

ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original Updated Corrected

2. Administrative Rule Chapter, Title and Number

SPS 307 and 308

3. Subject

Explosives, fireworks, mines, pits, and quarries

4. Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

5. Chapter 20, Stats. Appropriations Affected

20.165(2)(j)

6. Fiscal Effect of Implementing the Rule

No Fiscal Effect Increase Existing Revenues Increase Costs
 Indeterminate Decrease Existing Revenues Could Absorb Within Agency's Budget
 Decrease Cost

7. The Rule Will Impact the Following (Check All That Apply)

State's Economy Specific Businesses/Sectors
 Local Government Units Public Utility Rate Payers
 Small Businesses (if checked, complete Attachment A)

8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes No

9. Policy Problem Addressed by the Rule

The proposed rules update Wisconsin's standards for the use of blasting materials and blasting resultants to the 2013 edition of the National Fire Protection Agency's (NFPA) 495, Explosive Materials Code, with certain specified modifications to the requirements of NFPA 495. In addition, provisions concerning blasting notifications, preblasting surveys, and reporting of adverse effects of blasting have been updated to provide clarity and to reflect current industry and enforcement practices.

Current rules require the department to annually inspect a fireworks manufacturing plant. The proposed rules revise this requirement to require an inspection at least once every 3 years.

10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

The proposed rules were posted on the Department of Safety and Professional Services' website for 14 days in order to solicit comments from businesses, representative associations, local governmental units, and individuals that may be affected by the rules.

Comments were received from 17 individuals indicating that, although the proposed rules revise the requirement to annually inspect a fireworks manufacturing plant to require an inspection at least once every 3 years, the fees associated with inspections will have a negative impact on hobbyist fireworks manufacturers licensed by the department. These comments were taken into consideration in the department's analysis of the economic impact of the proposed rules.

11. Identify the local governmental units that participated in the development of this EIA.

No local governmental units participated in the development of this EIA.

12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The department estimates there will be an impact on businesses in the amount of an \$80, \$120, or \$160 inspection fee, depending on the size of the explosive storage magazine, every three years on the inspection cycle. There are currently 16 active fireworks manufacturers and 17 explosives companies that would be subject to the fee. This revenue will cover the inspection expenses (travel costs, staff labor, etc.). Any other costs may be absorbed in the agency budget.

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13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

The benefit to implementing the rules is providing updated standards and requirements for the use of blasting materials and blasting resultants and inspection procedures for fireworks manufacturing plants. If the rules are not implemented, they will continue to reference outdated standards, requirements, and procedures.

14. Long Range Implications of Implementing the Rule

The long range implication of implementing the rule is updated standards and requirements for the use of blasting materials and blasting resultants and inspection procedures for fireworks manufacturing plants.

15. Compare With Approaches Being Used by Federal Government

Explosives and fireworks

Chapter 40 of 18 USC 1102 regulates the importation, manufacture, distribution, and storage of explosive materials. Title 27 CFR Part 555 regulates commerce in explosives. The provisions of ch. SPS 307, Explosives and Fireworks, do not duplicate or conflict with these federal statutes and regulations.

Mines, pits, and quarries

No person may operate a mine, pit or quarry unless the person complies with 30 USC 811, 957, and 961 and the safety and health standards in Title 30 CFR Parts 1 to 199. The provisions of ch. SPS 308, Mines, Pits and Quarries, do not duplicate or conflict with these federal statutes and regulations.

16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois:

Part 200 of 62 Ill. Adm. Code implements the Illinois Explosives Act [225 ILCS 210] and applies to all acquisition, storage, use, transfer, and disposal of explosive materials. These rules do not adopt or incorporate by reference NFPA 495, Explosive Materials Code.

The Fireworks Regulation Act of Illinois [425 ILCS 30] provides the Office of the Illinois State Fire Marshal with the authority to inspect fireworks plants. The Act does not specify a required frequency of inspections.

Iowa:

Iowa Code chapter 101A provides for the regulation of explosive materials, including provisions for licensing, inspections, and disposal, and notice and reporting requirements. 661 IAC 235 establishes a commercial explosive licensing program in the State Fire Marshal Division of the Iowa Department of Public Safety. These statutes and rules do not adopt or incorporate by reference NFPA 495, Explosive Materials Code.

The State of Iowa has no specific regulations concerning the manufacture of fireworks.

Michigan:

Mich Admin Code, R 338.2371 adopts by reference the provisions of Federal Occupational Safety and Health Administration Regulation CFR 1910.109, Explosives and Blasting Agents. CFR 1910.109 applies to the manufacture, keeping, having, storage, sale, transportation, and use of explosives, blasting agents, and fireworks. It does not apply to the sale and use (public display) of fireworks.

Mich Admin Code, R 29.2901 to 29.2929 provides general rules for fireworks safety, including authorizing the Bureau of Fire Services of the Michigan Department of Licensing and Regulatory Affairs to conduct inspections of fireworks manufacturing plants. The rules do not specify a required frequency of inspections.

Minnesota:

Minnesota Rules, chapter 7500 adopts safety standards for the manufacture, storage, and use of explosives and blasting agents, consistent with Minnesota Statutes, sections 299F.71 to 299F.83. It applies to the manufacture, retention, possession, storage, sale, and use of explosives, blasting agents, and fireworks. These rules do not adopt or incorporate by reference NFPA 495, Explosive Materials Code.

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The Minnesota Fire Code (Minnesota Rules, chapter 7511) applies to fireworks manufacturing plants. Minnesota Statutes, section 299F.011 authorizes the Minnesota Department of Public Safety to conduct inspections of fireworks manufacturing plants as part of its enforcement of the Minnesota Fire Code. These statutes and rules do not specify a required frequency of inspections.

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