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FISCAL IMPACT STATEMENT

LS 7433

BILL NUMBER: SB 511

NOTE PREPARED: Jan 10, 2007

BILL AMENDED:

SUBJECT: Child Product Safety.

FIRST AUTHOR: Sen. Howard

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill prohibits a person from manufacturing, remanufacturing, retrofitting, distributing, selling at wholesale or retail, contracting to sell or resell, leasing, subletting, or otherwise placing into the stream of commerce an unsafe children's product. The bill requires the State Department of Health to: (1) create and maintain a list of unsafe children's products; (2) update the list within 24 hours after identifying an unsafe children's product; (3) make the list available to the public and on the State Department's web site; and (4) print information regarding the list of unsafe children's products. The bill also requires certain business entities to provide notice to commercial customers and consumers and meet other requirements regarding unsafe children's products. It prohibits a child care facility from having an unsafe children's product on the child care premises. It also requires: (1) the owner of a child care facility to post a written notice in the child care facility concerning unsafe children's products; and (2) the Division of Family Resources to provide certain information to licensed and registered child care facilities. The bill allows the Division to take disciplinary action against a child care facility for violating the child product safety laws. The bill also provides that a person who violates the child product safety laws is subject to a civil penalty that does not exceed \$500 for each day of violation. It provides that the Attorney General may: (1) bring an action to enforce a penalty; (2) require a person to provide certain statements and information; (3) examine a person under oath; (4) examine certain materials; (5) seize and retain records, books, document, accounts, papers, or samples of merchandise; and (6) bring an action for an injunction. It also allows the attorney general to accept an assurance of voluntary compliance. The bill provides that a violation of the assurance is prima facie evidence that a person has violated the child product safety laws.

Effective Date: Upon passage.

Explanation of State Expenditures: *Indiana State Department of Health Requirements:* This bill requires

the Indiana State Department of Health (ISDH) to: (1) maintain a comprehensive list of children's products that the ISDH has identified as unsafe; (2) update the list not later than twenty-four hours after the ISDH has identified a children's product as unsafe; (3) make the comprehensive list available to the public; (4) post the comprehensive list on the ISDH web site on the internet; and (5) print information regarding the comprehensive list in regular publications or mailings to persons, including pediatricians, local health departments, and other similar persons and entities. The ISDH should be able to do so within its existing level of resources.

Background Information: The ISDH currently maintains links to the Consumer Product Safety Commission and federal government product recalls web sites on its web page. In addition, the ISDH reports that it costs approximately \$200 to create a one-time list on the ISDH webpage. It is assumed that the ISDH will create a link to a web site which contains the required information, for example, <http://www.kidsindanger.org/>.

Division of Family Resources: The bill requires the Division of Family Resources (DFR) to on an ongoing basis: (1) notify a licensed or registered child care facility of the children's product safety requirements which are set in statute, and (2) provide a licensed or registered child care facility with the list of unsafe children's products maintained by the ISDH. The DFR should be able to do so within its existing level of resources.

The bill also allows the DFR to take disciplinary action against a licensed or registered child care facility for violating the children's products guidelines.

Background Information: The DFR reports that as of December 2006, there were:

Facility Type	Number
Licensed Center	609
Licensed Homes	2,953
Registered Ministries	633

Attorney General: A person that violates the children's product guidelines is subject to a civil penalty in an amount not to exceed \$500 for each day that the violation continues. The bill allows the Attorney General to bring an action to enforce the civil penalty.

Explanation of State Revenues: See *Explanation of State Expenditures, Attorney General.*

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana State Department of Health; Family and Social Services Administration; Attorney General.

Local Agencies Affected:

Information Sources: Brian Carnes, Indiana State Department of Health; Melanie Brizzi, Family and Social Services Administration.

Fiscal Analyst: Sarah Brooks, 317-232-9559.