[Second Reprint]

ASSEMBLY, No. 1979

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman STERLEY S. STANLEY
District 18 (Middlesex)
Assemblywoman YVONNE LOPEZ
District 19 (Middlesex)
Assemblyman JAMES J. KENNEDY
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Assemblywoman Murphy, Assemblyman Holley, Assemblywomen Swain, McKnight, Assemblymen Verrelli, Karabinchak, Scharfenberger, Assemblywoman Dunn, Assemblymen Conaway, Calabrese and McKeon

SYNOPSIS

Requires paint producers to implement or participate in paint stewardship program.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on December 13, 2021, with amendments.

(Sponsorship Updated As Of: 12/20/2021)

AN ACT requiring producers of architectural paint to implement or 1 2 participate in a paint stewardship program, and supplementing 3 Title 13 of the Revised Statutes.

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BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

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1. This act shall be known and may be cited as the "Architectural Paint Stewardship Act."

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2. The Legislature finds and declares that local governments, businesses, and residents of the State do not have ready access to an efficient, environmentally sound, and cost-effective disposal method for architectural paint; and that hazardous waste collection days are costly for local governments and insufficient, inconvenient, and too infrequent to properly serve local businesses and residents, resulting in missed opportunities to reduce, reuse, and recycle paint.

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The Legislature further finds and declares that the producers of architectural paint are best able to assume responsibility for the development and implementation of a cost-effective paint stewardship program that will provide fiscal relief to local governments by reducing the volumes of leftover paint, promoting its reuse, and providing for the collection, transportation, and processing of such paint.

The Legislature therefore determines that it is in the best interests of the State for the producers of architectural paint to provide for the planning and implementation of a program to collect, reuse, recycle, transport, and dispose of post-consumer architectural paint.

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3. As used in this act:

² "Aerosol paint" means a pressurized coating product that contains pigment or resin that dispenses product ingredients by means of a propellant, and is packaged in a disposable aerosol container for hand-held application.²

"Architectural paint" means interior or exterior architectural coatings that are sold in containers of five gallons or less. "Architectural paint" shall not mean industrial, original equipment, or specialty use coatings.

"Commissioner" means the Commissioner of Environmental 41 42 Protection.

43 "Department" means the Department of Environmental 44 Protection.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AEN committee amendments adopted March 15, 2021.

²Assembly AAP committee amendments adopted December 13, 2021.

1 "Distributor" means a person who has a contractual relationship 2 with one or more producers to market and sell architectural paint to 3 retailers.

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"Energy recovery" means a procedure in which all or a part of the solid waste materials of architectural paint are processed to use the heat content or other forms of energy from the solid waste materials.

8 "Environmentally sound management practices" means the 9 policies or procedures for collection, storage, transportation, reuse, 10 recycling, and disposal of architectural paint, which are implemented by a producer, representative organization, or their 11 12 contracted partners to ensure compliance with all applicable federal, State, and local laws, rules, regulations, and ordinances, and the 13 14 protection of human health and the environment, and which address 15 matters such as adequate recordkeeping, accurate tracking and documentation of the use, reuse, recycling, or disposal of post-16 17 consumer architectural paint within and outside of the State, and 18 adequate provision of environmental liability coverage for 19 professional services and for the operations of contractors working on behalf of a producer or representative organization. 20

²"Federal waste management hierarchy" means the four-tiered hierarchy, established by the United States Environmental Protection Agency, that guides waste management determinations through the promotion of source reduction, recycling, energy recovery, and waste treatment and disposal, in that order, to the extent feasible.²

"Paint stewardship assessment" means the assessed amount, established pursuant to section 5 of this act, which is ¹ [added to] included in ¹ the purchase price of architectural paint sold in the State.

"Post-consumer architectural paint" means architectural paint not used and no longer wanted by a consumer.

"Producer" means a manufacturer of architectural paint that is sold, offered for sale, or distributed in the State, either under the producer's own name or under any other brand name.

"Recycling" means any process used to transform discarded products, components, or by-products into new usable or marketable materials, and which process may cause those discarded products, components, or by-products to lose their original composition or identity. "Recycling" shall not include energy recovery or energy generation by means of combustion or incineration.

"Representative organization" means a nonprofit organization that is established by, and for the benefit of, two or more architectural paint producers in the State, and which is tasked with the development of an architectural paint stewardship program plan, in accordance with section 4 of this act, and implementation of the plan on behalf of, and with the participation of, each member producer.

"Retailer" means any person who sells architectural paint or offers architectural paint for sale at retail to consumers in the State.

"Reuse" means the return of a product into the economic stream for use in the same kind of application originally intended for the product, without a change in the product's original composition or identity.

"Sell" or "sale" means any transfer of title for consideration, including, but not limited to, remote sales transactions conducted through sales outlets, catalogs, or the Internet, or through any other similar electronic means.

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- 4. a. Within one year after the date of enactment of this act, every producer of architectural paint, or any representative organization established pursuant to this act, shall prepare and submit to the commissioner, for the commissioner's approval, a plan for an architectural paint stewardship program. The plan shall minimize ²the involvement of, and eliminate costs to, the ² public sector ²[involvement in the management] in association with the collection, transportation, and processing ² of post-consumer architectural paint by reducing its generation, promoting its reuse and recycling, and negotiating and executing agreements for its collection, transportation, reuse, recycling, burning for energy recovery, incineration, and disposal using environmentally sound management practices ²that are consistent with the federal waste management hierarchy².
 - b. The plan submitted pursuant to this section shall:
- (1) provide for convenient and available Statewide collection of post-consumer architectural paint from urban, suburban, and rural areas of the State in a manner that, at a minimum, ensures collection rates and a level of convenience equal to or greater than that provided by other collection programs available to consumers prior to the establishment of the architectural paint stewardship program;
- (2) provide collection site locations Statewide that will accept post-consumer architectural paint, through the use of geographic information modeling, such that at least 90 percent of State residents have a permanent collection site within 15 miles of their residence, that permanent collection sites be established for every 30,000 residents of a population center, and that collection sites be distributed to provide convenient and equitable access for residents within each population center, unless otherwise authorized by the department. For those persons who do not have a permanent collection site within 15 miles of their residence, the plan shall provide for annual collection events ², unless more frequent collection events are deemed to be necessary, and are required, in writing, by the department²;

- (3) address, to the extent reasonably feasible and mutually agreeable, the coordination of the architectural paint stewardship program with the existing infrastructure of local governments and the existing household hazardous waste collection infrastructure in the State ², to the extent that there are no additional costs to the local, county, or State government for the collection, transportation, or processing of post-consumer architectural paint²;
 - ²(4) describe how the program will follow a hierarchy that is consistent, to the extent feasible, with the federal waste management hierarchy;

- (5) describe the educational materials and outreach efforts that will be used to inform consumers about the architectural paint stewardship program and the paint stewardship assessment. Educational materials shall include, but need not be limited to, information identifying the end-of-life management options that are available for post-consumer architectural paint through the architectural paint stewardship program, as well as a notice provision stating that the costs of program operation will be included in the purchase price of all architectural paint sold in the State;²
- ²[(4)] (6)² in accordance with the provisions of section 5 of this act, identify an appropriate amount for the paint stewardship assessment;
 - ${}^{2}I(5)I(7)^{2}$ identify, in two separate lists: (a) each producer participating in the program; and (b) the brands of architectural paint that are included in the program; and
 - ²[(6) be] (8) include a proposed budget that has been² reviewed and certified² by an independent financial auditor ²[to verify], and which confirms² that the paint stewardship assessment ¹[added to] included in the price of ¹ each unit of paint sold in the State will cover ²and sustain², but not exceed, the costs of the architectural paint stewardship program. The cost of any work performed by an independent financial auditor pursuant to this paragraph shall be funded by the architectural paint stewardship program. ²The proposed budget shall also include a description of surplus funds, if any, that are in reserve for future use.²
- c. A producer of architectural paint, or a representative organization established pursuant to this act, shall notify the department, in writing, within 30 days of any of the following changes to a plan approved pursuant to section 6 of this act:
- 41 (1) the location or number of collection sites identified in the 42 plan;
- 43 (2) the identity of the processors that manage the post-consumer 44 architectural paint collected; or
- 45 (3) the transporters of the post-consumer architectural paint 46 collected by the program.

- d. A producer of architectural paint, or a representative organization established pursuant to this act, shall submit an amendment to the plan approved by the department within 120 days after:
 - (1) any change to the amount of the paint stewardship assessment imposed pursuant to section 5 of this act; or
 - (2) any change to the goals of the program as approved in the plan.

The department shall review the amendments to the plan and shall approve or disapprove them in accordance with the procedures established pursuant to section 6 of this act.

- e. The department shall charge and collect from each producer or representative organization that submits a plan for an architectural paint stewardship program pursuant to this section an annual administrative fee, which shall not exceed the department's costs in administering the provisions of this act.
- ²f. No sooner than the fifth year, and no later than the sixth year, following the effective date of this act, all architectural paint stewardship plans shall be amended to provide for the environmentally sound collection, transportation, reuse, recycling and disposal of aerosol paint.²

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- 5. a. The producer or representative organization submitting a plan pursuant to section 4 of this act shall establish, as a funding mechanism for the program ²and the implementation of its plan², a paint stewardship assessment amount to be uniformly applied to the sale price of all brands of architectural paint covered under the architectural paint stewardship program. The paint stewardship assessment shall not exceed the costs of ²implementing and sustaining the architectural paint stewardship plan and ² the architectural paint stewardship program.
- b. A paint stewardship assessment, as established by subsection a. of this section, shall be '[added to] included in' the cost of each container of architectural paint sold by a producer to a retailer or distributor in the State, and each retailer or distributor shall '[add] include' the paint stewardship assessment '[to] in' the purchase price of the producer's architectural paint.
- c. If a producer is a member of a representative organization, the producer shall remit to the representative organization the paint stewardship assessment received for each container of architectural paint sold by the producer in the State.

6. a. Within 90 days after the department's receipt of a plan submitted in accordance with section 4 of this act, the commissioner shall approve or disapprove the plan, including the paint stewardship assessment identified therein, and provide written notice of its determination to the producer or representative

organization, as the case may be. If the department does not provide notice of its determination within 90 days after its receipt of the plan, the plan shall be deemed to have been approved, and the producer or representative organization, as the case may be, shall proceed to implement the plan.

- b. If the commissioner disapproves a plan submitted pursuant to section 4 of this act, the written notice provided pursuant to subsection a. of this section shall be accompanied by a ²[detailed statement] list², prepared by the department, describing the ²[reasons for the disapproval, and prescribing] plan requirements, established in section 4 of this act, that have not been satisfied, and ² the changes ²that are ² required for ²[approval] the plan to be approved². No more than 45 days after receipt of the department's written notice and accompanying statement of the reasons for the disapproval of a plan submitted pursuant to section 4 of this act, the producer or representative organization, as appropriate, shall submit ²[the] a² modified plan to the department for approval.
- c. Within 45 days after receipt of a modified plan that has been submitted in accordance with subsection b. of this section, the department shall approve the plan or reject it, and shall certify the approval or rejection to the producer or representative organization, as the case may be. Upon the department's disapproval of any modified plan submitted pursuant to subsection b. of this section, or upon the failure of the producer or representative organization to submit a modified plan as required, the department shall propose any revisions to the plan the department deems necessary, and shall transmit the proposed plan revisions to the producer or representative organization, as the case may be. Upon receipt of the department's proposed revisions to the plan, the producer or representative organization, as appropriate, shall implement the revised plan unless otherwise agreed to by the department.
- d. Within 90 days after the department's approval of, or revisions to, a plan submitted in accordance with section 4 of this act:
- (1) the producer or representative organization, as appropriate, shall implement the architectural paint stewardship program described in the plan; and
- (2) the department shall post, at a publicly accessible location on its Internet website, two separate lists respectively identifying (a) each producer participating in the architectural paint stewardship program, and (b) the brands of architectural paint included in the program.

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²[7. In implementing a plan approved or revised pursuant to section 6 of this act, the producer, or representative organization of which the producer is a member, shall provide consumers with educational materials related to the architectural paint stewardship

program and the paint stewardship assessment. These educational materials shall include, but need not be limited to, information identifying the end-of-life management options that are available for post-consumer architectural paint through the architectural paint stewardship program, and a notice provision stating that the costs of program operation will be included in the purchase price of all architectural paint sold in the State. The producer, or representative organization of which the producer is a member, may provide retailers and collection sites with educational and informational material describing collection opportunities and promoting waste prevention, reuse, and recycling of post-consumer architectural paint. The educational and promotional materials may include, but need not be limited to, signage, written materials, templates of materials for reproduction by retailers to be provided to consumers at the time of purchase, and advertising materials describing the architectural paint stewardship program.]²

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- ²[8] <u>7</u>². a. A producer, distributor, or retailer shall not sell architectural paint or offer architectural paint for sale to any person in the State unless the producer of the architectural paint, or a representative organization of which the producer is a member, is engaged in the implementation of, or has fully implemented, a plan approved or revised by the commissioner pursuant to section 6 of this act.
- b. A distributor or retailer shall be deemed to be in compliance with subsection a. of this section if, on the date architectural paint is ordered thereby, the producer of the paint and the brand name of the paint are each identified on the ²[respective] producer and brand² lists maintained on the department's Internet website pursuant to paragraph (2) of subsection d. of section 6 of this act.
- c. (1) Any producer, distributor, or retailer who violates the provisions of subsection a. of this section shall be subject to: (a) a written warning for a first offense ²[,];² and (b) a penalty of ²[between]² \$500 ²[and \$1,000]² for each subsequent offense. Any applicable penalty under this subsection shall be collected by the State in a civil action by summary proceeding under the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), or in any case before a court of competent jurisdiction wherein injunctive relief has been requested. The Superior Court and the municipal court shall have jurisdiction to enforce the provisions of the "Penalty Enforcement Law of 1999" in accordance with the provisions of this act.
- (2) The department may institute a civil action for injunctive relief to enforce the provisions, or prevent a violation, of this section, and the court may proceed in the action in a summary manner.

- ²(3) Whenever the department determines that any producer, distributor, or retailer is in violation of a provision of this act, the department may assess a civil administrative penalty of not more than \$500 for each violation, not to exceed a maximum penalty of \$10,000 during a calendar year, and each day of violation shall constitute an additional, separate, and distinct violation. A civil administrative penalty shall not be levied until a violator has been
- 8 provided with written notice, by certified mail or personal service,
 9 of the following:
 - (a) the statutory or regulatory basis of the violation;

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- 11 (b) the specific act or omission that constituted the violation;
- (c) the amount of the civil administrative penalty to be imposed;
- (d) the right of the violator to contest, through a hearing, any
 matter contained in the notice; and
- 15 (e) the procedures for requesting a hearing on any contested 16 matter.
- 17 (4) (a) A producer, distributer, or retailer who violates this act may, within 20 calendar days following receipt of the notice of 18 19 violation, issued pursuant to paragraph (3) of this subsection, request a hearing on any matter contained in the notice. Any person 20 21 requesting a hearing shall comply with all requisite procedures 22 therefor, as specified in the notice. Failure to submit a timely 23 request or to comply with all requisite procedures shall constitute 24 grounds for denial of a hearing request. After a hearing and upon a 25 finding that a violation has occurred, the department shall issue a 26 final order assessing the amount of the civil administrative penalty 27 specified in the notice. If a violator does not request a hearing or 28 fails to satisfy the statutory and administrative requirements for 29 requesting a hearing, the notice of assessment of a civil 30 administrative penalty, issued pursuant to paragraph (3) of this 31 subsection, shall become a final order on the 21st calendar day 32 following receipt of the notice by the violator. If the department 33 denies a hearing request made pursuant to this paragraph, the notice 34 of denial shall become a final order upon receipt of the notice by 35 the violator.
 - (b) A civil administrative penalty may be settled by the department on such terms and conditions as the department may determine.
 - (c) Payment of a civil administrative penalty shall not be deemed to affect the availability of any other enforcement remedy in connection with the violation for which the penalty was levied.
- 42 (5) If a civil administrative penalty imposed pursuant to this
 43 section is not paid within 30 days of the date that the penalty is due
 44 and owing, and the penalty is not contested by the producer,
 45 distributor, or retailer against whom the penalty has been assessed,
 46 or if the producer, distributor, or retailer fails to make a payment
 47 pursuant to a payment schedule entered into with the department, an
 48 interest charge shall accrue on the amount of the penalty from the

30th day that the amount was due and owing. In the case of an appeal of a civil administrative penalty, if the amount of the penalty is upheld, in whole or in part, the rate of interest shall be calculated on that amount as of the 30th day from the date the amount was due and owing under the administrative order. The rate of interest shall be that established by the New Jersey Supreme Court for interest rates on judgments, as set forth in the Rules of Court.

d. The department may post on its Internet website a list of producers, distributors, and retailers that are in violation of this act.²

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> ²[9] 8². a. Except as provided in subsection b. of this section, ²[an action undertaken by a producer or representative organization, which affects the types or quantities of paint being recycled, or the cost or structure of any return or recycling program, shall not be deemed to be a violation of any State law relating to antitrust, restraint of trade, unfair trade practices, or the regulation of trade or commerce, so long as the action is necessary to plan or implement the organized collection or processing of architectural paint pursuant to this act] a producer or the representative organization participating in an architectural paint stewardship program shall not be liable for any claim of a violation of antitrust, restraint of trade, unfair trade practice, or other anticompetitive conduct arising from conduct undertaken in accordance with the program, including, without limitation, the types or quantities of paint being managed consistent with the federal waste management

program, incl
 paint being m
 hierarchy².
 Subsection

b. Subsection a. of this section shall not apply to: (1) any agreement establishing or affecting the price of architectural paint, except an agreement to establish a paint stewardship assessment, as authorized by this act; or (2) any agreement restricting the output or production of architectural paint or the geographic area or customers to which paint will be sold.

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 2 [10] 9^2 . a. One year after the department provides notification to a producer or representative organization of its approval of a plan in accordance with section 6 of this act, and annually thereafter, the producer or representative organization, as the case may be, shall submit a report to the department describing its architectural paint stewardship program. The report shall include, at a minimum:

(1) a description of the methods used to reduce, reuse, collect, transport, recycle, and process post-consumer architectural paint under the program ², consistent with the federal waste management hierarchy²;

1 (2) the pounds of latex and oil-based post-consumer 2 architectural paint collected under the program during the preceding 3 year;

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- (3) the volume of post-consumer architectural paint processed under the program by method of disposition, including reuse, recycling, energy recovery, incineration, and disposal in accordance with environmentally sound management practices;
- (4) the estimated volume of post-consumer architectural paint collected at each collection site under the program;
- (5) a list of all processors of post-consumer architectural paint from the time of collection to final disposition that are used in the program and the disposition method used by each processor;
 - (6) a list of all producers participating in the program;
- (7) the total volume of architectural paint sold in the State during the preceding year based upon the collection of the paint stewardship assessment;
- (8) the total cost of implementing the program, which shall include ², but need not be limited to, ² separate figures for the cost of collection, transportation, disposition, communication, and independent financial audit;
- (9) an evaluation of the effectiveness of the program and any steps necessary to improve the program; ²[and]²
- (10) samples of the educational materials provided to consumers of architectural paint, together with an evaluation of the methods used to disseminate those materials ${}^{2}\mathbf{I}$, \mathbf{I}^{2} and an assessment of the educational and outreach effectiveness of those materials ${}^{2}\mathbf{I}$; and
- (11) a certification to the validity of the information contained in the report².
- b. Within 90 days after receipt of an annual report, the department ²[shall] may² meet with interested stakeholders to review it. ²[The] If the² department ²chooses to meet with interested stakeholders, the department ² shall post ²the² minutes of ²[the] each² stakeholder meeting ², on its Internet website ², within 30 days after the date of the meeting.
- 35 Each report submitted pursuant to subsection a. of this 36 section shall be posted on the department's Internet website. The 37 department shall not disclose financial, production, or sales data 38 reported by a producer or representative organization pursuant to 39 this section, except that the department may disclose such data in 40 aggregate or summary format, provided that individual producers, 41 distributors, or retailers and their financial, production, or sales data 42 are not specifically identified, and the summary omits any reference 43 to unique characteristics from which the identities of individual 44 producers, distributors, or retailers might be inferred or otherwise 45 ascertained.

A1979 [2R] STANLEY, LOPEZ

l	² 10. The department shall adopt, pursuant to the "Administrative
2	Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and
3	regulations as are necessary to effectuate the purposes of this act. ²
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5	11. This act shall take effect immediately, except that section
5	² [8] 7 ² of this act shall take effect on the first day of the 18th
7	month after the date of enactment of this act.