

Department of Planning and Budget 2019 Fiscal Impact Statement

1. Bill Number: HB2394

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Lopez

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Product safety; flame retardants; regulations; fund; civil penalty

5. Summary: Prohibits the manufacture or sale in the Commonwealth, beginning July 1, 2020, of upholstered furniture intended for residential use or any product that is intended to come into close contact with a person younger than 12 years of age if such upholstered furniture or product contains any flame-retardant chemical listed in the bill. The bill requires the manufacturer of any prohibited product to notify sellers of the prohibition by March 31, 2020, and requires a manufacturer to recall by that date any products that it has sold in violation of the prohibition. Casual or isolated sales of previously owned products containing the listed chemicals are exempted from the prohibition. The bill subjects any manufacturer in the Commonwealth that manufactures a product in violation of the provisions of the bill to a civil penalty of \$5,000 for a first offense or \$10,000 for a second or subsequent offense, and it directs the funds collected to the Virginia Product Safety Fund, created by the bill. Finally, the bill directs the Board of Agriculture and Consumer Services to adopt regulations to carry out the provisions of the chapter and to impose the chemical prohibition on certain other consumer products.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate. See item 8.

8. Fiscal Implications: The fiscal impact of this bill is indeterminate. The bill establishes a \$5,000 penalty for each first offense violation and a \$10,000 penalty for a second or subsequent violation, and the bill requires that any penalties collected be deposited into a newly created Virginia Product Safety Fund. The allowed uses of this fund are not defined, and the use of the fund for the administration of the program is not specifically authorized. The number of complaints that the Department of Agriculture and Consumer Services will receive as a result of the bill and the volume of associated investigative work required to bring civil action against violators cannot be determined. In addition, actions against manufacturers for non-compliance may result in expenses incurred by the Office of the Attorney General or the agency for the use of outside counsel; the costs associated with these expenses cannot be determined.

9. Specific Agency or Political Subdivisions Affected: Department of Agriculture and Consumer Services; Office of the Attorney General.

10. Technical Amendment Necessary: No.

11. Other Comments: None.