

THE ANATOMY OF SAFE AND SANE FIREWORKS SALES IN ORANGE COUNTY

SUMMARY

Last Fourth of July taxpayers in Buena Park, Costa Mesa, Garden Grove, Santa Ana and Stanton paid a total of \$188,000 for extra police and fire services, primarily for enforcement of both legal and illegal fireworks activity. Safety officials, specifically police and fire personnel, in these five cities are often overwhelmed in calls-for-service on this holiday and many refer to sections of their cities as resembling a “war zone” because of fireworks-related issues. Safety officials contend that the sale of State-approved “safe and sane” fireworks in these five cities contribute to a significant increase in illegal fireworks activity and add to the chaos of social disorder. This activity spills over into adjacent cities where all fireworks are illegal, causing safety agencies in those cities significant enforcement problems.

The 2007-2008 Grand Jury found the fireworks permit process in these cities flawed in several areas:

- Some city administrators believe non-profit organization sellers are exempt from collecting and remitting sales tax to the California Board of Equalization.
- Non-profit organizations that sell legal fireworks and the wholesalers that distribute them are not required to help pay the municipal cost of disposing of fireworks debris left on public streets, sidewalks and parks, nor the additional costs for police and fire services.
- No ordinances require sellers to advise fireworks purchasers that safe and sane fireworks are illegal in any area of Orange County other than in these five cities.
- Most cities’ ordinances do not require a post-sales period accounting from non-profit organizations detailing sales tax paid, net profit and the manner in which the proceeds benefit the community.
- Cities do not give non-profit organizations encouragement or guidance to use in other fund raising methods.

Most of these city councils are reluctant to put the issue of fireworks sales to a citizen vote and have been equally reluctant to encourage a public display of fireworks. Many safety officials believe it would take at least three years to significantly deter illegal fireworks activity if the sale of legal fireworks were banned. The Grand Jury recommends that these cities declare a minimum three-year moratorium on fireworks sale to allow the safety officials to better serve and protect their citizens on the Fourth of July.

REASON FOR INVESTIGATION

The sale of legal fireworks¹ is one of the most polarizing municipal issues affecting the five Orange County cities which continue to allow this activity. It has pitted neighbor against neighbor, and associations and senior groups against non-profit organizations. Municipal and County safety agencies are constantly trying to combat ever-increasing social chaos, injuries to citizens and destruction of property that are by-products of legal fireworks sales. The 1988-1989 Orange County Grand Jury study discussed much of what was wrong with selling legal fireworks in Orange County. The issues raised continue to be an annual problem. That Grand Jury

¹ The term “legal fireworks” will be used throughout this report in place of “safe and sane”

recommended that the sale of legal fireworks be discontinued and that cities take a more active role in encouraging local community non-profit groups in raising funds for their organizations. A few of the cities heeded the recommendations of the 1988-1989 Grand Jury, other cities did not. Since the rancor regarding this issue has not abated, the 2007-2008 Grand Jury decided that this issue should be revisited with a more in-depth study and with an emphasis on how regulations are implemented and sales are conducted in Orange County.

METHOD OF INVESTIGATION

- Interviewed administrative personnel and elected officials from Buena Park, Costa Mesa, Garden Grove, Santa Ana and Stanton.
- Interviewed law enforcement personnel and fire department personnel from Buena Park, Costa Mesa, Garden Grove, Santa Ana, Stanton and the Orange County Fire Authority, as well as some contiguous cities.
- Obtained and reviewed municipal ordinances, city council opinions, and safety agency “After Action Reports”.
- Interviewed officials from the State of California Board of Equalization; obtained and reviewed related documentation.
- Interviewed an official of the County of Orange Animal Care Services and obtained and reviewed documentation.
- Obtained and reviewed city permits and applications from all non-profits to sell legal fireworks in the cities of Buena Park, Costa Mesa, Garden Grove, Santa Ana and Stanton.
- Obtained and reviewed recapitulation reports detailing gross and net profits for the sale of legal fireworks filed by non-profits.
- Interviewed personnel from a legal fireworks wholesaler and obtained and reviewed documentation.
- Interviewed an official from the County of Orange Resources and Development Management Department.
- Obtained and reviewed copies of Fair Political Practice Commission, California form 460 (campaign financial disclosures) filed by City Council members and candidates from city clerks’ offices.
- Reviewed copies of Fair Political Practice Commission Form 461, Major Donor and Independent Expenditure Committee Statement as filed with the California Secretary of State, www.sos.ca.gov.

BACKGROUND AND FACTS

The annual sale of legal fireworks in local cities continues to be one of the most polarizing issues faced by city governments. This issue annually pits neighbor against neighbor and retirement associations and neighborhood watch programs against youth-oriented non-profit organizations, often leading to angry confrontations in city council meetings. Those against the sale of legal fireworks lobby city councils to place the issue before voters, a political process frequently avoided by most city councils. The anti-sales groups also complain that their communities suffer great disruption and peril during the Fourth of July holiday as a direct result of legal fireworks sales. Those in favor of continuing the sale of legal fireworks flood city halls with allegations that local sports programs will be undone and claim that youth organizations will be innocent victims and suffer the consequences. Political pressure is brought to bear from both sides. All

involved citizens have an opinion and the issue tends to be either black or white depending on one's point of view.

For years, local media have reported instances of citizens suffering significant injury or property damage as a result of fireworks activity. While many of these were caused by the use of illegal fireworks, others were caused by using legal fireworks or a combination of both. Fireworks in the hands of an unsupervised child, a reckless disregard for safety, or the alteration of legal fireworks are some of the causes of accidents related to legal fireworks sales. Interviewed law enforcement officers and fire officials are unanimous in their opinion that there is a very significant escalation of illegal fireworks activity in cities that allow the sale of legal fireworks. The detonation of illegal fireworks tends to be obscured when interspersed with the detonation of legal fireworks.

When the 1988-1989 Orange County Grand Jury studied the sale of legal fireworks, it recommended that the cities of Buena Park, Costa Mesa, Fullerton, Garden Grove, Orange, Santa Ana and Westminster take necessary steps to join the rest of the County in banning the sale of legal fireworks in their jurisdictions. It also recommended that those cities take a more active role in encouraging charities and civic groups to replace the selling of fireworks with alternate fundraising methods. Fullerton, Orange and Westminster subsequently followed the Grand Jury's recommendation and stopped the sale of legal fireworks in their cities.

Currently, the sale of fireworks in Orange County is legally conducted during the Fourth of July holiday period in five Orange County cities: Buena Park, Costa Mesa, Garden Grove, Santa Ana and Stanton. These cities have existing municipal ordinances legalizing the possession, sale and subsequent detonation of legal fireworks. Possession, sale and subsequent detonation of legally sold fireworks are illegal in all other Orange County cities and all unincorporated areas. Legal fireworks are sold in other southern California counties with the exception of San Diego County and any of its cities.

Permit Process

According to municipal ordinances, only a non-profit organization may sell legal fireworks from a code-approved fireworks booth. City requirements for fireworks sale permits vary slightly from city to city, but each applicant generally has to comply with the same basic requirements. The non-profit organization must:

- Obtain designation as a certified, legal non-profit from the State of California
- Pay a city permit fee and a sales booth inspection fee for building and safety, and State Fire Marshal compliance
- Pay an additional annual State Fire Marshal fee
- Show proof of insurance with various amounts of coverage in case of property damage or injury in the vicinity of the sales booth
- Obtain a sales site, usually in a strip mall or other commercial location
- Take delivery of the sales booth
- Attend a meeting with city officials to learn of any annual municipal code updates or city council policy changes relating to the sale of legal fireworks
- Obtain a Seller's Permit from the State of California Board of Equalization for required sales tax collection

- Take delivery of the product, supply a sales staff to sell the product and determine the price they will charge for the product.

In reality, a non-profit organization, though corporately responsible for compliance with all of the previously stated mandates, does little to meet these requirements independently and uses none of its finances upfront to pay for fees, services and products. With the exception of supplying the sales staff, attending a mandatory meeting and agreeing on a recommended sales price, all of the other requirements are satisfied as a “fee-for-service” by the fireworks wholesalers.

Suppliers

Legal fireworks wholesalers are professionally-operated, for-profit businesses that provide significant inducements and services to non-profit organizations. The wholesalers:

- Assist the non-profit with their 501 C (3) filings with the California Secretary of State to obtain non-profit status
- Pay all permit, inspection and other fees for the non-profit organization
- Assist the non-profit with the various government forms and procedures to secure a city permit to operate a fireworks sales booth
- Provide liability insurance for the non-profit
- Find a location in the city for a fireworks sales booth
- Deliver the booth
- Supply the product
- Provide all goods, fees and services at no up-front cost to the non-profit.

All sales of fireworks are based on consignment. The wholesaler removes the booth and retrieves the unsold fireworks inventory shortly after the close of sales on the night of July 4th or early the next day. Within seven to ten days following the close of the sales period, the wholesaler itemizes the cost of their services, fees and product sales and presents a bill for payment. After paying the wholesaler and remitting the sales tax collected to the California Board of Equalization, the non-profit realizes its net profit from the sales period.

When the non-profit takes possession of the legal fireworks for sale, the wholesaler suggests a retail price for each individual item or packaged items. The wholesaler charges the non-profit 50% of the suggested retail price for the fireworks. The non-profit may sell the legal fireworks for any amount over 50% of the suggested retail price. If the product is sold at the suggested retail price, the non-profit earns a gross profit of 50%. If the legal fireworks are sold for less than the suggested retail price, then the gross profit for the organization will be less. The non-profit is required to collect 7.75% sales tax on each sale and remit the sales tax to the California Board of Equalization. Of the 7.75% collected, the state retains 6.75% and 1.0% is subsequently remitted to the city.

The Grand Jury found that not all of the five cities mandate that non-profit sellers obtain a California Board of Equalization Seller’s Permit and show proof of doing so before being allowed to sell legal fireworks. The Grand Jury found inconsistencies and confusion when interviewing various city representatives. In one city the administration mistakenly believes that it is the California Board of Equalization, and not the California Secretary of State, which grants

non-profit status to the organization. In another city the administration mistakenly believes that non-profits are exempt from collecting sales taxes. Nevertheless, the California Board of Equalization mandates that a non-profit obtain a Seller's Permit, collect 7.75% tax on each firework sale and remit the collected taxes. It is illegal for a non-profit to fail to remit sales tax.

The Grand Jury found that different cities require different amounts of liability insurance coverage for each fireworks booth. One city requires a policy with limits of \$100,000 per event and a policy total of \$300,000. Other cities require liability insurance in the amount of \$1,000,000.

Sales Activities

Cities do not monitor the sales activity in the booths. Non-profits police themselves to accurately declare true and correct sale proceeds. Legal fireworks sales are largely a cash-and-carry business, although the wholesaler will facilitate the non-profit's ability to accept ATM and credit card payments for purchases. The Grand Jury found that most cities fail to mandate a complete and accurate itemization of sales and profits from the non-profit awarded a permit to operate a fireworks booth. This lack of mandated filing may lead to underreporting sales or diverting income derived from sales. City officials are quick to point out that they have long suspected that these violations probably occur with a few non-profits, but they believe that most non-profits are honest in their dealings.

Net profits are calculated after up-front service fees are paid to the wholesaler and unsold product and sales tax are remitted. The cost of these services can vary, depending upon the location of the sales booth, the amount of set-up monies paid out by the non-profit, the amount of inventory sold and the degree of ancillary services, such as helping obtain non-profit status or the installation of ATM/credit card machines in the booth. Those issues notwithstanding, the primary purpose of fireworks sales is to make as much money for an organization as possible. For most, if not all non-profits, the annual sale of legal fireworks is the most significant, or perhaps the only, fundraiser conducted in any given year.

The Grand Jury has learned of significant disparities in some reported net income as shown by actual non-profit sales in 2007:

Non-Profit	Gross Income	Net Income (Profit)	Profit Percentage
"A"	\$33,601	\$4,689	14%
"B"	\$19,026	\$6,623	35%
"C"	\$22,972	\$2,128	9%
"D"	\$34,561	\$556	2%
"E"	\$21,838	\$567	3%

Cities have long been suspicious about the stated purpose and goals of some non-profits. Some cities require information as to how non-profits spend their legal fireworks sales profits. Generally, to receive a city permit a non-profit must be located within the city limits and require a certain percentage of its members, usually more than 50%, to be citizens of the city. Each organization's stated goals must benefit the local citizenry. Cities often struggle with church-affiliated non-profits because some tend to use their entire profit for outreach programs that operate outside the city or even outside the country. The causes of a few non-profits are so vague

that cities sometimes question the organization's benefit to the local community. Each city tries to weigh each non-profit applicant on a case-by-case basis, with seniority often a deciding factor.

One non-profit earned a net profit of \$4,689 and spent \$3,000 of the profit for a "state convention." One church non-profit used its \$6,574 profit to pay the church mortgage. Another non-profit used its \$3,974 profit to pay its annual insurance renewal. Some did not list how profits were spent. Others gave vague and ambiguous answers as to how sales profits were spent.

Events occurred in Stanton last year that highlight the irony of fireworks sales. One city councilman was listed on the front page of two fireworks sales permit applications, as an officer of both Stanton Charities and the Stanton Kiwanis Club. The first application was dated April 30, 2007, and the second was dated May 7, 2007. This same councilman, then acting in his capacity as the Mayor of Stanton, signed a city declaration stating that legal fireworks sales were a major problem in Stanton: "Whereas, in recent years the City of Stanton, along with neighboring jurisdictions that permit the sale of safe and sane fireworks, have experienced a dramatic increase of complaints and disturbances associated with the discharge of fireworks, both legal and illegal, during the annual Fourth of July celebration." as per Ordinance No. 935, signed on May 22, 2007.

Politics

Both constituencies, those who support the sale of legal fireworks and those who oppose it, bring political pressure to bear on local elected leaders. The sale of legal fireworks is a controversial issue that will not go away anytime soon:

- On November 16, 1990, Costa Mesa had a citizen advisory vote regarding the ban of legal fireworks sales. The citizens voted to ban the sale by less than one percentage point, but the city council took no action because the vote was only advisory.
- On April 22, 2003, the Buena Park city council took action and voted 3-2 to ban the sale of legal fireworks. Immediately afterwards, various non-profit organizations formed a Political Action Committee (PAC), supported by a legal fireworks wholesaler to put the issue to a vote of the citizens. The PAC funded political mailers, signage in the city, phone banks and organized opposition at city council meetings. One fireworks wholesaler contributed \$112,800 in monetary support and \$62,029.73 in non-monetary support to overturn the city council's decision to ban fireworks sales.² The city had no legal authority to fight the referendum and the city council's action was overturned by popular vote in a special election on March 2, 2004.
- The city of Garden Grove has long been ground zero for political pressure on this issue. The American Association of Retired Persons (AARP) Garden Grove chapter, neighborhood watch groups, and community associations have continually called for the issue to be put before the voters. The non-profits have been extremely vocal on the opposite side of the issue, predicting dire financial consequences for local sports programs and charities. The city council has balked at allowing the issue to be put before the voters.
- Officials in all five cities agree that if the issue goes to a ballot initiative, the deciding vote will be extremely close. Most estimate the vote would be split almost 50/50.

² Per Form 461 Major Contributors filed with the California Secretary of State (www.sos.ca.gov)

The legal fireworks wholesalers are sophisticated business people and operate like any other large corporation. At least one of the wholesalers maintains a full-time lobbyist in Sacramento. They are responsive to the concerns of their clients, which tend to be the non-profit organizations. They are also sensitive to the concerns of opposition groups. In 2007, one wholesaler partnered with the Santa Ana Fire Department to help finance and produce a DVD along with printed information relating to fireworks laws and safe usage.

Wholesalers contribute to local elected officials' political campaigns. The Grand Jury obtained copies of Major Contributors forms filed with the California Secretary of State, as well as copies of solicitations from local politicians and/or their election committees, for campaign contributions in the following amounts:³

2004

Friends of Lori Galloway	\$100
Mark Leyes for Assembly	\$500
Mark Rosen for City Council	\$250
Bill Dalton for Mayor	\$250
Curt Pringle for Mayor of Anaheim	\$250
Claudia Alvarez for City Council	\$249
Jose Solorio for City Council	\$249
Carlos Bustamante for City Council	\$125
Broadwater for Supervisor	\$500
Van Tran for Assembly	\$500
Linda Dixon for City Council	\$249
Richard Carroll for City Council	\$250
Steve Berry for City Council	\$250
Rob Richardson for School Board	\$100
Rudy Bermudez for Assembly 2004	\$250

2005

Friends of Eric Bever	\$100
Bill Dalton for Mayor	\$250
Claudia Alvarez for City Council	\$249
Friends of Janet Nguyen	\$250
Friends of Allan Mansoor	\$249
Van Tran for Assembly 2006	\$1,000

2006

Friends of Janet Nguyen	\$500
David Shawver for Supervisor	\$500
Jose Solorio for Assembly	\$500
Fortino Rivera for City Council	\$500
Friends of David Benavides	\$249
Friends of Allan Mansoor	\$249
Committee for Patsy Marshall	\$500
Friends of Mark Rosen	\$250

³ Per Form 461 Major Contributors filed with the California Secretary of State for the years referenced

2007

Friends of Allan Mansoor	\$500
Jose Solorio for Assembly 2008	\$250
Friends of Janet Nguyen	\$150
Van Tran for Assembly	\$500

TOTAL REPORTED \$10,818

Alternatives

The 2007-2008 Grand Jury found that cities that allow the sale of legal fireworks do little to encourage non-profits in finding other forms of fundraising. Churches, youth groups, service clubs, and school districts in other Orange County cities use bingo games, band competitions, candy and cookie dough sales, car washes, sale of sport logo items and community solicitations and sponsorships to name a few methods. City officials are of the general opinion that it is the only reason for so much resistance by the participating non-profits is that they are reluctant to forgo the quick revenue of fireworks sales, since this revenue requires little effort and no up-front cost.

The Grand Jury found that the same city councils that allow the sale of legal fireworks and are hesitant to put the issue before voters are now reluctant to sponsor or allow sponsorship of any public display of fireworks. All these cities except Stanton have the public space available for such displays. In the past, there have been public fireworks displays in these cities. Most recently, Garden Grove helped sponsor a one-time fireworks display in 2006 as that city celebrated its fiftieth anniversary. Safety officials agree that a public display in lieu of the sale of legal fireworks is much safer and it is much easier to enforce traffic and crowd control. The detonation of pyrotechnics is managed by professionals. Public displays usually draw a friendly gathering of families and community members.

Public Safety Issues

Even the most ardent supporters of legal fireworks sales cannot deny that there is a dark side to the detonation of these fireworks. Law enforcement officials, firefighters, paramedics, public works employees and animal control officers deal with the worst results of legal fireworks sales. The Fourth of July is the busiest day of the year for all safety personnel, primarily due to the sale and use of legal and illegal fireworks. They are constantly “running from call to call” most of the day. Social disorder, injuries to persons and property, clogged streets where the free movement of safety vehicles and timely response to incidents are frustrated, littered public sidewalks and public streets, debris-strewn catch basins and unhealthy air that reeks of detonated fireworks are all significant results of the sale of legal fireworks. The most common characterization used by safety personnel when describing their community on the evening of the Fourth of July is “war zone.” Another law enforcement official’s description was “a two to three hour window of controlled anarchy.”

The Grand Jury found that the additional cost of public safety services for the Fourth of July increased taxpayer burden which is not shared by the non-profit organizations. Most of the calls for service are firework related, for both legal and illegal fireworks. In 2007, the added safety-related cost for Fourth of July enforcement was as follows:

Buena Park	\$30,000
Costa Mesa	\$18,170
Garden Grove	\$100,000
Santa Ana	\$34,564
Stanton	\$5,217
TOTAL	<u>\$187,951</u> =====

The Grand Jury found that city and safety officials are unable to enforce some municipal ordinances due to the sheer volume of illegal activity. For instance, most cities have an ordinance prohibiting the detonation of legal fireworks on public streets, public sidewalks, city parks and public thoroughfares. Despite these ordinances public areas are where most fireworks are detonated. Unfortunately, a byproduct of detonation on public property is a significant amount of expended fireworks shells that are not properly disposed of, or that are thrown into storm drains, which accumulate in catch basins. Stanton's Public Works crews schedule no work for the entire week following the Fourth of July so that it can concentrate on cleaning debris from city streets, both mechanically and by hand. Other cities do not change the normal street sweeping schedule to clean the debris from the streets immediately. Regarding the debris one city official said that "eventually, the wind blows it away." Non-profits do not pay any of the cost for cleaning up the debris left in public areas.

Safety officials stated that roving gangs come from as far away as San Diego to ignite illegal fireworks in the five Orange County cities, all the while masking their activities by integrating with large crowds detonating legal fireworks. Most illegal fireworks are aerial. By the time safety officials follow the vapor trails to the site of the illegal detonation, the offenders have moved on to another area of the city. Public parks have become a prime location for the detonation of both legal and illegal fireworks. In response, cities have posted notices and closed public parks before sundown on the Fourth of July. The sprinkler systems are also activated to deter anyone from coming into the parks. Activating the sprinkler system in the public parks has been an effective method of deterring any fireworks activity at those locations. In 2007 legal and illegal fireworks caused a peaceful gathering in a park to be disrupted. Local residents had gathered in a public park in anticipation of viewing a public fireworks display in an adjoining city. While that gathering was peaceful and largely made up of local families, a separate gathering occurred in another section of the park. People began detonating fireworks, both legal and illegal. Their activity drew a response from the local police department and the park was evacuated. Subsequently, complaints were directed at the officers, instead of those who disrupted the lawful gathering by their detonation of legal and illegal fireworks.

In another city, rival gang members fashioned shoulder-mounted grenade launchers out of PVC pipe. The launchers were loaded with a combination of illegal fireworks and altered legal fireworks. The gangs blocked the street with stolen shopping carts to impede police response and proceeded to have a "fire-fight" against each other.

It is not unusual in some neighborhoods to see rows of step ladders in the streets used to elevate the detonation of legal fireworks for visual effect. According to one safety official, the smoke can be so thick from fireworks detonation in some neighborhoods that it resembles an “eerie fog.” One senior citizen mobile home park was completely shut off from safety services because of persons detonating fireworks and blocking the entrance to the residences. Residents were unable to enter or exit the mobile home park because of these blocked entrances.

A non-profit organization in one city stopped selling legal fireworks as a fundraiser three years ago when bottle rockets were shot over and at their booth on the Fourth of July. According to the non-profit’s manager, “Chemical bombs stronger than M80s exploded in the air and shook our booth.” Most board members of that non-profit voted against selling fireworks as a result. This non-profit determined that the sale of fireworks was not worth the potential injury to a child and decided that it is safer to attend a public display in an adjoining city.

Most of the five cities allow non-profits to sell legal fireworks from stands which are literally on the border of a neighboring city where any fireworks possession is illegal. Law enforcement officials in one city prohibiting possession of legal fireworks often observe buyers purchasing these fireworks and attempting to bring them into their city. Usually, the legal fireworks are confiscated and the person in possession is issued a citation.

Safety officials in several municipalities abutting the five cities that allow the sale of legal fireworks were asked if their cities were affected by these sales during the Fourth of July holiday. It was their unanimous opinion that the sale of legal fireworks significantly impacts their cities. Last year, one city confiscated over 200 pounds of both legal and illegal fireworks. Although legally purchased in an adjacent city, every year there is an increase in the illegal detonation of fireworks in contiguous neighborhoods that ban the possession of all fireworks. Two beach cities incur added expenses annually for placing signs along major thoroughfares leading to and from an adjoining city that allows the sale of legal fireworks. Citizens are warned against buying legal fireworks in an adjoining city and bringing them into the beach cities. Even so, each year the beach cities are negatively impacted by the illegal detonation of fireworks on public beaches.

The Grand Jury found other situations where non-profits and cities seem to be immune from liability for allowing the sale of legal fireworks. Legal fireworks may only be sold to persons 18 years of age or older. Cities have no requirement to verify the age of a purchaser of fireworks by a valid government issued identification such as a driver license. Also, non-profits do not provide sufficient information to purchasers as to where these fireworks are illegal to possess or detonate.

Animal control officers see a dramatic spike in calls for services on the Fourth of July and in the days following because of an increase in runaway animals. The Orange County Animal Care Services agency is confident that the primary reason for the increase in runaway animals, particularly dogs, is the use of legal and illegal fireworks. Animals easily get confused and frightened and try to escape their homes when loud, shrill noises, such as the “Piccolo Pete” and other fireworks are detonated. It is natural for animals to seek shelter away from an area where any type of pyrotechnic is being detonated. When runaway animals are impounded their owners may incur significant costs to retrieve their pets.

The Grand Jury found safety officials to be unanimous in their opinion that the sale of legal fireworks should be banned. Their use contributes to the injury of persons, usually children, and the destruction of private and public property. Legal fireworks also masks the use of illegal fireworks in the community and often contributes to a disruption of public order. Police officials believe that they could significantly reduce the usage of illegal fireworks if the sale of legal fireworks were banned. Many estimate that it would take approximately three years to curb the current culture of public disorder on the Fourth of July if sales were banned.

The Orange County Fire Chief's Association incorporated their view of legal fireworks in their "4th OF JULY POST ACTION REPORT 2007." In it the President of the Association wrote:

"Even with aggressive public education and enforcement efforts, the public, as well as the public safety agencies and hospitals, continue to be adversely impacted by the use of State-approved (so-called "Safe and Sane") and illegal fireworks. Based on the data we have collected and evaluated, our surveys show little or no decline in property loss or injuries over several years. Instead, the use of non-State approved (illegal) fireworks continues to climb, and when combined with injuries and damage resulting from the use of State-approved consumer fireworks, has created a situation where the occurrence of property damage and personal injury exceed that of any holiday period. These consequences stretch public safety resource capabilities and adversely impact the ability to meet the emergency demands for service in a timely and efficient manner."

FINDINGS

In accordance with California Penal Code sections 933 and 933.05, each finding will be responded to by the government entity to which it is addressed. The responses are to be submitted to the Presiding Judge of the Superior Court. The 2007-2008 Orange County Grand Jury has arrived at the following findings:

- F-1. Not all cities that allow the sale of legal fireworks require applicants to show proof of a valid Seller's Permit issued by the State of California Board of Equalization.***
- F-2. Cities have varying requirements for legal fireworks applicant's liability insurance amounts that need to be re-examined for appropriate coverage.***
- F-3. Cities do not require legal fireworks sellers to file a post-sales report to the city documenting gross and net sales of fireworks detailing the manner and in what amounts the net profits are spent to benefit the community and ensuring that the cities receive their one percent share of the sales tax.***
- F-4. Cities do not provide sufficient information and encouragement to fireworks sellers to seek other methods of fundraising.***
- F-5. Some cities are reluctant to put the issue of legal fireworks sales to the voters in their cities.***

- F-6. Some cities are reluctant to sponsor free public displays of fireworks or to solicit sponsoring partners from businesses or neighboring cities in lieu of the sale of fireworks.***
- F-7. Fireworks sellers do not share the financial burden of added law enforcement, fire safety and public works costs incurred by cities, in large part due to the sale of legal fireworks.***
- F-8. Cities do not require fireworks sellers to advise all purchasers that it is illegal to detonate legally sold fireworks in any area of Orange County other than in the incorporated city limits of Buena Park, Costa Mesa, Garden Grove, Santa Ana and Stanton.***
- F-9. Safety officials cannot enforce all laws and municipal ordinances regarding the illegal use of legal fireworks due to the large volume of activity on the Fourth of July.***
- F-10. The use of illegal fireworks is significantly greater in cities that allow the sale of legal fireworks.***
- F-11. The use of legal fireworks can mask the use of illegal fireworks.***
- F-12. Safety officials are of the opinion that legal fireworks sales should be banned in the interest of public safety.***
- F-13. Safety officials can significantly curb the use of illegal fireworks in these cities within three years if the sale of legal fireworks were banned.***

Responses to Findings F-1 through F-13 are required from the mayors of Buena Park, Costa Mesa, Garden Grove, Santa Ana and Stanton.

Responses to Findings F-9 through F-13 are requested from the police chiefs of the cities of Buena Park, Costa Mesa, Garden Grove, Santa Ana and required from the Orange County Sheriff-Coroner Department.

Responses to Findings F-10 through F-13 are requested from the fire chiefs of the cities of Costa Mesa, Garden Grove, Santa Ana and required from the Orange County Fire Authority.

RECOMMENDATIONS

In accordance with California Penal Code sections 933 and 933.05, each recommendation will be responded to by the government entity to which it is addressed. The responses are to be submitted to the Presiding Judge of the Superior Court. Based on the findings of this report, the 2007-2008 Orange County Grand Jury makes the following recommendations:

- R-1. Require all fireworks applicants, as part of the permit application process, to show proof of a valid Seller's Permit issued by the California Board of Equalization.***
- R-2. Require all fireworks applicants, as part of the permit application process, to show proof of current liability insurance in amounts not less than \$1,000,000.***
- R-3. Require all fireworks applicants to file an accurate after-sales financial report with the city documenting gross sales and net profits of fireworks detailing the manner and amount in which the net profit is spent to benefit the community***
- R-4a. Require all fireworks applicants, as part of the permit application process, to file a detailed accounting of additional fundraising efforts conducted over the course of the previous year other than fireworks sales.***
- R-4b. Encourage cities to become more pro-active in encouraging and fireworks applicants to find other fundraising options, in lieu of fireworks sales.***
- R-5. Let the issue of legal fireworks sales be decided by the voters in each city.***
- R-6. Invite area businesses, civic groups and/or neighboring communities to join with the city to sponsor a public fireworks display in lieu of fireworks sales.***
- R-7. Increase the permit fee to offset the extra costs of law enforcements services, fire services and public works in the enforcement of municipal codes and subsequent clean-up of debris of fireworks detonation in public areas.***
- R-8. Require all fireworks sellers to advise all purchasers, both verbally and in written form that it is illegal to detonate legally purchased fireworks in any area of Orange County, other than in the incorporated city limits of Buena Park, Costa Mesa, Garden Grove, Santa Ana and Stanton.***
- R-9. Declare a moratorium of fireworks sales for at least three or more consecutive years in the cities of Buena Park, Costa Mesa, Garden Grove, Santa Ana, and Stanton to allow law enforcement and fire officials in these cities the opportunity to curb the escalating use of illegal fireworks activity. (This recommendation arises from Findings F-9 through F-13)***

Responses to Recommendations R-1 through R-9 are required from the mayors of Buena Park, Costa Mesa, Garden Grove, Santa Ana and Stanton.

REQUIRED RESPONSES:

The California Penal Code specifies the required permissible responses to the findings and recommendations contained in this report. The specific sections are quoted below:

§933.05

(a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

- (1) The respondent agrees with the finding.
- (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.

(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

- (1) The recommendation has been implemented, with a summary regarding the implemented action.
- (2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.
- (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.
- (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.