

February 11, 2025

The Honorable Larry Alley, Chairperson
Senate Committee on Commerce
300 SW 10th Avenue, Room 159-S
Topeka, Kansas 66612

Dear Senator Alley:

SUBJECT: Fiscal Note for SB 199 by Senate Committee on Commerce

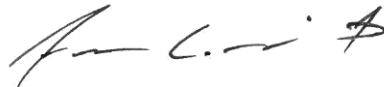
In accordance with KSA 75-3715a, the following fiscal note concerning SB 199 is respectfully submitted to your committee.

SB 199 would define the fireworks sales season for seasonal retailers of consumer fireworks and provide for year-round sales by permanent retailers of consumer fireworks. The bill would require both seasonal and permanent retailers to register annually with the State Fire Marshal. The bill would also prohibit the internet sales of consumer fireworks and create several new license categories, including distributor of display fireworks, distributor of articles pyrotechnic, and unlimited distributor. Additionally, the sale of fireworks labeled "For Professional Use Only" would be limited to certain licensed distributors. The State Fire Marshal would be required to adopt rules and regulations necessary for the implementation of the bill. The bill would take effect on July 1, 2025.

The State Fire Marshal indicates that enactment of the bill would require \$132,000 of expenditures from the Fire Marshal Fee Fund in FY 2026 and \$83,000 of expenditures in FY 2027. These expenditures would be made to support the addition of 1.00 FTE position responsible for managing the annual registration of fireworks stands and ensuring their compliance with the provisions of the bill and applicable rules and regulations. Expenditures would also be made on temporary, contracted workers to assist with administrative and inspection duties during seasonal peak periods. The FY 2026 estimate incorporates one-time startup costs including the integration of a fireworks licensing module with the agency's inspection software.

The Department of Revenue indicates by expanding the opportunity for fireworks sales, the bill has the potential to increase sales tax revenues; however, a precise estimate of this effect could not be provided. The Department reports that during the 2024 fireworks season, it collected \$2.6 million from 254 sales tax accounts associated with fireworks stands. Any fiscal effect associated with SB 199 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue
Jamie Rodvelt, Office of the State Fire Marshal
Jay Hall, Kansas Association of Counties
Wendi Stark, League of Kansas Municipalities