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UPDATE POST



How State Regulations like California's Proposition 65 Affect You

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If you've ever been to California, you've probably seen the warning label on everything from your shower curtain to your French fries: "This product contains chemicals known to the state of California to cause cancer..." These labels are the result of Proposition 65, a state regulation that requires the labels on any product that could potentially expose consumers to one of over 800 chemicals even if – as is almost always the case – the degree of exposure is so unlikely that the products pose no real risk at all (unless of course you plan to eat several hundred shower curtains). But even if you've never been to California, Prop 65 – like many other state and local regulations – still affects you.

To comply with Prop 65, any business that sells in California, regardless of where it is based, faces two high cost options: Put warning labels on all goods

nationwide, potentially scaring consumers outside of California who aren't used to seeing so many warning labels; or, use special packaging solely for California, disrupting supply chains and logistics. To pay for these increased costs, businesses are forced to raise prices and/or cut jobs nationwide, negatively impacting you and your family.

Of course some businesses could choose to quit selling in California altogether. This decision not only deprives Californians of products but also cuts businesses off from a market of nearly 40 million consumers, potentially making a product uneconomical to provide nationwide. This decision is more common than you might think; high profile companies like Dunkin' Donuts and Wholesale Unlimited have limited business in the state for this reason.

Prop 65 might also restrict your access to your favorite products because it is largely enforced by frivolous lawsuits for "failure to warn." Durascoop, a small business out of Illinois that specializes in cat litter box "poop scoopers," knows this all too well. It was sued by opportunistic plaintiffs in California because the plastic handle on the scooper lacked the warning label required by Prop 65. The litigation and settlement costs from such cases could put Durascoop and thousands of other small businesses nationwide out of business.

Prop 65 is just one of a myriad of state and local regulations – from genetically modified food labeling requirements in Vermont to calorie count laws in New York – that place an onerous burden on local companies and ones that do business nationwide. Their compliance costs for businesses raise prices, reduce jobs, and eliminate products for the rest of us.