



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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<b>Bill Number:</b>	S. 0422	Introduced on March 5, 2025
<b>Subject:</b>	State Board of Pyrotechnic Safety	
<b>Requestor:</b>	Senate Labor, Commerce, and Industry	
<b>RFA Analyst(s):</b>	Welsh	
<b>Impact Date:</b>	March 21, 2025	

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### Fiscal Impact Summary

This bill updates provisions related to pyrotechnics and modifies the powers and responsibilities of the State Board of Pyrotechnic Safety. Under this bill, new enforcement authority is established for the Department of Labor, Licensing and Regulation (LLR) and the State Board of Pyrotechnic Safety including the issuance of administrative citations, cease and desist orders, and administrative penalties. This bill also changes the State Board of Pyrotechnic Safety's composition to include an additional pyrotechnic retailer seat, expands investigation powers of LLR and the board, clarifies the board's jurisdiction, and strengthens penalties. Further, this bill modifies licensing and permitting powers of the State Board of Pyrotechnic Safety by requiring licenses for pyrotechnic distributors and enumerating certain licenses that must be obtained and displayed by manufacturers, wholesalers, jobbers, and retailers. Additionally, this bill clarifies liability insurance requirements and mandates written reports of accidents involving fireworks. Further, the bill specifies the manner in which fireworks may be seized and the return of confiscated fireworks.

This bill will have no expenditure impact on LLR or the State Board of Pyrotechnic Safety as LLR anticipates any additional responsibilities can be managed within existing appropriations.

This bill may result in an increase in revenue from fines and fees collected by LLR. Currently, persons or entities that manufacture, sell, or store fireworks must obtain a license. This bill would also require those who deal in or distribute fireworks to obtain a license. LLR does not anticipate this bill will cause a significant change in the number of licenses and permit holders but notes the bill will transition renewals from an annual to a biennial cycle. This change may impact the timing of revenue generated from renewals even if the number of renewals remains constant. While the number of additional licenses and permits that may be requested is unknown, any additional license and permit fee revenue collected will be allocated to Other Funds of LLR and will be used to offset expenses of the board. This bill also allows the issuance of fines for violations of the provisions enumerated in Chapter 56, Title 40. Pursuant to Section 40-1-180, revenue associated with fines is allocated to Other Funds of LLR and must be used to defray costs associated with hearings and investigations. Therefore, the Revenue and Fiscal Affairs Office (RFA) anticipates this bill may result in an undetermined increase in Other Funds revenue if there is an increase in fines or fees collected by the State Board of Pyrotechnic Safety.

## **Explanation of Fiscal Impact**

**Introduced on March 5, 2025**

### **State Expenditure**

This bill updates provisions related to pyrotechnics and modifies the powers and responsibilities of the State Board of Pyrotechnic Safety. Under this bill, new enforcement authority is established for LLR and the State Board of Pyrotechnic Safety including the issuance of administrative citations, cease and desist orders, and administrative penalties. This bill also changes the State Board of Pyrotechnic Safety's composition to include an additional pyrotechnic retailer seat, expands investigation powers of LLR and the board, clarifies the board's jurisdiction, and strengthens penalties. Further, this bill modifies licensing and permitting powers of the State Board of Pyrotechnic Safety by requiring licenses for pyrotechnic distributors and enumerating certain licenses that must be obtained and displayed by manufacturers, wholesalers, jobbers, and retailers. Additionally, this bill clarifies liability insurance requirements and mandates written reports of accidents involving fireworks. Further, the bill specifies the manner in which fireworks may be seized and the return of confiscated fireworks.

LLR indicates several of the bill's provisions will amend the primary responsibilities of the agency and the State Board of Pyrotechnic Safety. However, LLR anticipates these responsibilities and any associated expenses can be managed with existing appropriations. Therefore, this bill will have no expenditure impact on the agency or the State Board of Pyrotechnic Safety.

### **State Revenue**

This bill may result in an increase in revenue from fines and fees collected by LLR. Currently, persons or entities that manufacture, sell, or store fireworks must obtain a license. This bill would also require those who deal in or distribute fireworks to obtain a license. LLR does not anticipate this bill will cause a significant change in the number of licenses and permit holders but notes the bill will transition renewals from an annual to a biennial cycle. This change may impact the timing of revenue generated from renewals even if the number of renewals remains constant. While the number of additional licenses and permits that may be requested is unknown, any additional license and permit fee revenue collected will be allocated to Other Funds of LLR and will be used to offset expenses of the board. Current fees are \$200 annually for retailer permits; \$100 for a ninety-day temporary retailer permit; \$1,250 for a wholesaler license; \$500 for a jobber license; \$100 per magazine container for each display magazine permit, and \$2,000 annually for a manufacturer license. This bill also allows the issuance of fines for violations of the provisions enumerated in Chapter 56, Title 40. Pursuant to Section 40-1-180, revenue associated with fines is allocated to Other Funds of LLR and must be used to defray costs associated with hearings and investigations. Fines may be assessed for each individual violation but are limited to \$2,500 per day. Therefore, RFA anticipates this bill may result in an undetermined increase in Other Funds revenue if there is an increase in fines or fees collected by the State Board of Pyrotechnic Safety.

For reference, during FY 2024 the State Board of Pyrotechnic Safety issued a total of 1,453 licenses and permits. This number includes: 209 Annual Retailer Licenses; 1,050 Temporary Retailer Permits; 34 Wholesaler Licenses, 77 Display Magazine Permits; and 2 Jobber Licenses.

**Local Expenditure**

N/A

**Local Revenue**

N/A



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