November 29, 2005 – Introduced by Senators Lassa and Miller, cosponsored by Representatives Gunderson, Lehman, Vruwink, Berceau, Black, Sheridan and Wasserman. Referred to Committee on Job Creation, Economic Development and Consumer Affairs.

AN ACT *to amend* 48.65 (1), 48.651 (1) (intro.), 48.657 (1) (a), 48.657 (1) (b), 48.657 (2g), 48.66 (5), 48.68 (1), 48.69, 48.715 (2) (c), 48.715 (2) (d), 48.715 (2) (f), 48.715 (3) (intro.), 48.715 (4) (a), 48.715 (4) (b) and 48.715 (4) (d); and *to create* 48.658 and 100.375 of the statutes; **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.

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Analysis by the Legislative Reference Bureau

SALE OF UNSAFE CHILDREN'S PRODUCTS

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. Under the bill, a commercial supplier includes a person in the business of selling or leasing used merchandise, but does not include a person who sells or leases a children's product on an occasional basis, as defined by the Department of Agriculture, Trade and Consumer Protection (DATCP) by rule.

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federal agency, or by the manufacturer, distributor, or importer, and the recall has not been rescinded; or 3) DATCP or a federal agency has issued a warning that the intended use of the product presents a safety hazard and the warning has not been rescinded. The bill requires DATCP to maintain a list of such products and to make the list available to the public on the Internet. The bill also prohibits the sale by commercial suppliers of baby cribs that fail to meet certain requirements under federal regulations.

Also under the bill, a product that is subject to a recall may be retrofitted if the retrofit is approved by the agency that recalled the product. A retrofitted product may be sold to a consumer only if the product is accompanied by a notice containing certain information including a description of the problem that required the recall and an explanation of how the retrofit has eliminated the problem.

The bill requires 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.

Under the bill, DATCP, the Department of Justice, the district attorney, or any other person may bring an action for an injunction against a commercial supplier who sells a children's product or baby crib in violation of the prohibitions in the bill. The bill also provides for a forfeiture of \$100 to \$10,000 for each violation.

USE OF UNSAFE CHILDREN'S PRODUCTS BY CHILD CARE PROVIDERS

Under current law, any person who, for compensation, provides care and supervision for four or more children under the age of seven for less than 24 hours a day must obtain a license to operate a day care center from the Department of Health and Family Services (DHFS) and must abide by standards established by DHFS by rule for the health, safety, and welfare of the children in the care of the day care center. Also, under current law, a county department of human services or social services (county department) must certify a day care provider who is not required to be licensed by DHFS in order for the day care provider to be eligible for reimbursement under the Wisconsin Works (W–2) Program, and a day care provider certified by a county department must abide by standards for certification established by the Department of Workforce Development by rule. In addition, under current law, a school board may established or contracted for by a school board must meet the standards for a licensed day care center established by DHFS by rule.

This bill prohibits a day care center that is licensed by DHFS, a day care provider that is certified by a county department, or a day care program that is established or contracted for by a school board 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. That prohibition, however, does not apply to an antique or collectible children's product or baby crib that is not used by, or accessible to, any child on the premises where the child care is provided. The bill requires DHFS to provide all day care centers licensed by DHFS, a county department to provide all day care providers certified by the county department, and a school board to provide all day care programs contracted for by the school board, with notice of that

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prohibition and of the requirements under the bill relating to children's products and baby cribs whose commercial use is prohibited under the bill and with the list maintained by DATCP under the bill of all children's products whose commercial use is prohibited under the bill.

The notice and list must be provided before DHFS may license or continue the license of a day care center, before a county department may certify or recertify a day care provider, before a school board may contract or renew a contract with a day care program, three times a year during the period of the license, certification, or contract, and whenever personnel of DHFS, the county department, or the school board visit or inspect the day care center, day care provider, or day care program. The notice and list must be provided in plain, nontechnical language that will enable each child care provider to inspect the children's products and baby cribs on its premises and identify those children's products and baby cribs that are unsafe. The bill requires a day care center, day care provider, or day care program to review the notice and list, immediately remove from its premises any children's products and baby cribs that are unsafe, and certify that all unsafe children's products and baby cribs have been removed from its premises. The bill also requires a day care center, day care provider, or day care program to maintain a file of all notices and lists provided under the bill and to permit the parent, guardian, or legal custodian of any child who is receiving care, or who is a prospective recipient of care, from the day care center, day care provider, or day care program to inspect those notices and lists during its hours of operations.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 48.65 (1) of the statutes is amended to read:

48.65 **(1)** No person may for compensation provide care and supervision for 4 or more children under the age of 7 for less than 24 hours a day unless that person obtains a license to operate a day care center from the department. To obtain a license under this subsection to operate a day care center, a person must meet the minimum requirements for a license established by the department under s. 48.67, meet the requirements specified in s. 48.685, complete the certification required under s. 48.658 **(2) (a)** 2., and pay the license fee under sub. **(3)**. A license issued under

this subsection is valid until revoked or suspended, but shall be reviewed every 2 years as provided in s. 48.66 (5).

SECTION 2. 48.651 (1) (intro.) of the statutes is amended to read:

48.651 (1) (intro.) Each county department shall certify, according to the standards adopted by the department of workforce development under s. 49.155 (1d), each day care provider reimbursed for child care services provided to families determined eligible under s. 49.155, unless the provider is a day care center licensed under s. 48.65 or is established or contracted for under s. 120.13 (14). Each county may charge a fee to cover the costs of certification. To be certified under this section, a person must meet the minimum requirements for certification established by the department of workforce development under s. 49.155 (1d), meet the requirements specified in s. 48.685, complete the certification required under s. 48.658 (2) (a) 2., and pay the fee specified in this section. The county shall certify the following categories of day care providers:

SECTION 3. 48.657 (1) (a) of the statutes is amended to read:

48.657 **(1)** (a) Violations of statutes, rules promulgated by the department under s. 48.658 (3) or 48.67, or provisions of licensure under s. 48.70 (1) by the day care center. In providing information under this paragraph, the department may not disclose the identity of any employee of the day care center.

SECTION 4. 48.657 (1) (b) of the statutes is amended to read:

48.657 **(1)** (b) A telephone number at the department that a person may call to complain of any alleged violation of a statute, rule promulgated by the department under s. <u>48.658 (3) or 48.67</u>, or provision of licensure under s. <u>48.70 (1)</u> by the day care center.

SECTION 5. 48.657 (2g) of the statutes is amended to read:

48.657 **(2g)** If the report under sub. (1) indicates that the day care center is in violation of a statute, a rule promulgated by the department under s. <u>48.658 (3) or 48.67</u>, or a provision of licensure under s. <u>48.70 (1)</u>, the day care center shall post with the report any notices received from the department relating to that violation.

Section 6. 48.658 of the statutes is created to read:

- **48.658** Unsafe children's products. **(1)** (a) Except as provided in par. (b), a day care center that is licensed under s. 48.65 (1), a day care provider that is certified under s. 48.651 (1), or a day care program that is established or contracted for under s. 120.13 (14) may not use or have on the premises where the day care center, day care provider, or day care program provides child care a children's product, as defined in s. 100.375 (1) (b), whose commercial use is prohibited under s. 100.375 (2) (a), or a baby crib, as defined in s. 100.375 (1) (a), whose commercial use is prohibited under s. 100.375 (4).
- (b) Paragraph (a) does not apply to an antique or collectible children's product or baby crib that is not used by, or accessible to, any child on the premises of the day care center, day care provider, or day care program.
- (2) (a) Before the department of health and family services may issue or continue a license to operate a day care center under s. 48.65 (1), before a county department may certify or recertify a day care provider under s. 48.651 (1), before a school board may contract or renew a contract with a day care program under s. 120.13 (14), 3 times a year during the period of the license, certification, or contract, and whenever personnel of the department of health and family services, county department, or school board visit or inspect the day care center, day care provider, or day care program, all of the following shall occur:

- 1. The department of health and family services, the county department, or the school board shall provide the day care center, day care provider, or day care program with notice of the prohibitions under sub. (1), the requirements under s. 100.375 (2) (a) relating to children's products, and the requirements under s. 100.375 (4) and (5) relating to baby cribs and with a copy of the list of unsafe children's products maintained under s. 100.375 (2) (c) in plain, nontechnical language that will enable the day care center, day care provider, or day care program to inspect children's products and baby cribs on its premises and identify children's products and baby cribs that are unsafe. The notice and list provided under this subdivision may be provided by electronic mail.
- 2. The day care center, day care provider, or day care program shall review the notice and list provided under subd. 1., immediately remove from its premises any children's products and baby cribs that are unsafe, certify on a form prescribed under sub. (3) that it has reviewed that notice and list and that all unsafe children's products and baby cribs have been removed from its premises, and return the completed form to the department, county department, or school board that provided the notice and list, which shall retain the completed form in its files.
- (b) A day care center, day care provider, or day care program shall maintain a file of all notices and lists provided under par. (a) 1. and shall permit the parent, guardian, or legal custodian of any child who is receiving care and supervision, or who is a prospective recipient of care and supervision, from the day care center, day care provider, or day care program to inspect those notices and lists during its hours of operation.
- (3) The department of health and family services shall promulgate rules to implement this section and prescribe a form for the certification under sub. (2) (a) 2.

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with respect to day care centers that are licensed under s. 48.65 (1) and day care programs that are established or contracted for under s. 120.13 (14). The department of workforce development shall promulgate rules to implement this section and prescribe a form for the certification under sub. (2) (a) 2. with respect to day care providers that are certified under s. 48.651 (1).

SECTION 7. 48.66 (5) of the statutes is amended to read:

48.66 (5) A child welfare agency, group home, day care center or shelter care facility license, other than a probationary license, is valid until revoked or suspended, but shall be reviewed every 2 years after the date of issuance as provided in this subsection. At least 30 days prior to the continuation date of the license, the licensee shall submit to the department an application for continuance of the license in the form and containing the information that the department requires. If the minimum requirements for a license established under s. 48.67 are met, the application is approved, the applicable fees referred to in ss. 48.68 (1) and 48.685 (8) are paid and, any forfeiture under s. 48.715 (3) (a) or penalty under s. 48.76 that is due is paid, and, in the case of a day care center licensed under s. 48.65 (1), the certification required under s. 48.658 (2) (a) 2. is completed, the department shall continue the license for an additional 2-year period, unless sooner suspended or revoked. If the application is not timely filed, the department shall issue a warning to the licensee. If the licensee fails to apply for continuance of the license within 30 days after receipt of the warning, the department may revoke the license as provided in s. 48.715 (4) and (4m) (b).

SECTION 8. 48.68 (1) of the statutes is amended to read:

48.68 (1) After receipt of an application for a license, the department shall investigate to determine if the applicant meets the minimum requirements for a

license adopted by the department under s. 48.67 and meets the requirements specified in s. ss. 48.658 (2) (a) 2. and 48.685, if applicable. In determining whether to issue or continue a license, the department may consider any action by the applicant, or by an employee of the applicant, that constitutes a substantial failure by the applicant or employee to protect and promote the health, safety, and welfare of a child. Upon satisfactory completion of this investigation and payment of the fee required under s. 48.615 (1) (a) or (b), 48.625 (2) (a), 48.65 (3) (a) or 938.22 (7) (b), the department shall issue a license under s. 48.66 (1) (a) or, if applicable, a probationary license under s. 48.69 or, if applicable, shall continue a license under s. 48.66 (5). At the time of initial licensure and license renewal, the department shall provide a foster home licensee with written information relating to the age-related monthly foster care rates and supplemental payments specified in s. 48.62 (4), including payment amounts, eligibility requirements for supplemental payments and the procedures for applying for supplemental payments.

Section 9. 48.69 of the statutes is amended to read:

48.69 Probationary licenses. Except as provided under s. 48.715 (6) and (7), if any child welfare agency, shelter care facility, or group home or day care center that has not been previously issued a license under s. 48.66 (1) (a) applies for a license, meets the minimum requirements for a license established under s. 48.67, and pays the applicable fee referred to in s. 48.68 (1) or if any day care center that has not been previously issued a license under s. 48.66 (1) (a) applies for a license, meets those minimum requirements, completes the certification required under s. 48.658 (2) (a) 2., and pays that applicable fee, the department shall issue a probationary license to that child welfare agency, shelter care facility, group home, or day care center. A probationary license is valid for up to 6 months after the date of issuance unless

renewed under this section or suspended or revoked under s. 48.715. Before a probationary license expires, the department shall inspect the child welfare agency, shelter care facility, group home, or day care center holding the probationary license and, except as provided under s. 48.715 (6) and (7), if the child welfare agency, shelter care facility, or group home or day care center meets the minimum requirements for a license established under s. 48.67 or if the day care center meets those minimum requirements and completes the certification required under s. 48.658 (2) (a) 2., the department shall issue a license under s. 48.66 (1) (a). A probationary license issued under this section may be renewed for one 6-month period.

Section 10. 48.715 (2) (c) of the statutes is amended to read:

48.715 **(2)** (c) That a licensee stop violating any provision of licensure under s. 48.70 (1) or rules promulgated by the department under s. 48.658 (3) or 48.67.

SECTION 11. 48.715 (2) (d) of the statutes is amended to read:

48.715 **(2)** (d) That a licensee submit a plan of correction for violation of any provision of licensure under s. 48.70 (1) or rule promulgated by the department under s. 48.658 (3) or 48.67.

SECTION 12. 48.715 (2) (f) of the statutes is amended to read:

48.715 **(2)** (f) That a licensee close the intake of any new children until all violations of the provisions of licensure under s. 48.70 (1) and the rules promulgated by the department under s. 48.658 (3) or 48.67 are corrected.

SECTION 13. 48.715 (3) (intro.) of the statutes is amended to read:

48.715 **(3)** (intro.) If the department provides written notice of the grounds for a penalty, an explanation of the types of penalties that may be imposed under this subsection, and an explanation of the process for appealing a penalty imposed under this subsection, the department may impose any of the following penalties against

a licensee or any other person who violates a provision of licensure under s. $48.70\ (1)$
or rule promulgated by the department under s. <u>48.658 (3) or</u> 48.67 or who fails to
comply with an order issued under sub. (2) by the time specified in the order:

SECTION 14. 48.715 (4) (a) of the statutes is amended to read:

48.715 **(4)** (a) The department has imposed a penalty on the licensee under sub. (3) and the licensee or a person under the supervision of the licensee either continues to violate or resumes violation of a rule promulgated under s. <u>48.658 (3) or 48.67</u>, a provision of licensure under s. <u>48.70 (1)</u>, or an order under this section forming any part of the basis for the penalty.

SECTION 15. 48.715 (4) (b) of the statutes is amended to read:

48.715 **(4)** (b) The licensee or a person under the supervision of the licensee has committed a substantial violation, as determined by the department, of a rule promulgated under s. <u>48.658 (3) or 48.67</u>, a provision of licensure under s. <u>48.70 (1)</u>, or an order under this section.

SECTION 16. 48.715 (4) (d) of the statutes is amended to read:

48.715 **(4)** (d) The licensee or a person under the supervision of the licensee has violated, as determined by the department, a rule promulgated under s. <u>48.658 (3)</u> or <u>48.67</u>, a provision of licensure under s. <u>48.70 (1)</u>, or an order under this section that is the same as or similar to a rule promulgated under s. <u>48.658 (3)</u> or <u>48.67</u>, a provision of licensure under s. <u>48.70 (1)</u>, or an order under this section that the licensee or a person under the supervision of the licensee has violated previously.

SECTION 17. 100.375 of the statutes is created to read:

100.375 Children's products. (1) Definitions. In this section:

(a) "Baby crib" means a full-size baby crib or a nonfull-size baby crib.

- (b) "Children's product" means a product that is designed principally for the care of, or use by, children under 12 years of age. "Children's products" include baby cribs; baby and toddler furniture; apparel; bath seats; baby walkers, baby jumpers, and similar devices; gates for containing children; car seats; strollers and other devices for transporting children; play equipment; and toys. "Children's products" do not include food, medicine, or any other products that are designed to be ingested, injected, or otherwise applied to the human body.
- (c) "Commercial supplier" means a person who is in the business of selling, leasing, remanufacturing, retrofitting, or otherwise putting into commercial use a children's product. "Commercial supplier" includes a person who is in the business of selling or leasing used merchandise, if the merchandise regularly includes children's products, but does not include a person who sells or leases a children's product on an occasional basis.
- (d) "Consumer" means an individual who purchases or otherwise acquires a children's product for personal or family use or a child care provider, as defined in s. 49.001 (1), that purchases or otherwise acquires a children's product for use in providing child care.
- (e) "Full-size baby crib" means a full-size baby crib, as defined in 16 CFR Part 1508.
 - (f) "Infant" means any child less than 35 inches tall and less than 3 years of age.
- (g) "Lease" means to lease or sublease, offer to lease or sublease, or contract to lease or sublease.
- (h) "Nonfull-size baby crib" means a nonfull-size baby crib, as defined in 16 CFR Part 1509.

- (i) "Sell" means to sell, to resell, or to offer to sell or resell, or to contract to sell or resell.
 - (2) PROHIBITION; GENERAL. (a) Except as provided in par. (b), no commercial supplier may sell, lease, remanufacture, retrofit, or otherwise put into commercial use a children's product to which any of the following applies:
 - 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 the department, by an agency of the federal government, or by the children's product's manufacturer, distributor, or importer, and the recall has not been rescinded.
 - 3. The department or an agency of the federal government has issued a warning that the intended use of the children's product constitutes a safety hazard and the warning has not been rescinded.
 - (b) Paragraph (a) does not apply to any of the following:
 - 1. A children's product that has been retrofitted under sub. (3) (a), if the product has not previously been sold to a consumer.
 - 2. A children's product that was not included on the list maintained under par.

 (c) on the day immediately prior to the day on which the product was sold, leased, remanufactured, retrofitted, or otherwise put into commercial use.
 - (c) The department shall maintain and quarterly update a list of all children's products to which par. (a) applies. Notwithstanding s. 20.908, the department shall provide this list to any person at no cost, and may provide the list and updates to the list by electronic mail. The department shall make this list available to the public at no charge and on the Internet.

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- (3) Retrofiting. (a) Notwithstanding sub. (2) (a), a commercial supplier may retrofit a children's product that has been recalled as described under sub. (2) (a) 2. or for which a warning described under sub. (2) (a) 3. has been issued if the retrofit is approved by the state agency or agency of the federal government that issued the recall or warning or by a state agency or agency of the federal government that is responsible for approving the retrofit.
- (b) Notwithstanding sub. (2) (a), a commercial supplier may sell or lease to a consumer a children's product that has been retrofitted under par. (a) if the commercial supplier ensures that a notice accompanies the children's product at the time of sale or lease.
 - (c) The notice under par. (b) shall include all of the following:
 - 1. The name and model of the children's product.
- 2. A declaration that the children's product is safe for use by a child who meets the conditions specified by the manufacturer of the children's product.
- 3. A description of the original problem that required that the children's product be recalled or that required a warning to be issued concerning the children's product.
- 4. A description of the retrofit that explains how the original problem has been eliminated.
 - 5. The name and address of the person that accomplished the retrofit.
- (4) PROHIBITION; BABY CRIBS. No commercial supplier may sell, lease, remanufacture, retrofit, or otherwise put to commercial use a baby crib that violates any rule promulgated by the department under sub. (6) (b).

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- (5) Rebuttable presumption; baby cribs. A baby crib is rebuttably presumed to be unsafe for use by an infant if the baby crib does not comply with any rule promulgated by the department under sub. (6) (b) or if any of the following apply:
- (a) The baby crib does not comply with 16 CFR Part 1508, if the baby crib is a full-size baby crib.
- (b) The baby crib does not comply with 16 CFR Part 1509, if the baby crib is a nonfull-size baby crib.
 - (c) The baby crib does not comply with 16 CFR Part 1303.
- **(6)** Rule Making. (a) The department shall promulgate a rule to define "occasional basis" for purposes of this section.
- (b) The department shall promulgate rules to ensure the safety of children's products. The rules promulgated by the department shall be consistent with nationally recognized industry standards for the design and manufacture of children's products and shall include all of the following:
 - 1. Design requirements for corner posts of full-size and nonfull-size baby cribs.
- 2. Testing requirements for structural integrity and design requirements for nonfull–size cribs.
- 3. Performance requirements and test procedures to determine the structural integrity of baby cribs.
- (7) Injunction. (a) In addition to any other right or remedy, any of the following may commence an action to enjoin a commercial supplier from violating sub. (2) or (4):
 - 1. The department.
- 24 2. After consulting with the department, the department of justice or any district attorney.

- 3. Any other person.
 - (b) Notwithstanding s. 814.04 (1), the court may award a person who prevails in an action under this subsection reasonable attorney fees and costs.
 - **(8)** FORFEITURE. A commercial supplier who violates sub. (2) or (4) shall forfeit not less than \$100 nor more than \$10,000 for each violation.

SECTION 18. Nonstatutory provisions.

- (1) Unsafe Children's products and baby cribs; rules.
- (a) *Proposed rules.* The department of agriculture, trade and consumer protection shall submit in proposed form the rules required under section 100.375 (6) of the statutes, as created by this act, and the department of health and family services and the department of workforce development shall submit in proposed form the rules required under section 48.658 (3) of the statutes, as created by this act, to the legislative council staff under section 227.15 (1) of the statutes no later than the first day of the 7th month beginning after the effective date of this subsection. Notwithstanding section 227.137 (2) of the statutes, the secretary of administration may not require the department of agriculture, trade and consumer protection, the department of health and family services, or the department of workforce development to prepare an economic impact report for the rules required under sections 100.375 (6) and 48.658 (3) of the statutes, as created by this act.
- (b) *Emergency rules.* Using the procedure under section 227.24 of the statutes, the department of agriculture, trade and consumer protection shall promulgate the rules required under section 100.375 (6) of the statutes, as created by this act, and the department of health and family services and the department of workforce development shall promulgate the rules required under section 48.658 (3) of the statutes, as created by this act. Notwithstanding section 227.24 (1) (c) and (2) of the

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statutes, emergency rules promulgated under this paragraph remain in effect until the first day of the 19th month after the effective date of this subsection or the date on which permanent rules take effect, whichever is sooner. Notwithstanding section 227.24 (1) (a), (2) (b), and (3) of the statutes, the department of agriculture, trade and consumer protection, the department of health and family services, and the department of workforce development are not required to provide evidence that promulgating a rule under this subsection as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and are not required to provide a finding of emergency for a rule promulgated under this paragraph.

SECTION 19. Effective dates. This act takes effect on the first day of the 12th month beginning after publication, except as follows:

(1) RULES. SECTION 18 (1) of this act takes effect on the day after publication.

13 (END)