



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 27, 2014

S. 2581 **Child Nicotine Poisoning Prevention Act of 2014**

*As reported by the Senate Committee on Commerce, Science, and Transportation
on September 18, 2014*

S. 2581 would direct the Consumer Product Safety Commission (CPSC) to develop regulations requiring special packaging for liquid nicotine containers. CBO estimates that implementing the bill would cost about \$1 million over the 2015-2019 period, assuming appropriation of the necessary amounts. Enacting S. 2581 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

Under the bill, the CPSC would require liquid nicotine containers to be packaged in a way that would make it difficult for children younger than five years to open or to obtain a harmful amount of the enclosed substance. Based on information from the agency, CBO estimates that the cost of developing the regulation and conducting compliance testing would total about \$1 million over the next five years.

S. 2581 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

The legislation would impose a private-sector mandate, as defined in UMRA, on manufacturers of consumer products containing liquid nicotine. The bill would require those manufacturers to use special packaging for such products to make them child resistant. The cost of this mandate would be the incremental cost of using packaging that would comply with the standard established by the CPSC. Based on data provided by the CPSC and representatives of affected manufacturers, CBO estimates that the cost of the mandate would fall below the annual threshold established in UMRA for private-sector mandates (\$152 million in 2014, adjusted annually for inflation).

The CBO staff contacts for this estimate are Daniel Hoople (for federal costs) and Marin Burnett (for the private-sector impact). The estimate was approved by Holly Harvey, Deputy Assistant Director for Budget Analysis.