

### Fiscal Estimate - 2007 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>07-0599/1</b>	<b>Introduction Number</b> <b>SB-037</b>
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**Description**  
 Relating to: regulation of unsafe children's products, extending the time limit for and providing an exemption from emergency rule procedures, requiring the exercise of rule-making authority, and providing a penalty

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input checked="" type="checkbox"/> No Local Government Costs		<b>5. Types of Local Government Units Affected</b>
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties <input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.115(1)(a)	

<b>Agency/Prepared By</b> DATCP/ Michelle Reinen (608) 224-5160	<b>Authorized Signature</b> Barb Knapp (608) 224-4746	<b>Date</b> 2/21/2007
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**Fiscal Estimate Narratives**  
**DATCP 2/22/2007**

LRB Number	<b>07-0599/1</b>	Introduction Number	<b>SB-037</b>	Estimate Type	<b>Original</b>
<b>Description</b> Relating to: regulation of unsafe children's products, extending the time limit for and providing an exemption from emergency rule procedures, requiring the exercise of rule-making authority, and providing a penalty					

**Assumptions Used in Arriving at Fiscal Estimate**

A section of this bill regulates the sale by commercial suppliers of products that are designed principally for the care of, or use by, children under 12 years of age (children's products), including children's furniture, apparel, and toys. The same section of the bill prohibits the sale of a children's product by a commercial supplier if any of the following apply: 1) the children's product fails to conform to any state or federal safety law or regulation; 2) the children's product has been recalled by DATCP, by a federal agency, or by the manufacturer, distributor, or importer, and the recall has not been rescinded; or 3) DATCP or a federal agency has issued a warning that the intended use of the product presents a safety hazard and the warning has not been rescinded.

DATCP would be required to maintain a list of such products and to make the list available to the public on the Internet. The bill would prohibit the sale by commercial suppliers of baby cribs that fail to meet certain requirements under federal regulations. The bill would require a commercial supplier to post a conspicuous notice to customers if a children's product the commercial supplier has sold is included in the list of unsafe children's products maintained by DATCP.

Finally the bill would require DATCP to promulgate rules to ensure the safety of children's products. The rules must be consistent with nationally recognized industry standards for children's products, and must include certain design and performance requirements for baby cribs.

The other section of the bill prohibits a variety of child care facilities from using or having on a premises where child care is provided a children's product or baby crib whose commercial use is prohibited under the bill. However, this section of the bill would be regulated by DHFS.

Currently the Department voluntarily maintains a monthly newsletter highlighting children's products which are unsafe for use. In addition we do voluntary inspections of commercial suppliers for unsafe children's products on a request basis as time and resources allow - approximately sixteen per year, as none of these activities are required or funded.

This bill would require DATCP to maintain an unsafe children's products list on the internet on a regular basis.

In addition it is assumed the Department would enforce the prohibitions of commercial suppliers selling a children's product that 1) fails to conform to any state or federal safety law or regulation; 2) has been recalled by DATCP, by a federal agency, or by the manufacturer, distributor, or importer, and the recall has not been rescinded; and 3) any children's product where a warning has been issued by DATCP or a federal agency when the intended use of the product presents a safety hazard and the warning has not been rescinded. It is also assumed the Department would inspect commercial suppliers for compliance with the requirement to conspicuously post signs if they sold a recalled product.

The possibility of an unsafe product appearing in multiple locations and at nearly any retailer in Wisconsin means that significant costs will be incurred to inform retailers and significant resources will be needed to administer the prohibition on sales.

The Department estimates an increase in workload of at least 2000 hours to administer and enforce the law.

Finally the Department estimates an increase in workload for two-years as a result of the rule development, however it is believed these one-time costs can be absorbed.

Based on these assumptions the Department estimates 1.0 FTE Consumer Protection Investigator will be necessary for enforcement of this law. Additional funding of \$65,000 will be necessary to fund this position.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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<b>Description</b> Relating to: regulation of unsafe children's products, extending the time limit for and providing an exemption from emergency rule procedures, requiring the exercise of rule-making authority, and providing a penalty			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  one time costs, office setup, computer, telephone service, supplies = \$10,000			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
	State Operations - Salaries and Fringes	\$52,500	\$
	(FTE Position Changes)	(1.0 FTE)	
	State Operations - Other Costs	12,500	
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$65,000</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR	65,000	
	FED		
	PRO/PRS		
	SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
	NET CHANGE IN COSTS	\$65,000	\$
	NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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