

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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S.239 Toxic Substances – House Fish, Wildlife & Water Resources Strike-All

This Fiscal Note concerns S.239 as amended by the House Fish, Wildlife and Water Resources Committee (text dated April 18, 2014 at [S.239 Fish & Wildlife Strike-All](#)). The following is a general summary of the detailed text.

The bill creates a public notice and regulatory scheme for consumer products designed and marketed for use by children which contain any of a list of specified toxic compounds in concentrations exceeding a defined standard. The bill contemplates the creation of a publicly accessible database of such products searchable by manufacturer, product or chemical compound. Manufacturers or sellers of such products in Vermont would be required to file with the state a notice describing the products, the toxic chemicals they contain and their concentration. In their initial filing, a manufacturer or seller would be assessed a fee of \$2,000 per chemical compound. Manufacturers or sellers would be required to update their filings upon making any significant change or re-affirm their prior filing every two years. The bill assesses no fees other than the initial filing. All fee revenue would be deposited in a new fund – the Chemicals of High Concern Fund – dedicated to covering the costs of the program.

The Department of Health is authorized to add new chemical compounds to the statutory list of substances subject to the public notice requirements upon determining that the substance has certain harmful effects and has been found through monitoring to be present in human tissue, the home environment or the natural environment. In addition, the Department of Health, upon the recommendation of a special working group created by the bill, is authorized through rule-making to ban or otherwise proscribe the sale of children's products containing toxic substances when it is determined that children may be exposed to the substance and that such exposure would probably cause harm.

The Department of Health estimates that upon enactment there would be approximately 900 filings subject to the one-time assessment of \$2,000 which would thereby raise one-time revenue of \$1,800,000 for the Chemicals of High Concern Fund. The bill is modeled in part on the Children's Safe Products Act of Washington State and the Department in estimating the fee revenue conferred with Washington State officials administering the program. Between July 1, 2013 and April, 2014 the Washington state database had over 11,000 filings. The Washington system, however, requires a separate filing for each product as well as each compound whereas S.239 here requires a separate filing only for each chemical compound. Just how many initial filings would occur is uncertain but the Department's estimate is certainly reasonable.

Once the system is up and running and available to the public, one would expect that sales of certain products would be affected, but through substitution effects overall sales should be little affected.