

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 1569 - A**Seventy-Seventh Oregon Legislative Assembly – 2014 Regular Session  
Legislative Fiscal Office***Only Impacts on Original or Engrossed  
Versions are Considered Official***Prepared by: Kim To  
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Date: 2/18/2014**Measure Description:**

Requires Oregon Health Authority to establish and maintain list of designated high priority chemicals of concern for children's health used in children's products.

**Government Unit(s) Affected:**Oregon Health Authority (OHA), Judicial Department, Department of Environmental Quality (DEQ),  
Employment Department

<b>Summary of Expenditure Impact - Oregon Health Authority</b>		
	<b>2013-15 Biennium</b>	<b>2015-17 Biennium</b>
General Fund	68,832	231,718
<b>Total Funds</b>	<b>\$68,832</b>	<b>\$231,718</b>
Positions	1	1
FTE	0.25	1.00

**Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:**

Senate bill 1569 A-Engrossed establishes the High Priority Chemicals of Concern for Children's Health Fund and provides a \$57,046 limitation\* to OHA to carry out the provisions of this bill. The bill requires the Oregon Health Authority to maintain a list of high priority chemicals of concern for children's health used in children's products. This list must be maintained on the agency's website. OHA must review and revise this list every three years, removing and adding chemicals as necessary. In addition, the bill requires manufacturers of children's products sold or offered for sale in Oregon to provide notice, annually, to OHA if these products contain a chemical on this list. The first notice must be provided to OHA no later than July 1, 2016. The bill allows OHA to enter into data-sharing agreements with other states. The bill also authorizes OHA to conduct testing of children's products sold or offered for sale in Oregon to ensure manufacturer's compliance with the provisions of this bill. OHA may establish civil penalty for violation of any provisions of this bill. The bill allows OHA to participate in the Interstate Chemicals Clearinghouse in cooperation with other states and government entities to assist the agency in carrying out the provisions of this bill. OHA must report to a Legislative Assembly once every two years regarding the implementation of this bill. The bill contains an emergency clause and takes effect on passage.

**Oregon Health Authority (OHA)**

If this bill passes, the Oregon Health Authority will implement this bill in stages. First, the agency will reprioritize the work of existing staff in the Public Health division and use existing resources to compile and post the list of high priority chemicals of concern. Then, OHA anticipates establishing one Program Analyst position starting January 2015 to maintain the website, write rules, and manage the data

provided by manufacturers. The Personal Services, and related Services and Supplies (including Attorney General Fees) costs is estimated at \$68,832 General Funds [0.25 FTE] for six months of the 2013-15 biennium; and \$231,718 General Funds [1.00 FTE] for the full 24 months of the 2015-17 biennium.

\* Note that the fiscal impact is General Fund because although the bill contains a \$57,046 Other Funds limitation, it does not allow OHA to establish fees to cover the cost of this program.

#### Oregon Judicial Department (OJD)

Passage of this bill is anticipated to have minimal impact on the Oregon Judicial Department. The bill authorizes any person who contests the imposition of a civil penalty to seek judicial review by the Court of Appeals. The department anticipates passage of this bill will increase the number of cases filed with the Court of Appeals.

#### Department of Environmental Quality (DEQ)

This bill is anticipated to have minimal impact on the Department of Environmental Quality. The bill allows OHA to consult with DEQ on the required biennial report concerning the implementation of this bill. DEQ anticipates using existing staff and resources to coordinate with OHA through its participation in the Interstate Chemicals Clearinghouse.

#### Employment Department

This bill is anticipated to have minimal impact on the Employment Department. The bill provides for civil penalties of up to \$10,000 for violations, with a right to a contested case hearing to challenge the penalty. The department anticipates a slight increase in the number of cases that will be referred to the Office of Administrative Hearings (OAH).