



## *How Does the Vermont Paint Stewardship Program Affect Paint Retailers?*

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### **Paint Stewardship Programs in the United States**

For several years the American Coatings Association (ACA) has worked with stakeholders interested in the management of leftover paint. This work has led to development of an industry-led paint stewardship program for the United States.

PaintCare Inc. is a nonprofit organization established by ACA to implement this program on behalf of paint manufacturers in each "PaintCare State" (those that adopt paint stewardship laws). PaintCare currently operates in California, Colorado, Connecticut, District of Columbia, Maine, Minnesota, Oregon, Rhode Island, and Vermont. PaintCare is currently developing a program for Washington, expected to launch in 2020.

Starting in May 2014, Vermont paint retailers were required to add a fee to the architectural paint products they sell, make sure they are not selling unregistered brands, and provide customers with information about the program. Serving as a drop-off site is optional.

### **Convenient Paint Recycling**

PaintCare's major effort is to establish paint drop-off sites throughout each PaintCare State — at paint retailers and other locations — in order to provide convenient recycling opportunities for the public. Other locations include waste transfer stations and municipal household hazardous waste facilities and events. There are more than 1,700 paint drop-off sites in eight states and the District of Columbia; more than 70 of these sites are in Vermont.

### **Participation as a Drop-Off Site is Voluntary**

Most retailers who wish to serve as drop-off sites are able to do so if they have space and can provide minimal staff time to accept paint from the public. By taking part in the program, retailers increase foot traffic and sales, and they provide an environmentally-beneficial service to their community. They make recycling of leftover paint convenient for their customers and help relieve local governments of some of the responsibility for managing leftover paint. PaintCare provides storage bins, site training, and support; promotes the sites to the local community; and pays for paint transportation and recycling.

### **REQUIREMENTS OF RETAILERS**

#### **1. Check Registered Manufacturers & Brands**

Retailers may not sell architectural paints in Vermont 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 brands and manufacturers on its website so retailers can check to make sure that the products they sell are registered. Please visit [www.paintcare.org](http://www.paintcare.org) for registration lists.



## 2. Pass on the Assessment Fee

State law requires that a stewardship fee be applied by manufacturers to the wholesale price of architectural paint sold in Vermont. This fee pays for all aspects of running the program. The fee is paid by manufacturers to PaintCare and then passed to their dealers. Retailers will see the PaintCare Fee on invoices from suppliers starting on the first day of the program. The law also requires that retailers and distributors add the fee to the purchase price of architectural paint. The fee paid by the customer to the retailer offsets the fee charged by the manufacturer or distributor to the retailer. All retailers, distributors, and manufacturers selling architectural paint in the state must pay and pass through the fee, ensuring a level playing field for all parties.

## 3. Provide Information to Customers

Paint retailers in Vermont must provide customers with information regarding the program and how paint is managed. PaintCare has developed the materials, ensure they meet state requirements, and provides them free of charge to all paint retailers and others wishing to distribute them.

## COMMON QUESTIONS ABOUT FEES

### How much are the fees?

Vermont fees, effective August 1, 2016, are by container size as follows:

\$0.00 — Half pint or less

\$0.49 — More than half pint up to less than 1 gallon

\$0.99 — 1 gallon

\$1.99 — More than 1 gallon up to 5 gallons

### How were the fees calculated?

Fees are set to cover the cost of a fully operating program. PaintCare estimated the annual sales of architectural paint in Vermont and divided the estimated total cost of the program by the number of containers to be sold in the state — taking into account the typical amount of leftover paint for each size container.

When the Vermont program started in May 2014, the fees were lower. Since then, the fees were increased to cover expenses. PaintCare is a nonprofit organization and operates programs on a state-by-state basis, so the fees may increase or decrease and be different from state to state.

### Is the fee a deposit to be returned to customers?

No, the fee is not a deposit. Fees are used entirely to cover the cost of running the program and not given back as a deposit for the return of paint or empty paint cans — a common misunderstanding.

### Must retailers show the fee on receipts?

No, but most stores do show the fee in order to explain the price increase. PaintCare encourages retailers to show the fee and list it as “PaintCare Fee” to aid in customer education and to ensure consistency and transparency.

### Do retailers return the fee if a product is returned?

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

### 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.

### How will the public know about the fee?

PaintCare provides printed materials for retailers 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 started, PaintCare provided these free materials to all paint retailers. Additional materials can be ordered as needed for no charge.

### How do I know which products have fees?

Invoices from your suppliers will show fees for program products, so you simply pass on the fees for those items. PaintCare and the Agency of Natural Resources also post lists of registered paint manufacturers and brands on their websites – fees should be included on these products. Please visit [www.paintcare.org/lists](http://www.paintcare.org/lists) to see lists of manufacturers and brands registered in Vermont.