

**FISCAL IMPACT OF PROPOSED LEGISLATION**

Measure: HB 2495 - 5

81st Oregon Legislative Assembly – 2021 Regular Session  
Legislative Fiscal Office***Only Impacts on Original or Engrossed  
Versions are Considered Official***Prepared by: Haylee Morse-Miller  
Reviewed by: Tom MacDonald  
Date: March 30, 2021**Measure Description:**

Revises provisions relating to chemicals in children's products.

**Government Unit(s) Affected:**

Oregon Health Authority (OHA)

**Summary of Fiscal Impact:**

Costs related to the measure may require budgetary action - See analysis.

**Summary of Expenditure Impact:**

	2021-23 Biennium	2023-25 Biennium
General Fund	\$80,000	\$0
<b>Total Funds</b>	<b>\$80,000</b>	<b>\$0</b>
Positions	0	0
FTE	0.00	0.00

**Analysis:**

HB 2495 - 5 relates to regulation of chemicals in children's products. This measure defines "class of chemicals" as a group of chemicals that are related or similar based on their structure, use, physical property, radiological property, or other factors. The Oregon Health Authority (OHA) may include a class of chemicals on its existing list of high priority chemicals of concern for children's health, when used in children's products.

The measure changes the biennial date in which manufacturers of children's products sold in Oregon must provide notice to OHA if a product contains a chemical that is included on the list of high priority chemicals, in an amount at or above a de minimis level, from January 1 to January 31. It also adds products that contain a member of a class of chemicals, instead of just chemicals, to this notification requirement. Additionally, the measure requires OHA to include the brand name and model of the children's product, and not only the product category, in the notifications.

This measure takes effect on the 91st day after the Legislative Assembly adjourns sine die, and OHA must begin adopting rules related to the measure no later than the effective date. The key provisions in the measure become operative January 1, 2022.

The inclusion of a product's brand name and model in the notification requirement discussed above will require modifications to the multistate reporting database that OHA shares with Washington and Vermont for reporting by manufacturers of children's products. The database does not currently collect information on a product's brand name and model. To implement the modifications, OHA estimates one-time costs of \$45,000 to \$80,000 General Fund. The cost to OHA depends on participation from the other two states. Whereas Washington does not currently require the level of notification required by this measure, Vermont is considering similar requirements. If Vermont were to adopt the same notification requirement, the cost to Oregon of the database modifications is expected to total \$45,000 in accordance with the multi-state agreement. Additionally, these

updates would normally be funded by Other Funds revenue from the Toxic Free Kids program, which charges a \$250 disclosure fee to report products that contain high priority chemicals of concern to children's health. However, fee collections would be insufficient to support the costs within the timeframe established by the January 1, 2022 operative date, which is the reason the estimated fiscal impact is assumed to be General Fund. Depending on the level of fee collections and other program expenditures, it is possible at least some Other Funds revenue could support the noted costs.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact.