

# House File 2614 - Introduced

HOUSE FILE \_\_\_\_\_  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HF 2448)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act requiring consumer notification of product manufacture  
2 information relating to the sale or distribution of child-  
3 oriented products and providing civil penalties.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 5621HV 82  
6 rn/nh/14

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1 1 Section 1. NEW SECTION. 552B.1 LEGISLATIVE INTENT AND  
1 2 FINDINGS.  
1 3 It is the intent of the general assembly to promote the  
1 4 health, welfare, and safety of the children of this state, and  
1 5 assist parents and caregivers in making informed and educated  
1 6 choices regarding the purchase of products intended for their  
1 7 use. The general assembly finds that these objectives will be  
1 8 facilitated through the point-of-sale conveyance of  
1 9 information relating to the manufacturing of such products to  
1 10 consumers by distributors offering the products for sale at  
1 11 retail.  
1 12 Sec. 2. NEW SECTION. 552B.2 DEFINITIONS.  
1 13 1. "Child" means a person twelve years of age or younger.  
1 14 2. "Child-oriented product" means a toy, item of clothing,  
1 15 or other consumer good or protective device designed and  
1 16 intended for use by, and purchase by or for the benefit of, a  
1 17 child.  
1 18 3. "Distributor" means a person who takes possession of or  
1 19 title to one or more child-oriented products purchased for  
1 20 promotional purposes or resale. A person involved solely in  
1 21 delivering or storing child-oriented products on behalf of a  
1 22 third party is not a distributor.  
1 23 Sec. 3. NEW SECTION. 552B.3 CHILD-ORIENTED PRODUCTS ==  
1 24 CONSUMER INFORMATION REQUIREMENTS.  
1 25 A distributor offering for sale or for promotional purposes  
1 26 a child-oriented product in this state shall prominently  
1 27 display or make available at the retail or promotional  
1 28 distribution location consumer information relating to safety  
1 29 standards applicable to the manufacture of the product, as  
1 30 follows:  
1 31 1. If the product is labeled with a logo, trademark, or  
1 32 other representation signifying approval or certification from  
1 33 a nationally recognized regulatory authority or consumer  
1 34 advocacy organization concerned with child welfare or product  
1 35 safety, no additional consumer information shall be required.  
2 1 2. If the product is manufactured within the United States  
2 2 and is not labeled with a logo, trademark, or other  
2 3 representation signifying approval or certification from a  
2 4 nationally recognized regulatory authority or consumer  
2 5 advocacy organization concerned with child welfare or product  
2 6 safety, a statement or letter from the manufacturer warranting  
2 7 the safety of the product and containing contact information  
2 8 for the manufacturer shall be made available to consumers on  
2 9 the product shelf or at a location in close proximity to an  
2 10 unshelved product.  
2 11 3. If the product is not manufactured within the United  
2 12 States and is not labeled with a logo, trademark, or other  
2 13 representation signifying approval or certification from a  
2 14 nationally recognized regulatory authority or consumer  
2 15 advocacy organization concerned with child welfare or product  
2 16 safety, the distributor shall clearly display on the product  
2 17 shelf or at a location in close proximity to an unshelved

2 18 product a statement that the product is untested and that its  
2 19 safety has not been documented.

2 20 Sec. 4. NEW SECTION. 552B.4 RULES.

2 21 The attorney general shall adopt rules according to chapter  
2 22 17A as necessary or appropriate to implement the provisions of  
2 23 this chapter. The rules shall include procedures for  
2 24 notifying child-oriented product manufacturers of the statement  
2 25 or letter requirements of section 552B.3, subsection 2, and  
2 26 the penalty provisions for failure to comply with those  
2 27 requirements.

2 28 Sec. 5. NEW SECTION. 552B.5 VIOLATIONS.

2 29 A violation of this chapter is a violation of the Iowa  
2 30 consumer fraud Act, section 714.16, except that the civil  
2 31 penalty to which a manufacturer who fails to provide the  
2 32 information required in section 552B.3, subsection 2, may be  
2 33 subject shall not exceed one thousand dollars for each day of  
2 34 such violation, and the civil penalty to which a distributor  
2 35 violating section 552B.3, may be subject shall not exceed ten  
3 1 thousand dollars for each day of such violation.

3 2 EXPLANATION

3 3 This bill requires that consumers purchasing or receiving  
3 4 child-oriented products receive product manufacture  
3 5 information relating to product safety under specified  
3 6 circumstances.

3 7 The bill defines a "child" as a person 12 years of age or  
3 8 younger, and defines a "child-oriented product" as a toy, item  
3 9 of clothing, or other consumer good or protective device  
3 10 designed and intended for use by, and purchase by or for the  
3 11 benefit of, a child. Additionally, a "distributor" is a  
3 12 person who takes possession or title to one or more  
3 13 child-oriented products purchased for promotional purposes or  
3 14 resale. The bill excepts from this definition a person  
3 15 involved solely in delivering or storing child-oriented  
3 16 products on behalf of a third party.

3 17 The bill provides that a distributor offering  
3 18 child-oriented products for sale or promotion must display or  
3 19 make available information relating to safety standards  
3 20 applicable to the manufacture of the product. The nature of  
3 21 the information varies depending upon the classification of  
3 22 the manufacturer of the products. The bill provides that if a  
3 23 product is labeled with a logo, trademark, or other  
3 24 representation signifying approval or certification from a  
3 25 nationally recognized regulatory authority or consumer  
3 26 advocacy organization concerned with child welfare or product  
3 27 safety, the distributor will not be required to provide any  
3 28 additional consumer information relating to the product. If  
3 29 the product is manufactured within the United States and is  
3 30 not labeled with such a logo, trademark, or other  
3 31 representation, the bill requires a statement or letter from  
3 32 the manufacturer warranting the safety of the product and  
3 33 containing contact information to be made available by the  
3 34 distributor to consumers on the product shelf or at a location  
3 35 in close proximity to an unshelved product. In the event that  
4 1 a product is not manufactured within the United States and is  
4 2 not labeled with the logo, trademark, or other representation,  
4 3 the bill requires a distributor to clearly display on the  
4 4 product shelf or at a location in close proximity to an  
4 5 unshelved product a statement that the product is untested and  
4 6 that its safety has not been documented.

4 7 The bill provides that the attorney general shall adopt  
4 8 rules to implement the provisions of the bill, and provides  
4 9 that a violation of the bill's requirements by either a  
4 10 manufacturer or distributor constitutes consumer fraud  
4 11 pursuant to Code section 714.16. As such, violations would be  
4 12 subject to broad investigative and injunctive authority by the  
4 13 attorney general, but a civil penalty is limited under the  
4 14 bill to a maximum of \$10,000 for each day of a violation for  
4 15 distributors, and \$1,000 for each day of a violation for  
4 16 manufacturers. Civil penalties otherwise applicable under  
4 17 Code section 714.16, subsection 7, are subject to a \$40,000  
4 18 maximum.

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