

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2495 - 6

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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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 are anticipated to be minimal - See explanatory analysis.

Summary of Expenditure Impact:

| | 2021-23 Biennium | 2023-25 Biennium |
|--------------------|-------------------------|-------------------------|
| Other Funds | 80,000 | 0 |
| Total Funds | \$80,000 | \$0 |
| Positions | 0 | 0 |
| FTE | 0.00 | 0.00 |

Analysis:

HB 2495 - 6 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 their existing list of high priority chemicals of concern for children’s health, when used in children’s products.

The measure changes the biennial date by 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. The measure additionally 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. Most provisions in the measure become operative January 1, 2022; however, the -6 amendment stipulates that the brand name and model of a children’s product are not required to be included in the notices submitted to OHA until on or after January 31, 2024.

The inclusion of a product’s brand name and model in the notifications 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 Other Funds. 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 for the database modifications is expected to total \$45,000 in accordance with the multi-state agreement.

The - 6 amendment does not require OHA to collect this information until on or after January 31, 2024, which will give the agency time to accumulate sufficient Other Funds fee revenue from the Toxic Free Kids program to pay for the database upgrades. This program charges a \$250 disclosure fee to report products that contain high priority chemicals of concern to children's health. If the database changes were required to be completed within a shorter time period, the costs could require General Fund support based on the timing of Other Funds fee collections.

If the measure with the -6 amendment passes, OHA is not expected to require additional Other Funds expenditure limitation to support the one-time costs.