# [First Reprint] SENATE, No. 2679

# STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JULY 6, 2020

Sponsored by: Senator JAMES BEACH District 6 (Burlington and Camden) Senator BOB SMITH District 17 (Middlesex and Somerset)

Co-Sponsored by: Senator Pou

#### **SYNOPSIS**

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

#### **CURRENT VERSION OF TEXT**

As reported by the Senate Environment and Energy Committee on March 4, 2021, with amendments.



(Sponsorship Updated As Of: 6/21/2021)

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1 AN ACT requiring producers of architectural paint to implement or 2 participate in a paint stewardship program, and supplementing 3 Title 13 of the Revised Statutes. 4 5 **BE IT ENACTED** by the Senate and General Assembly of the State 6 of New Jersey: 7 8 1. This act shall be known and may be cited as the 9 "Architectural Paint Stewardship Act." 10 11 2. The Legislature finds and declares that local governments, 12 businesses, and residents of the State do not have ready access to an 13 efficient, environmentally sound, and cost-effective disposal method for architectural paint; and that hazardous waste collection 14 15 days are costly for local governments and insufficient, 16 inconvenient, and too infrequent to properly serve local businesses 17 and residents, resulting in missed opportunities to reduce, reuse, and 18 recycle paint. The Legislature further finds and declares that the producers of 19 20 architectural paint are best able to assume responsibility for the development and implementation of a cost-effective paint 21 stewardship program that will provide fiscal relief to local 22 23 governments by reducing the volumes of leftover paint, promoting 24 its reuse, and providing for the collection, transportation, and 25 processing of such paint. 26 The Legislature therefore determines that it is in the best interests of the State for the producers of architectural paint to 27 provide for the planning and implementation of a program to 28 29 collect, reuse, recycle, transport, and dispose of post-consumer 30 architectural paint. 31 3. As used in this act: 32 33 "Architectural paint" means interior or exterior architectural 34 coatings that are sold in containers of five gallons or less. 35 "Architectural paint" shall not mean industrial, original equipment, or specialty use coatings. 36 37 "Commissioner" means the Commissioner of Environmental 38 Protection. 39 "Department" means the Department of Environmental 40 Protection. 41 "Distributor" means a person who has a contractual relationship 42 with one or more producers to market and sell architectural paint to retailers. 43 44 "Energy recovery" means a procedure in which all or a part of 45 the solid waste materials of architectural paint are processed to use EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is

> Matter underlined <u>thus</u> is new matter. Matter enclosed in superscript numerals has been adopted as follows: <sup>1</sup>Senate SEN committee amendments adopted March 4, 2021.

not enacted and is intended to be omitted in the law.

1 the heat content or other forms of energy from the solid waste 2 materials.

"Environmentally sound management practices" means the 3 4 policies or procedures for collection, storage, transportation, reuse, 5 recycling, and disposal of architectural paint, which are 6 implemented by a producer, representative organization, or their 7 contracted partners to ensure compliance with all applicable federal, 8 State, and local laws, rules, regulations, and ordinances, and the 9 protection of human health and the environment, and which address 10 matters such as adequate recordkeeping, accurate tracking and 11 documentation of the use, reuse, recycling, or disposal of post-12 consumer architectural paint within and outside of the State, and 13 adequate provision of environmental liability coverage for 14 professional services and for the operations of contractors working 15 on behalf of a producer or representative organization.

16 "Paint stewardship assessment" means the assessed amount, 17 established pursuant to section 5 of this act, which is <sup>1</sup>[added to] included in<sup>1</sup> the purchase price of architectural paint sold in the 18 19 State.

20 "Post-consumer architectural paint" means architectural paint not 21 used and no longer wanted by a consumer.

22 "Producer" means a manufacturer of architectural paint that is 23 sold, offered for sale, or distributed in the State, either under the 24 producer's own name or under any other brand name.

25 "Recycling" means any process used to transform discarded 26 products, components, or by-products into new usable or 27 marketable materials, and which process may cause those discarded products, components, or by-products to lose their original 28 29 composition or identity. "Recycling" shall not include energy 30 recovery or energy generation by means of combustion or 31 incineration.

32 "Representative organization" means a nonprofit organization 33 that is established by, and for the benefit of, two or more 34 architectural paint producers in the State, and which is tasked with 35 the development of an architectural paint stewardship program plan, 36 in accordance with section 4 of this act, and implementation of the 37 plan on behalf of, and with the participation of, each member 38 producer.

39 "Retailer" means any person who sells architectural paint or 40 offers architectural paint for sale at retail to consumers in the State.

41 "Reuse" means the return of a product into the economic stream 42 for use in the same kind of application originally intended for the product, without a change in the product's original composition or 43 44 identity.

45 "Sell" or "sale" means any transfer of title for consideration, 46 including, but not limited to, remote sales transactions conducted 47 through sales outlets, catalogs, or the Internet, or through any other 48 similar electronic means.

1 4. a. Within one year after the date of enactment of this act, 2 every producer of architectural paint, or any representative 3 organization established pursuant to this act, shall prepare and 4 submit to the commissioner, for the commissioner's approval, a 5 plan for an architectural paint stewardship program. The plan shall minimize public sector involvement in the management of post-6 7 consumer architectural paint by reducing its generation, promoting 8 its reuse and recycling, and negotiating and executing agreements 9 for its collection, transportation, reuse, recycling, burning for 10 energy recovery, incineration, and disposal using environmentally 11 sound management practices.

b. The plan submitted pursuant to this section shall:

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(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;

19 (2) provide collection site locations Statewide that will accept 20 post-consumer architectural paint, through the use of geographic 21 information modeling, such that at least 90 percent of State 22 residents have a permanent collection site within 15 miles of their 23 residence, that permanent collection sites be established for every 24 30,000 residents of a population center, and that collection sites be 25 distributed to provide convenient and equitable access for residents 26 within each population center, unless otherwise authorized by the 27 department. For those persons who do not have a permanent collection site within 15 miles of their residence, the plan shall 28 29 provide for annual collection events;

30 (3) address, to the extent reasonably feasible and mutually
31 agreeable, the coordination of the architectural paint stewardship
32 program with the existing infrastructure of local governments and
33 the existing household hazardous waste collection infrastructure in
34 the State;

35 (4) in accordance with the provisions of section 5 of this act,
36 identify an appropriate amount for the paint stewardship
37 assessment;

(5) 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

(6) be reviewed by an independent financial auditor to verify
that the paint stewardship assessment <sup>1</sup>[added to] <u>included in the</u>
<u>price of</u><sup>1</sup> each unit of paint sold in the State will cover, 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.

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:

 the location or number of collection sites identified in the
 plan;

7 (2) the identity of the processors that manage the post-consumer8 architectural paint collected; or

9 (3) the transporters of the post-consumer architectural paint 10 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 stewardshipassessment imposed pursuant to section 5 of this act; or

17 (2) any change to the goals of the program as approved in the18 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.

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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, 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 the architectural paint stewardship program.

b. A paint stewardship assessment, as established by subsection a. of this section, shall be <sup>1</sup>[added to] <u>included in</u><sup>1</sup> 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 <sup>1</sup>[add] <u>include</u><sup>1</sup> the paint stewardship assessment <sup>1</sup>[to] <u>in</u><sup>1</sup> 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.

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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

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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.

8 b. If the commissioner disapproves a plan submitted pursuant 9 to section 4 of this act, the written notice provided pursuant to 10 subsection a. of this section shall be accompanied by a detailed 11 statement, prepared by the department, describing the reasons for 12 the disapproval, and prescribing the changes required for approval. 13 No more than 45 days after receipt of the department's written 14 notice and accompanying statement of the reasons for the 15 disapproval of a plan submitted pursuant to section 4 of this act, the 16 producer or representative organization, as appropriate, shall submit 17 the modified plan to the department for approval.

18 Within 45 days after receipt of a modified plan that has been c. 19 submitted in accordance with subsection b. of this section, the 20 department shall approve the plan or reject it, and shall certify the 21 approval or rejection to the producer or representative organization, as the case may be. Upon the department's disapproval of any 22 23 modified plan submitted pursuant to subsection b. of this section, or 24 upon the failure of the producer or representative organization to 25 submit a modified plan as required, the department shall propose 26 any revisions to the plan the department deems necessary, and shall 27 transmit the proposed plan revisions to the producer or 28 representative organization, as the case may be. Upon receipt of the 29 department's proposed revisions to the plan, the producer or 30 representative organization, as appropriate, shall implement the 31 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:

35 (1) the producer or representative organization, as appropriate,
36 shall implement the architectural paint stewardship program
37 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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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

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1 materials shall include, but need not be limited to, information 2 identifying the end-of-life management options that are available 3 for post-consumer architectural paint through the architectural paint 4 stewardship program, and a notice provision stating that the costs of 5 program operation will be included in the purchase price of all 6 architectural paint sold in the State. The producer, or representative 7 organization of which the producer is a member, may provide 8 retailers and collection sites with educational and informational 9 material describing collection opportunities and promoting waste 10 prevention, reuse, and recycling of post-consumer architectural 11 paint. The educational and promotional materials may include, but 12 need not be limited to, signage, written materials, templates of 13 materials for reproduction by retailers to be provided to consumers 14 at the time of purchase, and advertising materials describing the 15 architectural paint stewardship program.

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8. 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 respective lists maintained on the department's Internet website pursuant to paragraph (2) of subsection d. of section 6 of this act.

30 c. (1) Any producer, distributor, or retailer who violates the 31 provisions of subsection a. of this section shall be subject to: (a) a 32 written warning for a first offense, and (b) a penalty of between 33 \$500 and \$1,000 for each subsequent offense. Any applicable 34 penalty under this subsection shall be collected by the State in a 35 civil action by summary proceeding under the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), 36 37 or in any case before a court of competent jurisdiction wherein injunctive relief has been requested. The Superior Court and the 38 39 municipal court shall have jurisdiction to enforce the provisions of 40 the "Penalty Enforcement Law of 1999" in accordance with the 41 provisions of this act.

42 (2) The department may institute a civil action for injunctive
43 relief to enforce the provisions, or prevent a violation, of this
44 section, and the court may proceed in the action in a summary
45 manner.

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47 9. a. Except as provided in subsection b. of this section, an48 action undertaken by a producer or representative organization,

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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.

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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15 10. a. One year after the department provides notification to a 16 producer or representative organization of its approval of a plan in 17 accordance with section 6 of this act, and annually thereafter, the 18 producer or representative organization, as the case may be, shall 19 submit a report to the department describing its architectural paint 20 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) the pounds of latex and oil-based post-consumer
architectural paint collected under the program during the preceding
year;

(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;

31 (4) the estimated volume of post-consumer architectural paint32 collected at each collection site under the program;

33 (5) a list of all processors of post-consumer architectural paint
34 from the time of collection to final disposition that are used in the
35 program and the disposition method used by each processor;

(6) a list of all producers participating in the program;

37 (7) the total volume of architectural paint sold in the State
38 during the preceding year based upon the collection of the paint
39 stewardship assessment;

40 (8) the total cost of implementing the program, which shall
41 include separate figures for the cost of collection, transportation,
42 disposition, communication, and independent financial audit;

43 (9) an evaluation of the effectiveness of the program and any44 steps necessary to improve the program; and

(10) samples of the educational materials provided to consumers
of architectural paint, together with an evaluation of the methods
used to disseminate those materials, and an assessment of the
educational and outreach effectiveness of those materials.

b. Within 90 days after receipt of an annual report, the
department shall meet with interested stakeholders to review it.
The department shall post minutes of the stakeholder meeting on its
Internet website within 30 days after the date of the meeting.

5 c. Each report submitted pursuant to subsection a. of this section shall be posted on the department's Internet website. The 6 7 department shall not disclose financial, production, or sales data 8 reported by a producer or representative organization pursuant to 9 this section, except that the department may disclose such data in 10 aggregate or summary format, provided that individual producers, 11 distributors, or retailers and their financial, production, or sales data 12 are not specifically identified, and the summary omits any reference to unique characteristics from which the identities of individual 13 14 producers, distributors, or retailers might be inferred or otherwise 15 ascertained.

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17 11. This act shall take effect immediately, except that section 818 of this act shall take effect on the first day of the 18th month after19 the date of enactment of this act.