

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE
Revised

House Bill 98

(Chairman, Judiciary Committee)
 (Departmental – State Police)

Judiciary

Education, Health, and Environmental Affairs

Fireworks - Permits for Display - Late Fees

This departmental bill requires the State Fire Marshal to charge a late fee of \$50, in addition to all other required fees, to an applicant for a permit for a public fireworks display if the application is not received at least ten days before the date of display.

Fiscal Summary

State Effect: General fund revenues in the form of late fees for public fireworks display permit applications could increase by \$5,500 in FY 2003. Out-years reflect annualization and an expected 25% decrease in late permit applications per year. General fund overtime expenditures for the State Fire Marshal to cover public fireworks displays would decrease from existing annual levels (\$17,500) by about 25%, annually.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
GF Revenue	\$5,500	\$5,500	\$4,100	\$3,100	\$2,300
GF Expenditure	0	(4,400)	(7,600)	(10,100)	(11,900)
Net Effect	\$5,500	\$9,900	\$11,700	\$13,200	\$14,200

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: The Department of State Police has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: The fee for a special permit for a public fireworks display is set in statute at \$50 per permit, and is required to be paid at least ten days in advance. The permit is nontransferable, and is granted only after the State Fire Marshal has determined that the proposed display will not endanger the health or safety of persons in the locality or cause property damage. The display must be under the supervision of experienced and qualified persons who have previously secured written authority from the Fire Marshal.

Background: Due to the inherent danger of fireworks displays, the State Fire Marshal routinely monitors on-site public displays. Most such events are held in the evenings and on weekends. Persons are required to submit permit applications at least ten days prior to the scheduled event so that the Fire Marshal can complete safety inspections and site visits before approving the permit. Permit applications that are timely submitted also generally allow the Fire Marshal's regional offices sufficient time to adjust schedules to have a Deputy Fire Marshal on-site for the event.

Existing collective bargaining agreements require that if a deputy's schedule is changed within 14 days of the change overtime rates must be paid, for a minimum of 4 hours worked.

State Revenues: The State Fire Marshal reports that in fiscal 2000 a total of 485 public fireworks display permits were issued. Of that number, 148 permits were applied for and issued less than ten days prior to the event. Those numbers are fairly typical for any given year. Deputies are paid overtime rates of an average of \$29.50 per hour for a minimum of four hours to cover these events when the permit application is late. That means that, in a typical year, the State Fire Marshal pays about \$17,500 in overtime in such circumstances.

Under this bill's provision for a \$50 late fee assessable on all 148 late permit applications, general fund revenues would increase by an estimated \$5,550 in fiscal 2003, which accounts for the bill's October 1, 2002 effective date (75% of \$7,400). It is estimated that the bill will also be relatively effective in reducing the number of late permit applications at a rate of 25% annually, beginning in fiscal 2004 and, thereby, annual overtime costs for the State Fire Marshal. Accordingly, late fee revenue is expected to decrease at a rate of 25% for each of the out-years and overtime costs for the Fire Marshall will also decrease by about 25% beginning in fiscal 2004.

While the late fee provided under this bill would not completely recoup all related overtime costs for the State Fire Marshal, it would significantly offset those costs.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of State Police (Office of the State Fire Marshal),
Department of Legislative Services

Fiscal Note History: First Reader - January 21, 2002
mam/cer Revised - House Third Reader - March 19, 2002

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