



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

March 26, 2015

### **S. 142** **Child Nicotine Poisoning Prevention Act of 2015**

*As ordered reported by the Senate Committee on Commerce, Science,  
and Transportation on February 26, 2015*

S. 142 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 2016-2020 period, assuming the availability of appropriated funds. Enacting S. 142 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. The CPSC would report to the Congress within three years on the regulations established under the legislation and any enforcement action undertaken. 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. 142 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) because it would preempt state laws governing packaging for containers holding liquid nicotine. While the mandate would limit the application of state laws, it would impose no duty on states that would result in additional spending. Therefore, CBO estimates that the cost of the mandate would fall below the threshold established in UMRA for intergovernmental mandates (\$77 million in 2015, adjusted annually for inflation).

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 (\$154 million in 2015, adjusted annually for inflation).

The CBO staff contacts for this estimate are Daniel Hoople (for federal costs), J'nell Blanco Suchy (for intergovernmental effects), and Amy Petz (for private-sector effects). The estimate was approved by Holly Harvey, Deputy Assistant Director for Budget Analysis.