# **B-Engrossed** House Bill 3162

Ordered by the House June 14 Including House Amendments dated April 18 and June 14

Sponsored by Representative KENY-GUYER, Senator BOQUIST, Representative CONGER, Senator STEINER HAYWARD; Representatives GOMBERG, HOLVEY, VEGA PEDERSON

### **SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Requires Oregon Health Authority to maintain list of designated high priority chemicals of concern for children's health used in children's products. Requires authority to post list, and information regarding health impacts associated with exposure to each chemical, on authority's website. Requires authority to periodically review and revise list.

Requires manufacturers of certain children's products to provide notice to authority regarding chemicals on list.

Provides that, five years after chemical is placed on list, manufacturer must seek waiver if manufacturer continues to sell certain children's products containing chemical. Establishes criteria

Allows authority to enter into certain data-sharing agreements with other states. Allows authority to participate in Interstate Chemicals Clearinghouse.

Allows authority to establish certain fees by rule. Allows authority to impose civil penalties. Allows authority to accept certain funding.

Requires manufacturers to submit certain hazard assessments to authority. Allows authority to establish methodology and standards for hazard assessments by rule.

Establishes High Priority Chemicals of Concern for Children's Health Fund. Continuously ap-

propriates moneys in fund to authority. Specifies uses of moneys.

Limits biennial expenditures from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by authority.

Declares emergency, effective on passage.

1	A BILL FOR AN ACT
2	Relating to high priority chemicals of concern for children's health; appropriating money; limiting
3	expenditures; and declaring an emergency.
4	Whereas many children's products contain chemicals that may pose a risk to the health of
5	children; and
6	Whereas reducing the exposure of children to harmful chemicals in children's products contrib-
7	utes to the health of children and the long-term well-being of children; and
8	Whereas providing the public with information regarding the presence of certain chemicals in
9	children's products helps to ensure this state's commitment to the health of present and future
10	generations; now, therefore,
11	Be It Enacted by the People of the State of Oregon:
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13	DEFINITIONS
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15	SECTION 1. As used in sections 1 to 15 of this 2013 Act:

**NOTE:** Matter in **boldfaced** type in an amended section is new: matter [italic and bracketed] is existing law to be omitted. New sections are in **boldfaced** type.

(1) "Chemical" means:

- 1 (a) A substance with a distinct molecular composition.
  - (b) A group of structurally related substances and the breakdown products of the substance or substances that form through decomposition, degradation or metabolism.
  - (2)(a) "Children's cosmetics" means products that are made for, marketed for use by or marketed to children under 12 years of age and are intended to be rubbed, poured, sprinkled or sprayed on, introduced into or otherwise applied to the human body or any part thereof for cleansing, moisturizing, beautifying, promoting attractiveness or altering the appearance.
  - (b) "Children's cosmetics" does not mean soap, dietary supplements or food and drugs approved by the United States Food and Drug Administration.
    - (3)(a) "Children's product" means:
  - (A) A product designed or intended by the manufacturer to help a child with sucking or teething to facilitate sleep, relaxation or feeding of a child or to be worn as clothing by a child.
    - (B) Car seats for children.
  - (C) Children's cosmetics.
  - (D) Children's jewelry made for, marketed for use by or marketed to children under 12 years of age.
    - (E) Toys designed, or intended by the manufacturer, to be used by a child at play.
  - (F) Items designed or intended by the manufacturer to facilitate the feeding of a child under three years of age, including dishes, cups, food utensils, reusable food storage containers and other feeding accessories.
  - (G) Any component part of a product specified in subparagraphs (A) to (F) of this paragraph.
    - (b) "Children's product" does not mean:
  - (A) Athletic shoes with cleats or spikes.
- 26 (B) Batteries.

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- (C) BB guns, pellet guns and air rifles.
- 28 (D) Bicycles and tricycles.
  - (E) Chemistry sets.
    - (F) Consumer electronic products, including personal computers, audio and video equipment, calculators, wireless telephones and game consoles and handheld devices incorporating a video screen and used to access interactive software and the associated peripherals.
  - (G) Interactive software intended for leisure and entertainment, such as computer games, and their storage media, such as compact discs.
    - (H) Model rockets.
- 36 (I) Pocketknives and multitools.
- 37 (J) Roller skates.
  - (K) Scooters.
- 39 (L) Sets of darts with metallic points.
- 40 (M) Slings and catapults.
- 41 (N) Snow sporting equipment, including skis, poles, boots, snowboards, sleds and 42 bindings.
  - (0) Sporting equipment, including bats, balls, gloves, sticks, pucks and pads.
- 44 (P) Video toys that can be connected to a video screen and are operated at a nominal 45 voltage exceeding 24 volts.

- (Q) Food and food packaging regulated by the United States Food and Drug Administration.
- (4) "Intentionally added chemical" means a chemical that was added during the manufacture of a product or product component to provide a specific characteristic, appearance or quality or to perform a specific function.
  - (5) "Manufacturer" means:

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- (a) Any person that manufactures a final consumer product sold at retail or whose brand name is affixed to the consumer product.
- (b) The importer or domestic distributor of a consumer product imported into the United States if the person that manufactured or assembled the consumer product or whose brand name is affixed to the consumer product does not have a presence in the United States.
- (6)(a) "Mouthable" means a children's product, or any part of a children's product, that may be brought to the mouth and kept in the mouth by a child so that the product or part can be sucked and chewed.
- (b) "Mouthable" does not mean a children's product or part of a children's product that may only be licked, but not placed in the mouth. If a children's product or part of a children's product in one dimension is smaller than five centimeters, the product or part can be placed in the mouth.
- (7) "Trade association" means a membership organization of persons engaging in a similar or related line of commerce, organized to promote and improve business conditions in that line of commerce and not to engage in a regular business of a kind ordinarily carried on for profit.

# HIGH PRIORITY CHEMICALS OF CONCERN FOR CHILDREN'S HEALTH USED IN CHILDREN'S PRODUCTS

SECTION 2. The Oregon Health Authority shall maintain a list of high priority chemicals of concern for children's health used in children's products. The authority shall include on the list chemicals that are listed on both:

- (1) The Department of Environmental Quality's Toxics Focus List on the effective date of this 2013 Act; and
- (2) The Washington State Department of Ecology's Reporting List of Chemicals of High Concern to Children on the effective date of this 2013 Act.
- SECTION 3. The Oregon Health Authority shall post the list of high priority chemicals of concern for children's health used in children's products established under section 2 of this 2013 Act on its website. For each chemical on the list, the authority shall post information regarding the known health impacts associated with exposure to the chemical.
  - SECTION 4. Section 3 of this 2013 Act becomes operative on January 1, 2014.
- <u>SECTION 5.</u> (1) The Oregon Health Authority shall review and revise the list of high priority chemicals of concern for children's health used in children's products established under section 2 of this 2013 Act every three years.
- (2) In completing the revisions under subsection (1) of this section, the authority shall consider and take into account the addition or removal of a chemical that has been added to or removed from both the Department of Environmental Quality's Toxics Focus List and the Washington State Department of Ecology's Reporting List of Chemicals of High Concern

to Children after the effective date of this 2013 Act.

- (3) The authority by rule may remove a chemical from the list if the authority determines that the chemical is no longer being used in children's products.
- (4) The authority shall update the list on its website within one year of the date on which a chemical is added to, or a chemical is removed from, the list under this section.

SECTION 6. Section 5 of this 2013 Act becomes operative on January 1, 2016.

# MANUFACTURER DISCLOSURE OF HIGH PRIORITY CHEMICALS OF CONCERN FOR CHILDREN'S HEALTH USED IN CHILDREN'S PRODUCTS

- <u>SECTION 7.</u> (1)(a) A manufacturer of children's products sold or offered for sale in this state shall provide the notice described in subsection (2) of this section every two years to the Oregon Health Authority if:
- (A) A children's product contains an intentionally added chemical that is included in the list of high priority chemicals of concern for children's health used in children's products established under section 2 of this 2013 Act; or
- (B) A children's product contains a chemical at levels above 100 parts per million that is not an intentionally added chemical but that is a chemical included in the list of high priority chemicals of concern for children's health used in children's products.
- (b) In addition to the notice required by paragraph (a) of this subsection, within one year of the date the authority adds a chemical to the list under section 5 of this 2013 Act, a manufacturer of children's products sold or offered for sale in this state shall provide the notice described in subsection (2) of this section if:
- (A) A children's product contains an intentionally added chemical that is added to the list of high priority chemicals of concern for children's health used in children's products established under section 2 of this 2013 Act; or
- (B) A children's product contains a chemical at levels above 100 parts per million that is not an intentionally added chemical but that is a chemical added to the list of high priority chemicals of concern for children's health used in children's products.
  - (2) The notice required by subsection (1) of this section must contain:
- (a) The name of the chemical contained in the children's product and the Chemical Abstracts Service number;
  - (b) A brief description of the children's product that contains the chemical;
  - (c) A description of the function of the chemical in the children's product;
- (d) The amount of the chemical used in each unit of the children's product reported in ranges rather than exact amounts;
- (e) The name and address of the manufacturer, and the name, address and telephone number of a contact person for the manufacturer; and
- (f) Any other information that is relevant to the appropriate use of the children's product.
- (3)(a) In order for the authority to obtain the information required in the notice described in subsection (2) of this section, the authority may enter into reciprocal data-sharing agreements with other states in which a manufacturer of children's products is also required to disclose information related to high priority chemicals of concern for children's health

used in children's products. If the authority has entered into a data-sharing agreement with another state, and a manufacturer has reported the information required in the notice described in subsection (2) of this section to that state, the manufacturer may request that the other state provide the authority with the information in lieu of the manufacturer directly reporting the information to the authority.

- (b) A manufacturer fulfills the notice requirement of subsection (1) of this section when the authority receives the information from the other state and the authority determines that the information received meets the description specified in subsection (2) of this section.
- (4) In lieu of the manufacturer's providing notice to the authority under subsection (1) or (3) of this section, the authority may require that the notice described in subsection (2) of this section be given to the Interstate Chemicals Clearinghouse. The authority by rule shall specify procedures for the provisions of such notice by manufacturers to the Interstate Chemicals Clearinghouse.
- (5) Manufacturers of children's products with annual worldwide gross sales of less than \$5 million, as reported on the most recent tax returns filed before the notice required by this section, are exempt from the requirements of this section.
- (6) A trade association may provide notice on behalf of its member manufacturers under the provisions of this section.
- (7) When a manufacturer provides notice to the authority under the provisions of this section, the manufacturer may submit recommendations to the authority regarding technical, financial or logistical support deemed necessary for innovation and green chemistry solutions related to high priority chemicals of concern for children's health used in children's products.

## OREGON HEALTH AUTHORITY

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SECTION 8. (1) The Oregon Health Authority may conduct testing of children's products sold or offered for sale in this state in order to determine compliance with section 7 of this 2013 Act.

- (2) The authority may establish by rule a schedule of fees for manufacturers that are based on the costs of the authority for administering sections 1 to 15 of this 2013 Act. Fees collected by the authority under this subsection shall be deposited in the High Priority Chemicals of Concern for Children's Health Fund established under section 13 of this 2013 Act.
  - SECTION 9. (1) Sections 7 and 8 of this 2013 Act become operative on January 1, 2015.
- (2) The first notice under section 7 of this 2013 Act must be provided to the Oregon Health Authority not later than July 1, 2015.

# INTERSTATE CHEMICALS CLEARINGHOUSE

<u>SECTION 10.</u> The Oregon Health Authority is authorized to participate in the Interstate Chemicals Clearinghouse in cooperation with other states and government entities to assist the authority in carrying out sections 1 to 15 of this 2013 Act.

# **CIVIL PENALTIES**

- SECTION 11. (1) Except as provided in subsection (5) of this section, the Oregon Health Authority may impose a civil penalty on a person for a violation of any provision of sections 1 to 15 of this 2013 Act.
- (2) For purposes of assessing civil penalties under this section, a violation consists of a single course of conduct with regard to an entire children's product line that is sold or offered for sale in this state.
- (3) The authority shall adopt by rule a schedule of civil penalties for violations of sections 1 to 15 of this 2013 Act. A civil penalty may not exceed \$5,000 for the first violation. A civil penalty may not exceed \$10,000 for the second and each subsequent violation.
- (4) In imposing a penalty under subsection (1) or (5) of this section, the authority shall consider the following factors:
- (a) The past history of the person incurring a penalty in taking all feasible steps or procedures necessary or appropriate to correct any violation.
- (b) Any prior violations of statutes, rules, orders or permits pertaining to high priority chemicals of concern for children's health used in children's products.
  - (c) The gravity and magnitude of the violation.

- (d) Whether the violation was a sole event, repeated or continuous.
- (e) Whether the violation was as a result of an unavoidable accident, negligence or an intentional act.
  - (f) The violator's cooperativeness and efforts to correct the violation.
  - (g) The economic and financial conditions of the person incurring a penalty.
- (5)(a) If a person violates the notice requirements under section 7 of this 2013 Act, the authority shall provide the person with written notice informing the person of the violation and stating that the person may avoid a civil penalty for the violation by providing the proper notice required under section 7 of this 2013 Act within 90 days.
- (b) If the person fails to cure the violation within 90 days, the authority may impose a civil penalty not to exceed \$2,500. For a continuing violation, each 90-day period that the violation continues after the preceding imposition of a civil penalty is a separate offense subject to a separate civil penalty not to exceed \$5,000. The authority is not required to provide the person with an opportunity to cure the continuing violation before imposing a civil penalty for the continuing violation.
- (6) If the authority has reason to believe that a children's product that contains a high priority chemical of concern for children's health used in children's products is being sold or offered for sale in this state in violation of sections 1 to 15 of this 2013 Act, the authority may request that the manufacturer provide a statement of compliance on a form provided by the authority. The manufacturer must submit the statement of compliance within ten days of receipt of a request. To prove compliance with sections 1 to 15 of this 2013 Act, the manufacturer must:
- (a) Show that the children's product does not contain the high priority chemical of concern for children's health used in children's products;
- (b) Show that the manufacturer has previously provided the authority with notice as required by section 7 of this 2013 Act;
  - (c) Provide the authority with notice as required by section 7 of this 2013 Act; or
- (d) Provide the authority with documentation that the manufacturer has previously complied with section 14 or 14a of this 2013 Act.

- (7) Civil penalties described in this section shall be imposed in the manner provided in ORS 183.745.
- (8) All civil penalties recovered under this section shall be paid into the High Priority Chemicals of Concern for Children's Health Fund established under section 13 of this 2013 Act.

SECTION 12. Section 11 of this 2013 Act becomes operative on January 1, 2015.

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# HIGH PRIORITY CHEMICALS OF CONCERN FOR CHILDREN'S HEALTH FUND

- SECTION 13. (1) The High Priority Chemicals of Concern for Children's Health Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the High Priority Chemicals of Concern for Children's Health Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Oregon Health Authority to administer sections 1 to 15 of this 2013 Act.
- (2) The authority may accept gifts, grants or contributions from any public or private source for the purpose of carrying out sections 1 to 15 of this 2013 Act.
  - (3) The High Priority Chemicals of Concern for Children's Health Fund shall consist of:
  - (a) Moneys accepted by the authority pursuant to subsection (2) of this section.
  - (b) Fees and charges collected under sections 8 and 14a of this 2013 Act.
  - (c) Civil penalties imposed under section 11 of this 2013 Act.

# **ASSESSMENTS**

- SECTION 14. (1) Within five years after the date that a high priority chemical of concern for children's health used in children's products is included on the list maintained pursuant to sections 2 and 5 of this 2013 Act, a manufacturer of children's products sold or offered for sale in this state must remove or substitute the chemical, or seek a waiver under section 14a of this 2013 Act, if the chemical is present in a children's product that is:
  - (a) Mouthable:
  - (b) A children's cosmetic; or
- (c) A children's product made for, marketed for use by or marketed to children under three years of age.
- (2)(a) When a manufacturer of children's products sold or offered for sale in this state removes a high priority chemical of concern for children's health used in children's products from a children's product described in subsection (1) of this section by substituting another chemical, the manufacturer must submit a hazard assessment to the Oregon Health Authority that explains how the children's product, and any substitute chemical the children's product contains, is inherently less hazardous with the substitute chemical.
- (b) If the manufacturer has removed a high priority chemical of concern for children's health used in children's products from a children's product described in subsection (1) of this section and has not replaced the chemical with a substitute chemical, the manufacturer must submit notice to the authority that the manufacturer is no longer using the chemical and that the manufacturer has not replaced the chemical with a substitute chemical.
  - (3) The authority shall establish by rule the methodology that a manufacturer must use

and the standards that a children's product must meet in order to comply with the hazard assessment requirements under subsection (2)(a) of this section.

- (4) The authority shall approve or disapprove a hazard assessment within 180 days of its submittal. If the authority fails to act within 180 days, the hazard assessment is deemed approved, and the manufacturer may continue to sell or offer for sale in this state the children's product described in subsection (1) of this section for which the manufacturer submitted a hazard assessment. If the authority disapproves a hazard assessment, the manufacturer may submit a revised hazard assessment for consideration within 180 days of the authority's disapproval.
- (5) A manufacturer with 25 or fewer employees may apply for a two-year extension of the time period specified in subsection (1) of this section to meet the requirements of this section.
- (6) Manufacturers are exempt from meeting the requirements of this section for children's products described in subsection (1) of this section that contain high priority chemicals of concern for children's health used in children's products at levels that are at or below allowable levels for children's products as established by the Consumer Product Safety Improvement Act of 2008, P.L. 110-314, 122 Stat. 3016, as in effect on the effective date of this 2013 Act.
- (7)(a) The authority shall adopt rules providing for additional exemptions from the requirements of this section.
- (b) For purposes of this subsection, any consumer product safety standard adopted under federal law that establishes allowable levels for children's products of a high priority chemical of concern for children's health used in children's products is presumed to establish the maximum allowable level of the chemical that may be used in children's products that are sold or offered for sale in this state. The authority may not require a manufacturer in compliance with the federal standard to also comply with the provisions of this section unless the authority establishes in the rulemaking process that a lower maximum allowable level for children's products of a high priority chemical of concern for children's health used in children's products than the allowable level set by the federal standard is necessary to protect human health and welfare.

### WAIVERS

SECTION 14a. (1) If a manufacturer of children's products sold or offered for sale in this state that is subject to section 14 of this 2013 Act fails to remove a high priority chemical of concern for children's health used in children's products from a children's product described in section 14 (1) of this 2013 Act within the period specified in section 14 (1) of this 2013 Act, the manufacturer must apply to the Oregon Health Authority for a waiver. The authority shall grant a waiver if the application:

- (a) Includes an alternatives assessment demonstrating that removal of the high priority chemical of concern for children's health used in children's products is not financially or technically feasible; or
- (b) Includes a quantitative exposure assessment demonstrating that the high priority chemical of concern for children's health used in children's products is not reasonably anticipated to result in exposure based upon an analysis of leachability and bioavailability of the

high priority chemical of concern for children's health used in children's products.

- (2) To meet the requirements of subsection (1)(a) of this section, an alternatives assessment must:
- (a) Identify and compare potential chemical and nonchemical alternatives that may be used as substitutes to replace the high priority chemical of concern for children's health used in children's products; and
- (b) Include elements that are consistent with guidance and frameworks established by the United States Environmental Protection Agency and by other states and nongovernmental organizations with the applicable expertise, as those guidances and frameworks are in effect on the effective date of this 2013 Act.
- (3) To meet the requirements of subsection (1)(b) of this section, a quantitative exposure assessment must:
- (a) Evaluate the exposure potential of the high priority chemical of concern for children's health used in children products; and
- (b) Include elements that are consistent with guidance and frameworks established by the United States Environmental Protection Agency and by other states and nongovernmental organizations with the applicable expertise, as those guidances and frameworks are in effect on the effective date of this 2013 Act.
- (4) If the authority determines that an alternatives assessment or a quantitative exposure assessment as described in this section is incomplete, the authority may obtain the assessment from another party. The manufacturer that submitted the assessment that was determined to be incomplete must pay for the assessment performed by the other party.
- (5) The authority shall approve or disapprove a waiver application within 180 days of its submittal. If the authority fails to act within 180 days, the waiver application is deemed approved, and the manufacturer may continue to sell or offer for sale in this state the children's product described in section 14 (1) of this 2013 Act for which the manufacturer submitted a waiver application. If the authority disapproves a waiver application, the manufacturer may submit a revised waiver application for consideration within 180 days of the authority's disapproval.

# REPORTS TO LEGISLATIVE ASSEMBLY

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<u>SECTION 15.</u> The Oregon Health Authority shall provide a report to the Legislative Assembly once every two years regarding the implementation of sections 1 to 15 of this 2013 Act, including:

- (1) Any updates made under section 5 of this 2013 Act to the list of high priority chemicals of concern for children's health used in children's products.
- (2) The number of manufacturers in compliance with section 7 of this 2013 Act and an analysis of the information collected pursuant to section 7 of this 2013 Act specifying:
- (a) The number and types of children's products sold or offered for sale in this state that contain high priority chemicals of concern for children's health used in children's products.
- (b) The range of amounts of high priority chemicals of concern for children's health used in children's products, and an analysis of the levels of the high priority chemicals of concern for children's health used in children's products for various categories of children's products.
  - (c) The potential for exposure to high priority chemicals of concern for children's health

used in children's products based on the number of children's products sold or offered for sale in this state, likely exposure routes and the typical use patterns for the children's products.

- (d) Recommendations to limit, reduce or prevent exposure to high priority chemicals of concern for children's health used in children's products based on an analysis of the information collected.
- (3)(a) The implementation of sections 14 and 14a of this 2013 Act regarding hazard assessments and waivers. In cases where the authority grants waivers for the continued use of high priority chemicals of concern for children's health used in children's products in which the application includes an alternatives assessment, the authority may develop recommendations on opportunities to provide technical assistance, provide grants, promote public-private partnerships and other options to encourage manufacturers to produce products through green chemistry that do not contain high priority chemicals of concern for children's health.
- (b) In developing the recommendations described in paragraph (a) of this subsection, the authority may consult with the Department of Environmental Quality, the Oregon Business Development Department and other state agencies.
- (4) Any recommendations submitted to the authority by manufacturers under section 7 (7) of this 2013 Act.

SECTION 16. Section 15 of this 2013 Act becomes operative on January 1, 2015.

# **MISCELLANEOUS**

 SECTION 17. Notwithstanding any other law limiting expenditures, the amount of \$57,046 is established for the biennium beginning July 1, 2013, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Oregon Health Authority for carrying out the duties of the authority under sections 1 to 15 of this 2013 Act.

SECTION 18. The unit captions used in this 2013 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2013 Act.

#### **EMERGENCY CLAUSE**

SECTION 19. This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect on its passage.