning February 1, 2012, a person shall not sell low-impact fireworks unless he or she registers with the low-impact fireworks retail registry not less than 10 days before selling the fireworks in each calendar year.
- (3) A person who sells low-impact fireworks at retail and who fails to register as described in this section shall cease the sale of low-impact fireworks until the person complies with subsection (2).

Sec. 7. (1) Except as provided in this act, a local unit of government shall not enact or enforce an ordinance, code, or regulation pertaining to or in any manner regulating the sale, display, storage, transportation, or distribution of fireworks regulated under this act.

(2) A local unit of government may enact an ordinance regulating the ignition, discharge, and use of consumer fireworks. However, an ordinance enacted under this subsection shall not regulate the use of consumer fireworks on the day preceding, the day of, or the day after a national holiday.

Sec. 8. (1) A user fee, known as the fireworks safety fee, is imposed on retail transactions made in this state for consumer fireworks and low-impact fireworks as provided in section 9.

(2) A person that acquires consumer fireworks or low-impact fireworks in a retail transaction is liable for the fireworks safety fee on the transaction and, except as otherwise provided in this act, shall pay the fireworks safety fee to the retailer as a separate added amount to the consideration in the transaction. The retailer shall collect the fireworks safety fee as an agent for the state.

(3) The fireworks safety fee shall be deposited in the fireworks safety fund created under section 11.

(4) A person that knows or should know that he or she is required to comply with the requirements of subsection (2) but fails to collect or remit a fireworks safety fee as required under this section is guilty of a misdemeanor punishable by a fine of not more than \$10,000.00. In addition, the person is ineligible to obtain a fireworks certificate for 1 year after conviction.

Sec. 9. (1) Except as provided in subsections (2) and (3), the fireworks safety fee is determined by the gross retail income from consumer fireworks and low-impact fireworks received by a retail merchant in a retail unitary transaction of consumer fireworks and low-impact fireworks and is imposed before any taxes are applied at the following rates:

FIREWORKS SAFETY FEE	GROSS RETAIL INCOME FROM THE RETAIL UNITARY TRANSACTION	
\$ 0	less than	\$ 0.08
\$ 0.01	at least \$ 0.08	but less than \$ 0.24
\$ 0.02	at least \$ 0.24	but less than \$ 0.40
\$ 0.03	at least \$ 0.40	but less than \$ 0.56
\$ 0.04	at least \$ 0.56	but less than \$ 0.72
\$ 0.05	at least \$ 0.72	but less than \$ 0.88
\$ 0.06	at least \$ 0.88	but less than \$ 1.04

(2) On a retail unitary transaction in which the gross retail income received by the retail merchant is \$1.04 or more, the fireworks safety fee is 6% of that gross retail income as determined before any taxes are applied.

(3) If the fireworks safety fee calculated under subsection (1) results in a fraction of 1/2 cent or more, the amount of the fireworks safety fee shall be rounded to the next additional cent.

(4) The retailer whose retail location is a permanent building or structure may retain 1% of the fireworks safety fees that the retailer collected under this section as a collection allowance.

Sec. 10. A retailer shall remit the fireworks safety fee as described in section 9 to the department on forms and in the manner prescribed by the department, shall hold the fireworks safety fees collected in trust for the state until remitted to the state, and is personally liable for the payment of the fireworks safety fee money to this state.

Sec. 11. (1) The fireworks safety fund is created within the department of treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(3) Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(4) The department shall expend money deposited in the fund to carry out the purposes of this act, the fire prevention code, 1941 PA 207, MCL 29.1 to 29.33, and the firefighters training council created under section 3 of the firefighters training council act, 1966 PA 291, MCL 29.363. Of the first \$1,000,000.00 collected in the fireworks safety fund in each fiscal year, the department may expend not more than \$1,000,000.00 in discretionary grants to local units of government to defray inspection costs associated with the enforcement of this act.

Sec. 12. (1) A person shall not ignite, discharge, or use consumer fireworks on public property, school property, church property, or the property of another person without that organization's or person's express permission to use those fireworks on those premises. Except as otherwise provided in this subsection, a person that violates this subsection is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$500.00.

(2) Consumer fireworks shall not be sold to a minor. A person that violates this subsection is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$500.00. This age requirement shall be verified by any of the following:

(a) An operator's or chauffeur's license issued under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

(b) An official state personal identification card issued under 1972 PA 222, MCL 28.291 to 28.300.

(c) An enhanced driver license or enhanced official state personal identification card issued under the enhanced driver license and enhanced official state personal identification card act, 2008 PA 23, MCL 28.301 to 28.308.

(d) A military identification card.

(e) A passport.

(f) Any other bona fide photograph identification that establishes the identity and age of the individual.

(3) An individual shall not use consumer fireworks or low-impact fireworks while under the influence of alcoholic liquor, a controlled substance, or a combination of alcoholic liquor and a controlled substance. As used in this subsection:

(a) "Alcoholic liquor" means that term as defined in section 1d of the Michigan vehicle code, 1949 PA 300, MCL 257.1d.

(b) "Controlled substance" means that term as defined in section 8b of the Michigan vehicle code, 1949 PA 300, MCL 257.8b.

(4) An individual who violates the smoking prohibition under NFPA 1124, 7.3.11.1 is guilty of a misdemeanor punishable by imprisonment for not more than 1 year or a fine of not more than \$1,000.00, or both.

(5) Signage stating the smoking prohibition described in subsection (4) satisfies the requirements of NFPA 1124.

Sec. 13. A wholesaler shall maintain a resident agent who resides in this state and who has a physical address in this state. A post office box is not a physical address for purposes of this section.

Sec. 14. (1) A governmental or law enforcement agency that identifies a firework that is in violation of this act shall secure the firework and immediately notify the department of the alleged violation. The department or law enforcement agency shall investigate the alleged violation for compliance with this act within a reasonable time.

(2) If the department or law enforcement agency determines that a violation of this act has occurred, except for a violation of section 6(2), the department or law enforcement agency may seize the firework as evidence of the violation. Evidence seized under this section shall be stored pending disposition of any criminal or civil proceedings arising from a violation of this act at the expense of the person, if the person is found guilty, responsible, or liable for the violation.

Sec. 15. (1) Fireworks seized for an alleged violation of this act shall be stored in compliance with this act and rules promulgated under this act.

(2) Following final disposition of a conviction for violating this act, the seizing agency in possession may dispose of or destroy any fireworks retained as evidence in that prosecution.

(3) The person from whom fireworks are seized under this act shall pay the actual costs of storage and disposal of the seized fireworks.

(4) The department of state police and the department may use fireworks described in subsection (2) for training purposes.

Sec. 16. (1) The legislative body of a city, village, or township, upon application in writing on forms provided by the department and payment of a fee set by the legislative body, if any, may grant a permit for the use of agricultural or wildlife fireworks, articles pyrotechnic, display fireworks, or special effects manufactured for outdoor pest control or agricultural purposes, or for public or private display within the city, village, or township by municipalities, fair associations, amusement parks, or other organizations or individuals approved by the city, village, or township authority, if the applicable provisions of this act are complied with. After a permit has been granted, sales, possession, or transportation of fireworks for the purposes described in the permit only may be made. A permit granted under this subsection is not transferable and shall not be issued to a minor.

(2) Before a permit for articles pyrotechnic or a display fireworks ignition is issued, the person, firm, or corporation applying for the permit shall furnish proof of financial responsibility by a bond or insurance in an amount, character, and form deemed necessary by the local governing authority to satisfy claims for damages to property or personal injuries arising out of an act or omission on the part of the person, firm, or corporation or an agent or employee of the person, firm, or corporation, and to protect the public.

(3) A permit shall not be issued under this act to a nonresident person, firm, or corporation for ignition of articles pyrotechnic or display fireworks in this state until the person, firm, or corporation has appointed in writing a resident member of the bar of this state or a resident agent to be the legal representative upon whom all process in an action or proceeding against the person, firm, or corporation may be served.

(4) The local governing authority shall rule on the competency and qualifications of articles pyrotechnic and display fireworks operators as required under NFPA 1123, as the operator has furnished in his or her application form, and on the time, place, and safety aspects of the display of articles pyrotechnic or display fireworks before granting permits.

(5) A local unit of government that charges a fee to issue a permit under this section shall retain the fee paid.

Sec. 17. This act does not prohibit any of the following:

(a) A wholesaler, retailer, commercial manufacturer, or importer from selling, storing, using, transporting, or distributing consumer fireworks or low-impact fireworks.

(b) The use of fireworks by railroads or other transportation agencies or law enforcement agencies for signal purposes or illumination.

(c) The use of agricultural or wildlife fireworks.

(d) The sale or use of blank cartridges for any of the following:

(i) A show or play.

(ii) Signal or ceremonial purposes in athletics or sports.

(iii) Use by military organizations.

(iv) Use by law enforcement agencies.

(e) The possession, sale, or disposal of fireworks incidental to the public display of fireworks by wholesalers or other persons who possess a permit to possess, store, and sell explosives from the bureau of alcohol, tobacco, firearms, and explosives of the United States department of justice.

(f) Interstate wholesalers from selling, storing, using, transporting, or distributing fireworks.

Sec. 18. (1) Unless otherwise provided in this act, if a person knowingly, intentionally, or recklessly violates this act, the person is guilty of a crime as follows:

(a) Except as otherwise provided in this section, a misdemeanor punishable by imprisonment for not more than 30 days or a fine of not more than \$1,000.00, or both.

(b) If the violation causes damage to the property of another person, a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not more than \$5,000.00, or both.

(c) If the violation causes serious impairment of a body function of another person, a felony punishable by imprisonment for not more than 5 years or a fine of not more than \$5,000.00, or both. As used in this subdivision, "serious impairment of a body function" means that term as defined in section 58c of the Michigan vehicle code, 1949 PA 300, MCL 257.58c.

(d) If the violation causes the death of another person, a felony punishable by imprisonment for not more than 15 years or a fine of not more than \$10,000.00, or both.

(2) In addition to any other penalty imposed for the violation of this act, a person that is found guilty of a violation of this act shall be required to reimburse the appropriate governmental agency for the costs of storing seized fireworks that the governmental agency confiscated for a violation of this act. This reimbursement shall be in a form and at a time as required by the department and as otherwise required by law.

Sec. 19. The department may delegate authority and responsibility to carry out inspections and other duties under this act.

Sec. 20. (1) The department shall promulgate rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to administer this act, including, but not limited to, all of the following:

(a) Create uniform applications and other forms for dissemination to and use by local units of government under this act.

(b) Procedures for the collection of application fees and fireworks safety fees.

(c) Enforcement of regulatory duties.

(d) The enforcement of age limitations.

(2) Rules promulgated under this section shall conform to the following codes developed by the national fire protection association, except for any code provision that conflicts with this act:

(a) NFPA 1123, code for fireworks display.

(b) NFPA 1124, code for manufacture, transportation, storage, and retail sales of fireworks and pyrotechnic articles.

(c) NFPA 1126, standard for the use of pyrotechnics.

(3) The rules promulgated under former chapter XXXIX of the Michigan penal code, 1931 PA 328, MCL 750.243a to 750.243e, pertaining to the display of articles pyrotechnic and display fireworks that are in effect on the effective date of this act shall remain in effect until rescinded or otherwise changed according to law, as provided for in section 31 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.231.

Sec. 21. No later than October 1, 2013, the state fire marshal shall provide a report to the legislature that details both of the following:

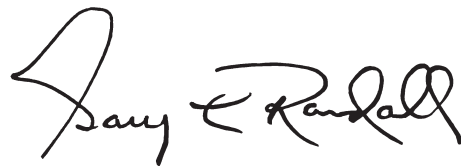
(a) The costs associated with the inspection of retail locations under this act. It is the intent of the legislature that the information described in this subdivision be used to determine the consumer fireworks certificate fee for each retail location under section 4 beginning January 1, 2014.

(b) The types and number of violations of this act.

Enacting section 1. Chapter XXXIX of the Michigan penal code, 1931 PA 328, MCL 750.243a to 750.243e, is repealed.

Enacting section 2. This act takes effect January 1, 2012.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

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Governor