



How Does the New York Paint Stewardship Program Affect Reuse Stores?

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New York's paint stewardship law requires that a fee be applied to all new paint sold, including recycled-content paint. Reuse stores may volunteer to be a drop-off site and can be compensated by PaintCare for operating a paint reuse program.

START DATE: FALL 2021 (PENDING APPROVAL)

Paint Stewardship

PaintCare is a nonprofit organization established by the American Coatings Association to implement paint stewardship programs on behalf of coatings manufacturers in states that pass paint stewardship laws. PaintCare currently operates programs in California, Colorado, Connecticut, District of Columbia, Maine, Minnesota, Oregon, Rhode Island, and Vermont, and is developing programs for New York and Washington.

Paint Drop-Off Sites

The primary requirement of paint stewardship laws is for paint manufacturers to set up paint drop-off sites at retailers and other locations where households and businesses are able to take leftover architectural paint, free of charge. PaintCare has established more than 1,800 paint drop-off sites across its programs. Sites include paint retailers as well as solid waste facilities such as transfer stations, recycling centers, and landfills, and household hazardous waste (HHW) facilities. Reuse stores are also encouraged to volunteer to be paint drop-off sites.

Become a Paint Drop-Off Site

Reuse stores interested in becoming drop-off sites can fill out the Interest Form available at www.paintcare.org/retailer-interest-form.

Paint Reuse

Reuse is a preferred method of waste management. PaintCare encourages reuse stores to operate paint reuse programs. PaintCare will compensate paint drop-off sites operating a paint reuse program under a contract with PaintCare.

BENEFITS TO REUSE STORES AND THEIR CUSTOMERS

There are many benefits to becoming a paint drop-off site and offering paint for reuse. As a participating reuse store, you will:

- ◆ Make recycling of leftover paint more convenient for your customers
- ◆ Add paint recycling to your environmental sustainability mission
- ◆ Increase customer foot traffic and sales
- ◆ Help relieve local government of their cost of managing leftover paint
- ◆ Help your state conserve resources, keep paint out of the waste stream, and prevent the improper disposal of paint in your community
- ◆ Receive compensation for operating a paint reuse program (see the fact sheet Reuse Programs – Compensation & Reporting for more information)

REQUIREMENTS OF REUSE STORES THAT SELL PAINT

1. Check Registered Manufacturers and Brands

Once the New York paint stewardship program begins, retailers, including reuse stores, may not sell architectural paints, including recycled-content paints that are not registered. Paint manufacturers must register their company with PaintCare, and they must register all architectural paint brands they sell in the state. PaintCare publishes lists of registered manufacturers and brands so that retailers can check to see that the products they sell are registered. Please visit www.paintcare.org/lists for registration lists. Lists are posted about six months before the program begins. This requirement does not apply to reuse paint.

2. Pass on the Stewardship Fee

State law requires that a stewardship fee (PaintCare fee) is applied by manufacturers to the wholesale price of all architectural paint sold in New York. This fee pays for all aspects of running the PaintCare program. This requirement does not apply to reuse paint.

Architectural paint is defined under the paint stewardship program as interior and exterior architectural coatings sold in containers of five gallons or less. The fee applies to new paint products **and new, recycled-content paint products** sold. The fee does not apply to reuse paint (partial or full cans of leftover paint sold “as-is”).

The fee is remitted by manufacturers to PaintCare. Manufacturers then pass the fee to their dealers and retailers by adding it to the wholesale price of covered products. Retailers, including reuse stores, should see the PaintCare fee on invoices from suppliers. The law also requires that retailers and distributors include the fee in the price of architectural paint they sell. The fee paid by the customers to the retailers offsets the fee charged to the retailers by their suppliers. This ensures a level playing field for all parties.

COMMON QUESTIONS

How much is the fee?

Although the fee structure for New York has not yet been determined, we expect it to be similar to the fee structure in other states with a PaintCare program. The fee is based on container size and vary from one program to another:

- ◆ \$0.35 - \$0.49: Small containers (pints & quarts)
- ◆ \$0.75 - \$0.99: Mid-size containers (1–2 gallons)
- ◆ \$1.60 - \$1.99: Larger sizes up to 5 gallons

When will the fee for New York be known?

The fee structure will be proposed by PaintCare in its program plan that will be submitted to the New York State Department of Environmental Conservation (DEC) in spring 2021 (pending DEC approval). Reuse stores will be notified when the proposed fee structure is known, and also notified when it is approved (or if it changes).

How is the fee calculated?

The fee is set to cover the cost of a fully operating program. PaintCare estimates the annual sales of architectural paint in each state and divides the estimated annual expenses of the program by the estimated number of containers to be sold, adjusts for container size, and determines a fee per container size that will provide the revenue needed to fund the program. PaintCare is a nonprofit organization and operates programs on a state-by-state basis, so the fee may increase or decrease and is different from state to state.

Is sales tax applied to the fee, itself?

Yes. The fee is part of the purchase price; therefore, sales tax is collected on the fee. **The fee itself is not a tax.**

Is the fee a deposit to be returned to customers?

The fee is not a deposit. The fee is used entirely to cover the expenses of running the program. The fee is not given back as a deposit for the return of paint or empty paint cans — a common misunderstanding.

Must we show the fee on receipts?

Showing the fee on receipts is not required, but most stores show the fee in order to explain the price increase to their customers. If a reuse store sells architectural paint, PaintCare encourages them to display the fee to increase awareness of the program.

Do we refund the fee if a product is returned?

Yes, the fee should be refunded because it is part of the purchase price.

Do we apply the fee to sales on the first day of the program for inventory purchased before the first day of the program, even though we didn't pay a fee for the product to the distributor or manufacturer?

Yes, retail and reuse stores must add the fee on all covered products sold on or after the first day of the program, regardless of when (before or after program launch) they were purchased from the supplier.

How does the public know about the fee?

PaintCare will provide materials for retail and reuse stores to distribute to the public to help explain the purpose of the fee, how the program works, and how to find a paint drop-off site. Before the program starts, PaintCare provides a "starter pack" of brochures and other information to all paint retailers. Additional materials can be ordered as needed for no charge. In addition to retailer information, PaintCare will work with contractor associations to get information to professional painting contractors and will conduct general outreach campaigns that may include digital and online advertising, newspaper, radio, and television.

Contact

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What Products Are Covered?

The products accepted at PaintCare drop-off sites are the same products that have a fee when they are sold. PaintCare products include interior and exterior architectural coatings sold in containers that are no larger than 5 gallons. They do not include aerosol products (spray cans), industrial maintenance (IM), original equipment manufacturer (OEM), or specialty coatings.

PAINTCARE PRODUCTS

- ◆ Interior and exterior architectural paints: latex, acrylic, water-based, alkyd, oil-based, enamel (including textured coatings)
- ◆ Deck coatings, floor paints
- ◆ Primers, sealers, undercoaters
- ◆ Stains
- ◆ Shellacs, lacquers, varnishes, urethanes
- ◆ Waterproofing concrete/masonry/wood sealers and repellents (not tar or bitumen-based)
- ◆ Metal coatings, rust preventatives
- ◆ Field and lawn paints

NON-PAINTCARE PRODUCTS

- ◆ Paint thinners, mineral spirits, solvents
- ◆ Aerosol paints (spray cans)
- ◆ Auto and marine paints
- ◆ Art and craft paints
- ◆ Caulking compounds, epoxies, glues, adhesives
- ◆ Paint additives, colorants, tints, resins
- ◆ Wood preservatives (containing pesticides)
- ◆ Roof patch and repair
- ◆ Asphalt, tar, and bitumen-based products
- ◆ 2-component coatings
- ◆ Deck cleaners
- ◆ Traffic and road marking paints
- ◆ Industrial Maintenance (IM) coatings
- ◆ Original Equipment Manufacturer (OEM) (shop application) paints and finishes