

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 276 – SB 731**

February 23, 2009

**SUMMARY OF BILL:** Authorizes local governments to permit or prohibit the sale, possession, and use of consumer fireworks. Requires any local government choosing to permit consumer fireworks to establish a permit procedure through the state fire marshal's office. Under current law the state fire marshal's office issues the permits directly.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – Exceeds \$500,000**

**Decrease State Expenditures – Net Impact – Not Significant**

**Increase Local Revenue – Exceeds \$179,000/Permissive**

**Increase Local Expenditures – Exceeds \$100,000/Permissive**

Assumptions:

- State revenue will increase because more fireworks may be sold under this legislation. The increase in state sales tax collections is estimated to exceed \$500,000.
- State expenditures will increase from paperwork requirements related to local permits. State expenditures will decrease from no longer conducting random inspections or issuing permits directly. Because it is estimated that the decrease in random inspections and issuing permits directly will be greater than the increase from paperwork, the net impact is estimated to be a not significant decrease in state expenditures.
- Local government revenue may increase due to increased sales of fireworks. The average local option sales tax is assumed to be 2.5 percent. Local revenue is estimated to experience a permissive increase exceeding \$179,000.
- Local government expenditures will increase at least \$100,000 for governments that choose to permit consumer fireworks, because of administrative and legal costs for enacting the ordinance and establishing the permit procedure.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/kmc