

Consumer Fireworks Program

(Pursuant to PA 256 of 2011)

September 30, 2014

Prepared by

Richard W. Miller, State Fire Marshal

Licensing and Regulatory Affairs



RICK SNYDER
GOVERNOR



MIKE ZIMMER
DIRECTOR



September 30, 2014

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INTRODUCTION

In December 2011, Governor Rick Snyder signed [Public Act \(PA\) 256 of 2011, the Michigan Fireworks Safety Act](#), which allows the sale and use of consumer-grade fireworks in Michigan. Consumer-grade fireworks, labeled 1.4G fireworks, are those that leave the ground and contain higher levels of explosive mixture than low-impact fireworks—ground-based devices containing 500g or less of explosive mixture that have long been legal for sale and use in Michigan. Examples of consumer-grade fireworks include bottle rockets, Roman candles and firecrackers.

The Michigan Fireworks Safety Act supported by the promulgated [Fireworks Safety General Rules](#) prohibits ignition, discharge, or use of consumer fireworks on public property, school property, church property, or the property of another person without express permission. State law makes it illegal to sell consumer grade fireworks to minors and to discharge both consumer grade and low-impact fireworks when intoxicated or under the influence of a controlled substance.

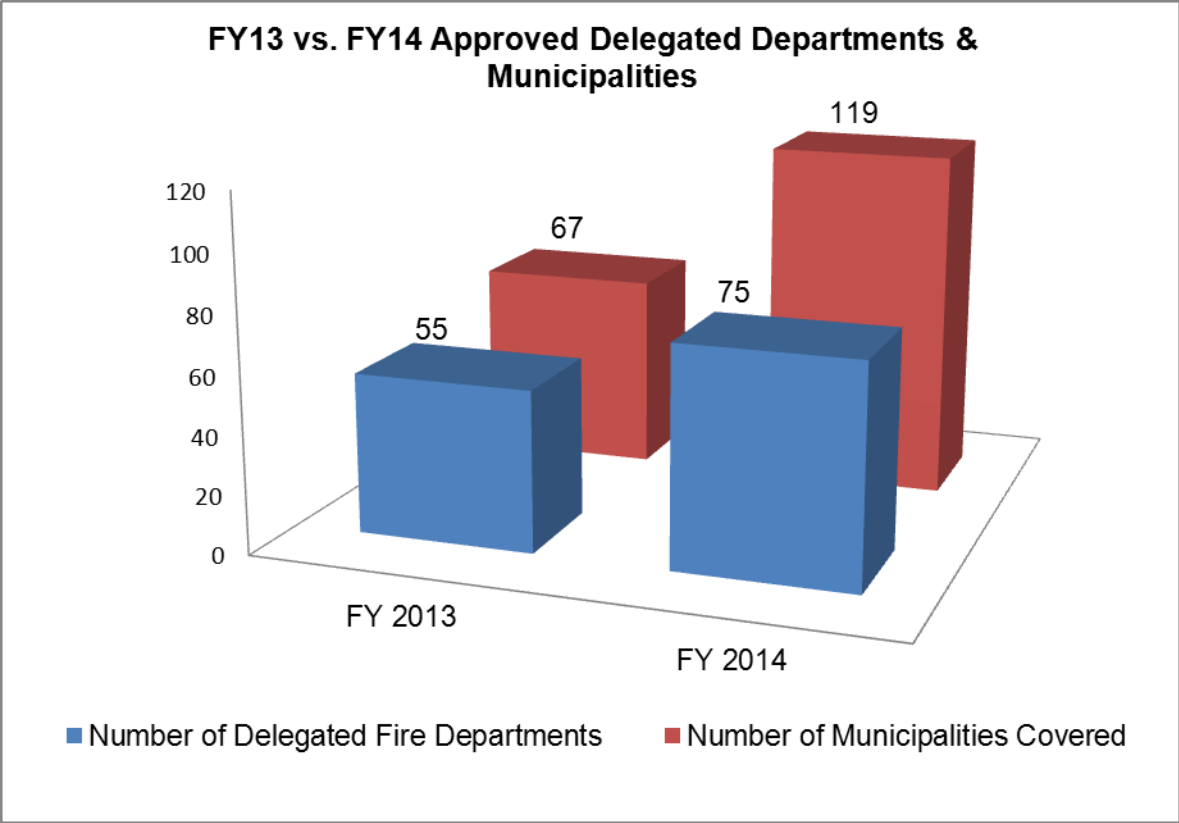
When fire-related incidents involve consumer, low impact, or illegal fireworks resulting in property damage, injury or death of another person, individuals are subject to being convicted of a misdemeanor or felony punishable by imprisonment of not more than fifteen years and fines of up to \$10,000 or both, depending upon the severity of the crime.

A local unit of government cannot enact an ordinance, code, or regulation pertaining to or in any manner regulating the sale, display, storage, transportation, or distribution of consumer grade fireworks, but can enact an ordinance regulating the ignition, discharge, and use of consumer grade fireworks anytime other than the day before, day of and day after a national holiday, except as follows:

- (a) A local unit of government with a population of 50,000 or more or a local unit of government located in a county with a population of 750,000 or more may regulate the ignition, discharge, or use of consumer fireworks between the hours of 12 midnight and 8 a.m. or between the hours of 1 a.m. and 8 a.m. on New Year's day.
- (b) A local unit of government with a population of less than 50,000 located in a county with a population of less than 750,000 may regulate the ignition, discharge, or use of consumer fireworks between the hours of 1 a.m. and 8 a.m.

Per [PA 256 of 2011, 28.461, Section 11\(5\)](#), the department, Bureau of Fire Services (BFS), may establish a program for delegating inspection duties where a local entity can elect to perform inspections of those approved firework locations within their geographical jurisdiction.

Since the implementation of the delegated fireworks inspection program in Fiscal Year (FY) 13, delegated authority rose from 55 departments to 75 in FY14 that elected to participate covering 119 communities. This program has resulted in a timelier inspection process as well as better enforcement capability by BFS.



The chart above demonstrates a comparative in the number of approved delegated fire departments FY13 vs. FY14 that participated in the fireworks inspection program. The chart also demonstrates the number of municipalities the delegated departments covered FY13 vs. FY14.

During FY14, enhancements were instituted to better streamline efficiency and effectiveness which directly affected not only the industry, but our constituents, as well. Highlights include:

- Updated Fireworks Safety General rule set promulgated on March 20, 2014, to align the rules to the statute rendered on September 15, 2013.
- Updated the BFS Fireworks webpage to allow for better access to critical information.
- Enhanced BFS application processes to ensure streamline processing of certificates.
- Expanded the Local Delegate authority program to ensure timely inspections and code compliance.
- Standardized code compliance and program training to 162 state certified inspectors.
- Instituted a comprehensive tracking system to accurately track all hours and expenses associated with the inspection process and administrative costs of the program.
- Expanded the BFS Fireworks enforcement team dedicated to ensuring compliance to the governing statute and rule.
- Instituted a quality assurance program for all delegated and Bureau inspection reports to ensure compliance, accuracy in documentation and standardization of the inspection process.
- Formalized a Memorandum of Understanding (MOU) with Treasury to pursue the collection of delinquent Fire Safety Fee's.
- Formalized a MOU with Treasury to pursue the collection of non-payment of citation fees for fireworks violations.

FIREWORKS FUND DATA

Reporting Requirements

Per PA 252 of 2014, Section 511, no later than February 1, the department shall submit a report to the subcommittees and fiscal agencies providing the following information:

- (a)The total amount of reimbursements made to local units of government for delegated inspections of fireworks retail locations pursuant to Section 11 of the [Michigan Fireworks Safety Act, PA 256 of 2011, MCL 28.461](#), from the funds appropriated in part 1 for BFS during the preceding fiscal year.
- (b)The amount of reimbursement for delegated inspections of fireworks retail locations for each local unit of government that received reimbursement from the funds appropriated in part 1 for BFS during the preceding fiscal year.

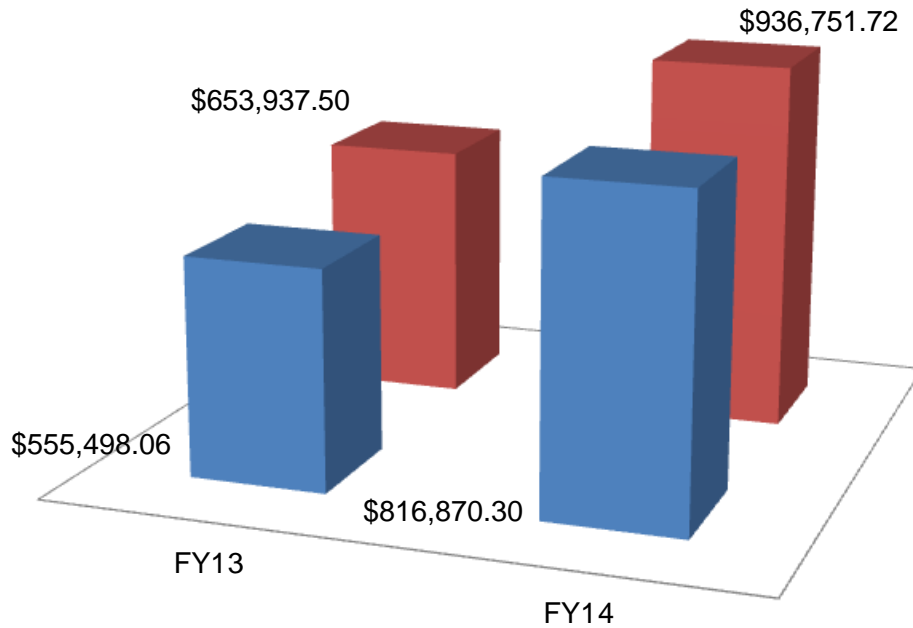
Costs Associated with Fireworks

The following items, from (a) – (b), contain the data and information as required under this Section 21 for reporting purposes.

- (a) The costs associated with the inspection of retail locations under this act. Under the current formula, the program operated at a loss during FY14. Expenses exceeded available revenues by \$119,881.42.

FY13 vs FY14 Comparative Fireworks Revenue & Expenditures

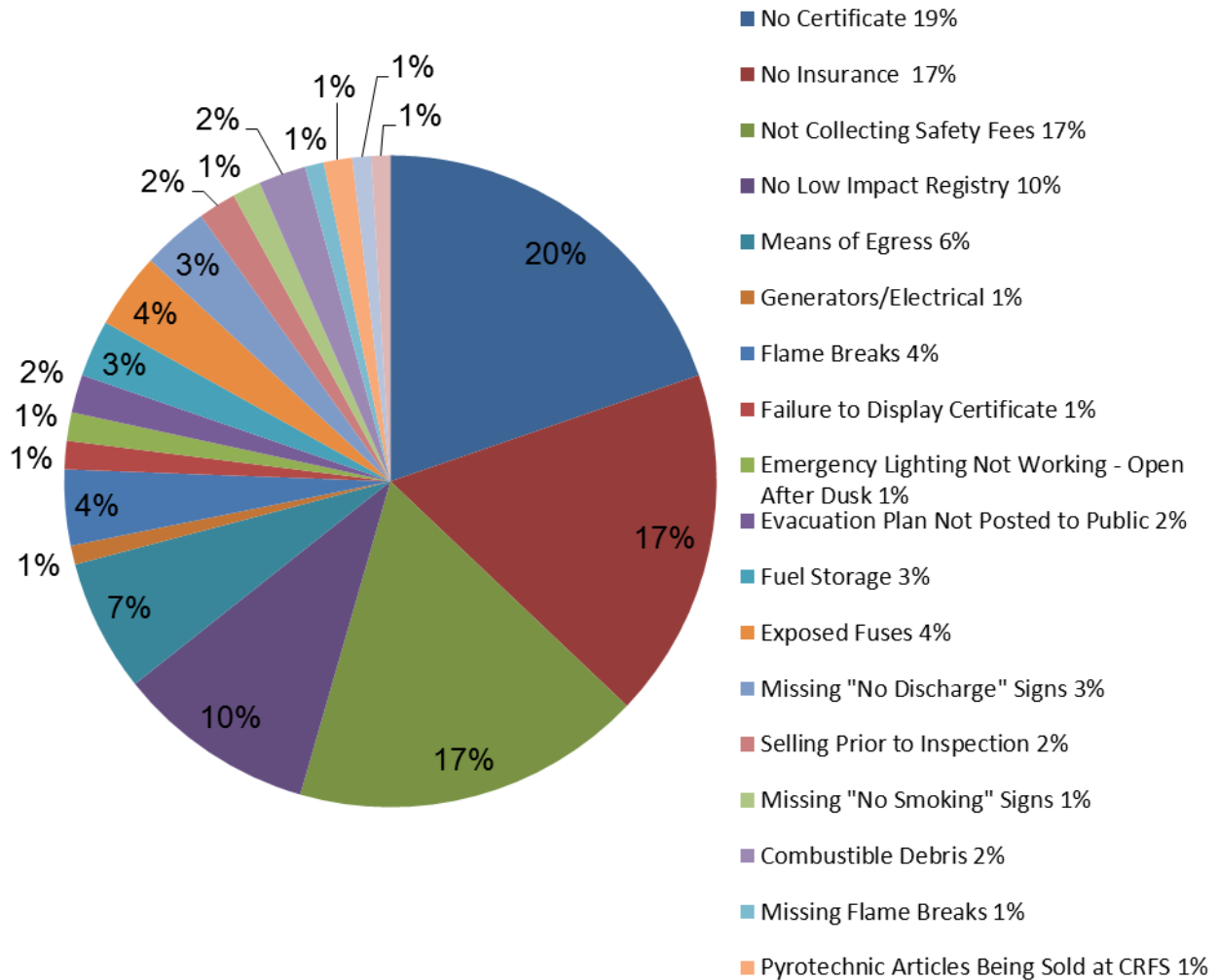
■ Total Revenue for Program Operations ■ Total Expenditures for Program Operations



The chart above demonstrates a comparative of the fireworks revenue and operational expenditures for FY13 and FY14.

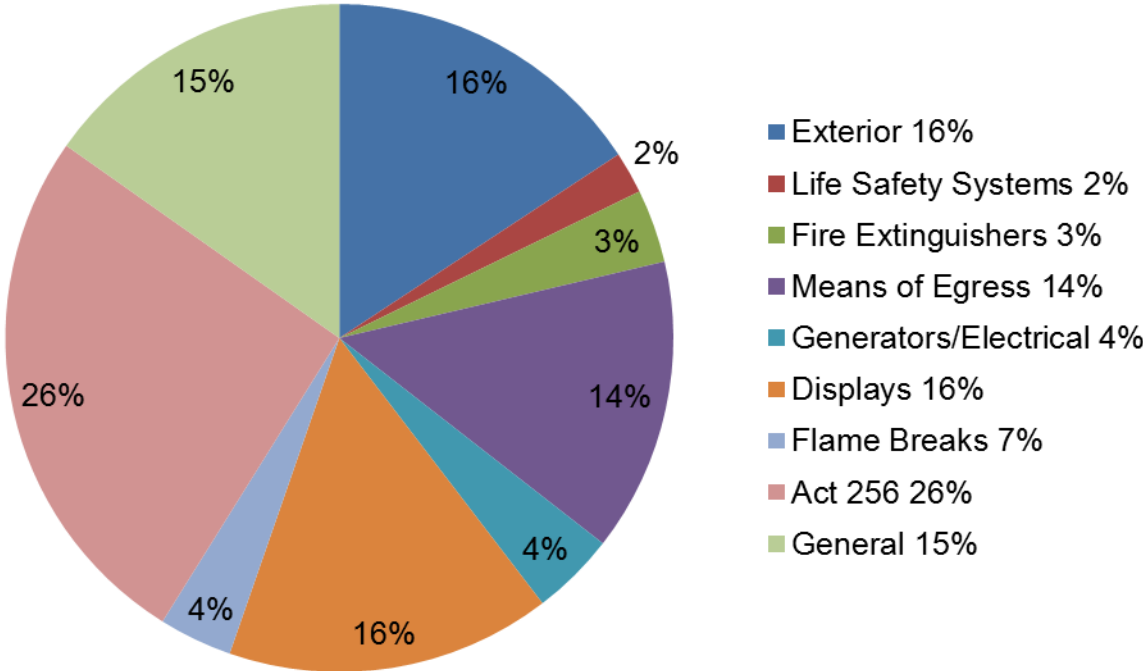
(b) The types and number of violations of this act. There were a total of 279 violations identified by our state fire safety inspectors reporting the types of code categories in FY14.

FY14 Types of Violations Written



The chart above defines the types of fireworks violations for FY14.

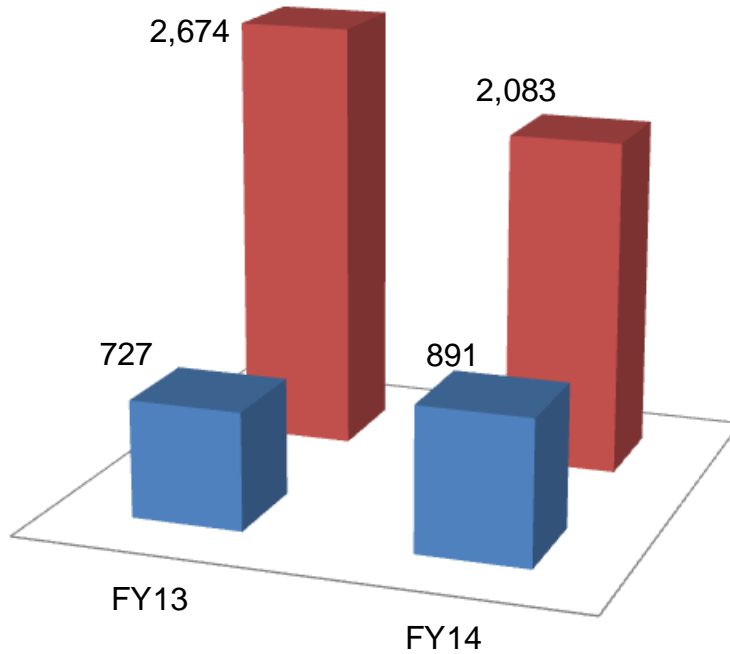
FY13 Types of Violations Written



The chart above defines the types of fireworks violations for FY13.

FY13 & FY14 Comparative Fireworks for Consumer-Grade Certificates vs. Low Impact Registrations

- Number of Certificates issued for Consumer-Grade Fireworks
- Number of Registrations Issued for Low-Impact Fireworks

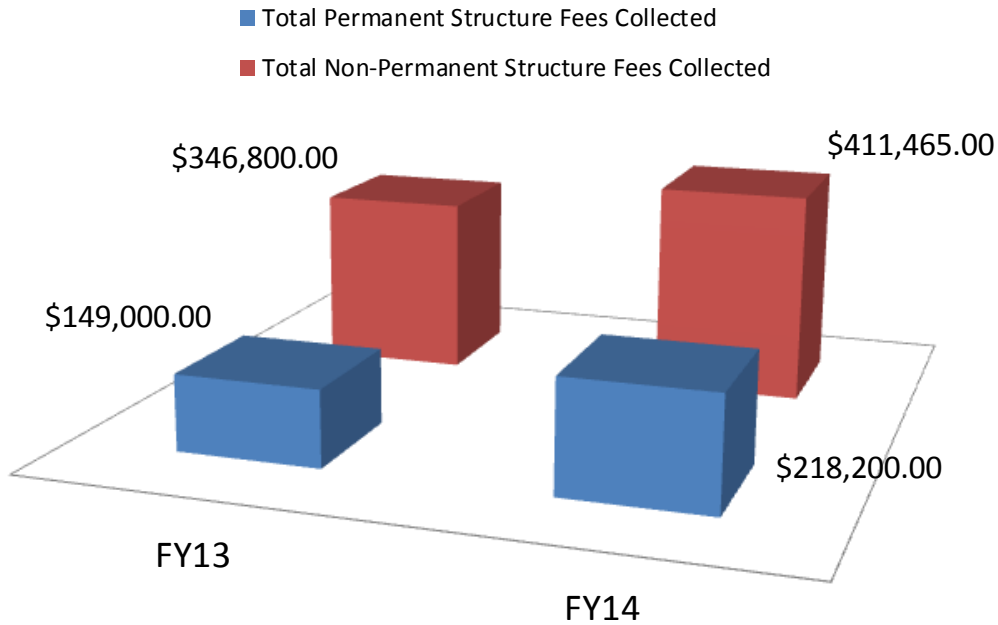


Consumer Grade Certificates Issued by Structure Type

- Number of Certificates issued for Permanent Structures
- Number of Certificates Issued for Non-Permanent Structures



FY13 vs. FY14 Consumer Grade Certificate Fees by Structure Type

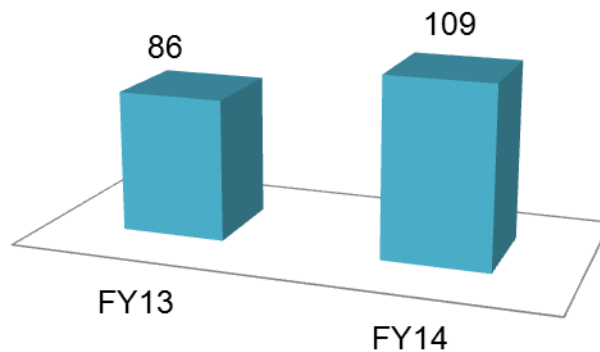


The chart above defines a comparative of the fireworks certificate fees received by Structure type for FY13 and FY14.

Fireworks Citations Issued

In FY14 the Bureau issued 109 citations for fireworks violations.

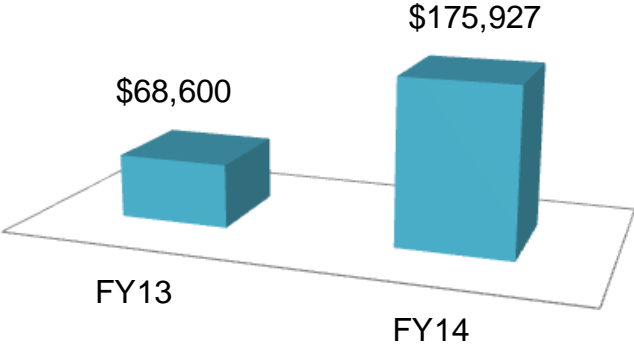
FY13 vs. FY14 Comparative of the Number of Citations Written



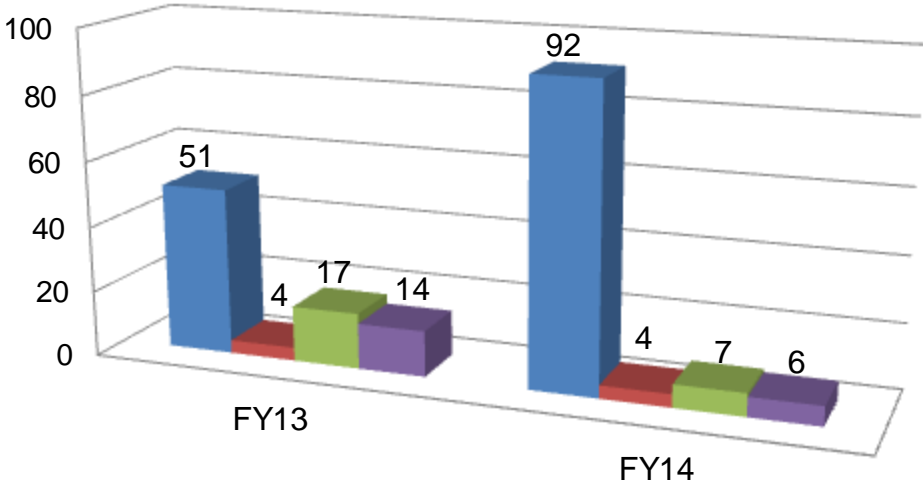
Fireworks Citation Fines

In FY14 the Bureau issued \$371,700.00 in citation fines for violations. The department has received \$175,927.48 citation fines to date.

FY13 vs. FY14 Comparative of Fireworks Total Citation Fees Collected



FY13 vs. FY14 Fireworks Citations Issued by Region



	FY13	FY14
■ Region 1 - Detroit	51	92
■ Region 2 - Lansing	4	4
■ Region 3 - Grand Rapids	17	7
■ Region 4 - Gaylord	14	6

Fireworks Safety Fund & Sales Data

According to [PA 256 of 2011, 28.461, Section 11 4\(a-b\)](#):

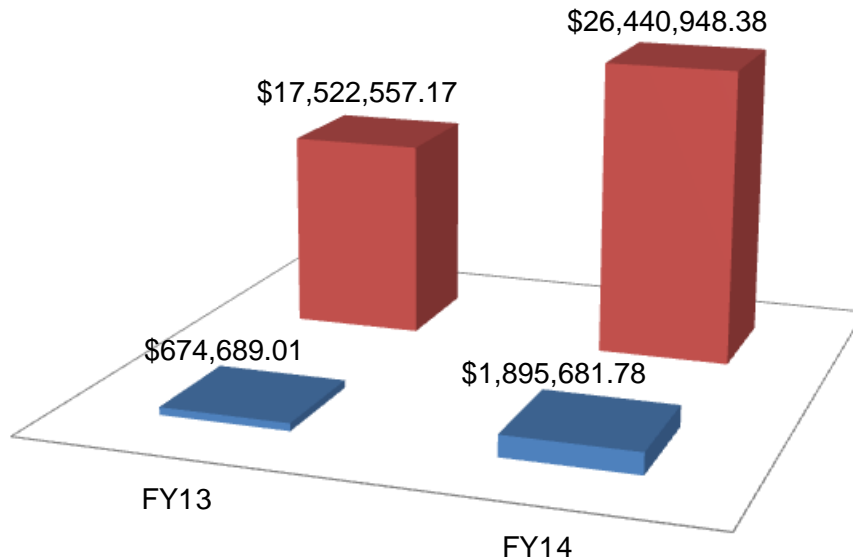
(4) The department shall expend money deposited in the fund as follows:

(a) One hundred percent of the money received from fireworks safety fees under section 8 to be used for the training of firefighters under the direction and approval of the firefighters training council established under the firefighters training council act, [1966 PA 291, MCL 29.361 to 29.377](#).

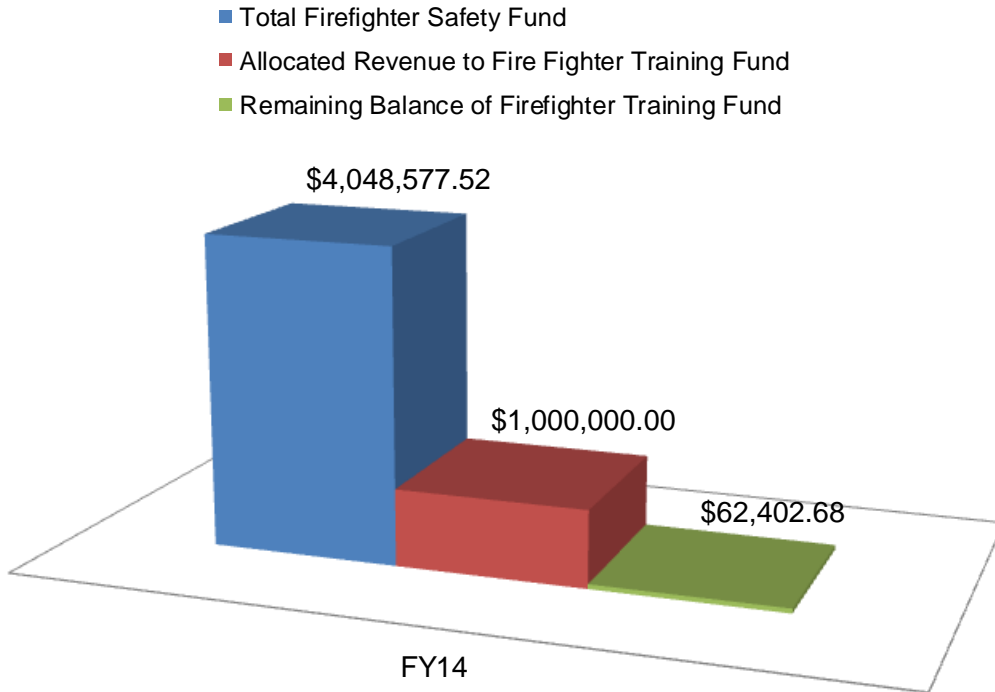
(b) One hundred percent of the money received from consumer fireworks safety certificates under section 4 to administer this act and to pay the costs of delegating inspections under this act to local units of government under subsection (5).

FY13 vs FY14 Comparative Fireworks Sales & Safety Fees

■ Total Safety Fees Collected ■ Total Fireworks Sales Reported



FY14 Fire Safety Fund Revenue and Balance for Firefighter Training Fund



SUMMARY

While the development and administration of a new program poses many challenges, LARA and the BFS continues to actively strive to enhance the overall program processes to ensure effective and efficient service delivery to our customers. LARA, through collaborative efforts, continues to work with the Fireworks Industry, Michigan Fire Inspectors Society, Michigan Fire Chiefs Association, Fire Fighter Training Council, and Local Fire Department Delegate Authorities to continually improve Michigan's fireworks program.

Even as the Michigan fireworks program has completed its third year there is still much work to be done to achieve the level of efficiencies anticipated. As in FY 13, a thorough after-season evaluation of all facets of the program was completed. Based on the feedback received, many of the identified program enhancements are actively being addressed (or already have been instituted) in preparation of the FY15 fireworks season.

However, there are still lingering issues that can only be addressed through the updating of [PA 256 of 2011](#), updating the record management system being used for the program and by ensuring adequate program operational funding to eliminate the ongoing program deficit and provide adequate funding to allow for future program enhancements. ***It is important to note that this was the third year the program operated at a loss with expenses exceeding revenues, which in turn causes a budget shortfall to other bureau program activities.***

ATTACHMENT

**Fireworks Activities
Revenues and Expenses**

FY14 Activity:		Revenues \$	
Program Operations:			
Corr of Prior Yr Exp	A/O 1720	95.47	
Sale of Confiscated Fireworks	A/O 8127	18,541.25	
DTMB and Civil Service Assessments	A/O 8128	(9,493.48)	
Certificate Fee -Temp.Structure	A/O 8129	411,465.00	885.78 Equated sites
Certificate Fee -Perm.Structure	A/O 8130	218,200.00	218.20 Equated sites
Certificate Trf Fee	A/O 8131	1,270.00	
Fireworks Enforcement Fines	A/O 8134	175,927.48	
		816,005.72	
Interest Portion Allocated to Certificate Fees	A/O 8133	864.58	
Total Income for Program Operations:		816,870.30	
 Program Expenses as of 9/30/14 with Full Year Estimate:			
Program Operations:		Expenses \$	
		<u>Actual @ Closing</u>	
	FY14 Spending Authority:		873,700
Fire Service Program Payroll Including Inspection Effort		(625,673)	
Travel		(8,023)	
Telecom and IT		(39,631)	
Supplies and Materials		(6,263)	
Attorney General		(79,000)	
Equipment		(6,454)	
Cost Allocations		(6,707)	
Local Unit Inspections (amount paid from other sources due to lack of Cert rev.)		(124,420)	
Journal Voucher Correction		(14,169)	
Contractual Services (Non-AG or Local Inspections)		(26,411)	
Total FY14 Expenses (27130)		(936,751.72)	
FY13 Accounts Payable Write-off		18,560.00	
Costs paid for by other sources (GE011487)		124,420.00	
Net Expenditures for Closing purposes		(793,771.72)	
Unexpended Revenue for Fireworks Regulatory Activities as of 9/31/14 (11/12/14):			23,098.58
 Fire Fighter Training Activities:			
Revenues:			
Unexpended Revenue Balance at 9/30/13			3,090,493.06
Fire Safety Fee	A/O 8132	1,893,675.37	
Interest Portion Allocated to Training	A/O 8133	2,006.41	
Total Fire Safety Fee Revenues Collected in FY14		1,895,681.78	
Expenditures/Encumbrances (@Closing):			
Fire Fighter Training (18002) as of 9/31/14 (11/7/14)	Expenditures Cash and Accrued	(849,490.15)	
Scantrons	Encumbrance	(13,107.17)	
FEMA Grant Match	Encumbrance	(75,000.00)	
Total FY14 Obligations		(937,597.32)	
Unexpended Revenue for Firefighter Training as of 9/31/14 (11/12/14):			4,048,577.52