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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/11/15

SPONSOR Griego LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Add Fireworks That May Be Banned SB 458

ANALYST Cerny

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		NFI	NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Energy, Minerals and Natural Resources Division (EMNRD)

Public Regulation Commission (PRC)

New Mexico Municipal League (NMML)

### SUMMARY

#### Synopsis of Bill

Senate Bill 458 amends the Fireworks Licensing and Safety Act (Fireworks Act), Section 60-2C-8.1 NMSA 1978.

SB 458 adds a new definition for certain aerial devices to the current list of fireworks that may be restricted by local governments. The bill defines the specific types of aerial devices to which the restrictions apply, including aerial shell kit-reloadable tubes, aerial spinners, helicopters, mines, missile-type rockets, multiple tube devices, roman candles, shells, stick-type rockets and similar devices.

In another section of the Act, municipalities and counties are permitted to restrict the sale and use of any aerial device. The bill adds “exceptional” to the drought conditions that could trigger local government proclamations concerning otherwise permissible fireworks. If a proclamation is issued, the local governing body will ban the use and sale of aerial devices as well as ground audible devices within the affected drought area. Drought conditions that would trigger a local government proclamation are those drought indices published by the U.S. Drought Monitor (USDM) and any other relevant information supplied by the Southwest Coordination Center (SWCC).

The bill also authorizes the EMNRD Forestry Division (Division), upon the request of a local governing body, to adopt and enforce emergency rules that completely ban or restrict the sale or use of all fireworks if extreme fire danger exists within the local government jurisdiction or any portion of the jurisdiction.

The Division will use information provided by the SWCC and will promulgate emergency rules may be in effect no longer than 30 days, after which they are automatically repealed. SB 458 directs the Division to modify or rescind the rules by emergency rulemaking if conditions warranting the rules no longer exist. The bill also directs the Division to request adjacent Indian nations, tribes or pueblos to consider imposing emergency rules within their jurisdiction.

SB 458 includes an emergency clause and would take effect immediately, upon the Governor's signature.

### **FISCAL IMPLICATIONS**

SB 458 carries no appropriation and has no fiscal impact on state agencies.

However, Wildfires prevented by this legislation would save fire suppression and post-fire rehabilitation costs incurred by federal, state and local governments, as well as financial losses incurred by New Mexico residents and landowners.

### **SIGNIFICANT ISSUES**

SB 458 would provide a vehicle to implement a total ban on the sale and use of fireworks that does not exist under current law.

Current law allows restrictions to be put in place when an area is declared to be affected by severe or extreme drought conditions. SB 458 would allow local governments to also ban or restrict the sale or use of fireworks when an area is affected by exceptional drought. Any ban imposed by the municipality now would include aerial devices as well as ground audible devices.

The U.S. Drought Monitor classifies drought conditions as ranging from abnormally dry to exceptional, with the most intense drought rated as exceptional. According to the USDM, possible impacts of exceptional drought are widespread crop/pasture losses and shortages of water in reservoirs, streams, and wells creating water emergencies.

The sale of fireworks typically peaks during the most active part of New Mexico's wildfire season, exactly when the state's firefighting resources are stretched in all directions, equipment is taxed to the maximum and firefighters are being moved around the state from one fire to the next. SB 458 would improve the state's ability to reduce threats to life and property by allowing local governments to limit the sale and use of the most dangerous fireworks during the time of year when fire risk is normally greatest.

Wildfires result in significant costs to federal, state and local governments. The cost to suppress wildland fires in New Mexico in 2012 exceeded \$13 million in state funds, \$10.5 million in 2013 and \$2.25 million in 2014, according to EMNRD. The long term economic, ecological and societal costs of wildfires are often much greater than the cost of fire suppression.

EMNRD analysis states:

Recent studies show the full cost of wildfire impacts are two to twenty-nine times the cost of fire suppression alone. Full costs include expenses incurred by federal, state and local governments for fire suppression and post-fire rehabilitation, plus the costs of impacts to public health, infrastructure and watersheds resulting from wildfire and post-fire flooding. They also account for fire-related losses borne by businesses, industry and private citizens.

Fireworks are one of the most preventable causes of wildfires. In New Mexico, more than half of the state's wildfires are started by humans. Fireworks-caused ignitions can be costly: for example, the 2011 White Fire near Ruidoso burned over 10,000 acres, destroyed five homes and cost more than \$2.5 million, not including the cost of burn area rehabilitation. The 2003 Montano Fire burned more than 300 acres of valuable bosque habitat and threatened numerous homes in the heart of Albuquerque. It cost the City of Albuquerque, the State of New Mexico and the Federal Emergency Management Agency over \$1.7 million in suppression costs alone.

The Southwest Coordination Center (SWCC) is the interagency focal point for coordinating the mobilization of resources between the twelve Federal and State Dispatch Centers of the Southwest Area and, when necessary, the National Coordination Center in Boise, ID. Located in Albuquerque, New Mexico, the SWCC mobilizes resources for wildland fire, prescribed fire, and other all-risk incidents.

## **PERFORMANCE IMPLICATIONS**

SB 458 will enhance the Forestry Division's and local governments' efforts to reduce damage and losses from human-caused wildfires. Because human-caused wildfires are preventable, measures such as this will help reduce costs of wildfire suppression and other fire-related impacts to citizens, communities and property.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Local governments will continue to have limited authority to regulate the sale and use of permissible fireworks, but not the authority to request or implement a total ban on permissible fireworks.

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