



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 2157

PRINTERS NO. 3198

PRIME SPONSOR: Farry

### COST / (SAVINGS)

FUND	FY 2021/22	FY 2022/23
General Fund	\$0	See Fiscal Impact

**SUMMARY:** House Bill 2157, Printer's Number 3198, repeals the Fireworks article from the Tax Code and makes it a new chapter under the Agriculture Code with additional revisions to update violation and penalty provisions and include operations and setback requirements.

**ANALYSIS:** This bill repeals the Fireworks article from the Tax Reform Code of 1971 and makes it a new Chapter 11 under Title 3 (Agriculture) with additional revisions to update violation and penalty provisions and include operations and setback requirements. It provides various requirements for the use of display fireworks under Section 1102 as follows:

- No display fireworks shall be ignited within 300 feet of a facility meeting specific requirements outlined under the bill;
- The purchase, possession and use of display fireworks shall be granted with approval of the municipality for the use outlined in a permit.
- Limitations for the use of display fireworks are outlined, such as being handled by a competent operator at least 21 years of age;
- The municipality shall require a permittee to carry insurance in an amount not less than \$1 million conditional for all potential damages that could result; and
- a municipality may grant permit extensions for various circumstances.

The bill also provides for new or revised definitions related to this chapter, such as animal housing facility, consumer fireworks and display fireworks.

Section 1104 addresses the use of consumer fireworks providing for various requirements, such as the person must be at least 18 years of age to purchase, possess and use consumer fireworks, various prohibitions of their use; and a specific notification and conditional use requirements of a distance of 150 feet to 300 feet from an animal housing facility or a fenced area designed to confine livestock owned or managed by another person.

The municipality may grant permits for the use of display fireworks for agricultural purposes in connection with the raising of crops and the protection of crops from bird and animal damage. Such a permit shall remain in effect for the calendar year in which it was issued. Municipalities may also enact conditions, prohibitions and limitations on the use and sale of consumer fireworks that do not conflict with this chapter. They may also require permits and related fees

for the use of consumer fireworks. However, the bill does limit any municipal restrictions on the use of fireworks related to the Fourth of July, Memorial Day and Labor Day holidays.

Consumer fireworks shall be sold only from facilities which are licensed by the Department of Agriculture and meet specific criteria, such as:

- Storage areas shall be separated from wholesale or retail sales areas;
- the facility shall be located no closer than 300 feet from a facility selling or dispensing gasoline, propane or other flammable products; and
- facilities shall be located at least 2,500 feet from another facility licensed to sell consumer fireworks.

All application and annual fees to the Department of Agriculture remain unchanged from the current program currently in the Tax Code. The initial application fee is \$2,500 and annual license fees range from \$7,500 to \$20,000. The current tax rate remains the same at 12%, however, the point of taxation is amended to specifically state that the purchase price shall not include state and local sales taxes.

The collection and distribution of the tax revenues in each fiscal year shall be transferred annually as follows:

- \$1,500,000 shall be for the Emergency Medical Services (EMS) Grant Program;
- \$250,000 shall be deposited into a special account designated as the Online Training Educator and Training Reimbursement Account for related firefighter training programs;
- \$1,000,000 shall be used for loan forgiveness and tuition assistance for students and graduates who are active volunteer firefighters and volunteer EMS providers via a transfer to the Pennsylvania Higher Education Assistance Agency;
- \$1,000,000 shall be used for training EMS personnel via transfer to the Department of Health;
- \$500,000 shall be used for EMS training center capital grants via transfer to the Office of State Fire Commissioner (OSFC);
- \$500,000 shall be used for career fire department capital grants via transfer to the OSFC;
- \$250,000 shall be used for a public safety campaign on the use of fireworks via transfer to the OSFC; and
- any remaining money shall be equally divided between the EMS Grant Program and for making grants under the Fire Company Grant Program.

The OSFC shall establish guidelines for use of the money deposited or transferred and provide a written report by December 21, 2022, and each December 31 thereafter, detailing the use of the money. The reports shall be forwarded to the chairs of the House and Senate Agriculture and Rural Affairs Committees and the House and Senate Veterans Affairs and Emergency Preparedness Committees respectively.

The bill also provides for penalties on persons using consumer fireworks in violation of this chapter ranging from \$500 to \$15,000 dependent upon misdemeanor or felony convictions.

This legislation would take effect in 60 days upon enactment.

**FISCAL IMPACT:** While the bill repeals the Fireworks article from the Tax Reform Code of 1971 and makes it a new Chapter 11 under Title 3 (Agriculture), it does not change the existing annual registration fees or 12 percent tax rate imposed and collected on consumer fireworks. The Commonwealth will continue to receive approximately \$14 million in tax revenue and \$800,000 license fees annually.

Current law provides that the taxes collected are deposited into the General Fund with one-sixth of the tax, not exceed \$2 million, transferred annually for emergency medical services grants and developing, delivering and sustaining training programs for volunteer firefighters. This bill dedicates all of the tax revenues as follows, thereby resulting in a loss of revenue to the General Fund:

- \$1,500,000 shall be for the Emergency Medical Services (EMS) Grant Program;
- \$250,000 shall be deposited into a special account designated as the Online Training Educator and Training Reimbursement Account for related firefighter training programs;
- \$1,000,000 shall be used for loan forgiveness and tuition assistance for students and graduates who are active volunteer firefighters and volunteer EMS providers via a transfer to the Pennsylvania Higher Education Assistance Agency;
- \$1,000,000 shall be used for training EMS personnel via transfer to the Department of Health;
- \$500,000 shall be used for EMS training center capital grants via transfer to the Office of State Fire Commissioner (OSFC);
- \$500,000 shall be used for career fire department capital grants via transfer to the OSFC;
- \$250,000 shall be used for a public safety campaign on the use of fireworks via transfer to the OSFC; and
- any remaining money shall be equally divided between the EMS Grant Program and for making grants under the Fire Company Grant Program.

**PREPARED BY:** Jeffrey Clukey  
House Appropriations Committee (R)

**DATE:** June 8, 2022

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*