PAINT STEWARDSHIP PROGRAMS IN THE U.S.

# **How Does the Paint Stewardship Program Affect Reuse Stores?**

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States with paint stewardship laws require 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.

#### **PaintCare**

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

# **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, businesses, and other organizations can take postconsumer (leftover) architectural paint, free of charge. PaintCare has established more than 2,400 paint drop-off sites across its programs. Sites include paint and hardware stores, reuse stores, solid waste facilities (transfer stations, recycling centers, landfills), and household hazardous waste (HHW) facilities. Reuse stores are 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/drop-off-site-interest-form/.

#### **Paint Reuse**

Paint reuse (giving away or selling full or partially full cans of leftover paint "as-is") is a preferred method of managing leftover paint. 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, including:

- Make recycling of leftover paint more convenient for your customers
- Return good quality, unused paint to the local community at low or no cost
- Add paint reuse and recycling to your environmental sustainability mission
- Increase customer foot traffic and sales
- Help relieve local government of their cost of managing leftover paint
- Help conserve resources, keep paint out of the waste stream, and discourage 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, available at www.paintcare.org/reuse-pricing)

# REQUIREMENTS OF REUSE STORES THAT SELL PAINT IN STATES WITH PAINT STEWARDSHIP LAWS

# 1. Check Registered Manufacturers and Brands

Retailers, including reuse stores, may not sell architectural paints, including recycled-content paints that are not registered (this requirement only applies to new or recycled products; it does not apply to reuse paint). PaintCare publishes lists of registered manufacturers and brands so that retailers can check to see that the products they sell are registered. Visit www.paintcare.org/manufacturers for current registration lists.

#### 2. Pass on the PaintCare Fee

State paint stewardship laws require that a stewardship fee (PaintCare fee) is applied by manufacturers to the wholesale price of all architectural paint sold in stores and online in those states. This fee pays for all aspects of running the PaintCare program. Architectural paint is defined under the paint stewardship program as interior

and exterior architectural coatings sold in container sizes 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.

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 program 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.

## 3. Provide Information to Customers

Paint retailers in Colorado, Oregon, Vermont, and Washington are required by law to provide customers with information about the paint stewardship program and options for managing leftover paint. The requirement to provide paint stewardship information at the time of purchase applies to both in-store paint retail and online paint retail. PaintCare has developed the materials, ensured they meet state requirements, and provides them free of charge to all paint retailers and others wishing to distribute them.

#### **COMMON OUESTIONS**

#### How much is the fee?

The fee structure is based on container size and vary across the PaintCare programs:

\$0.30 - \$0.65 — Small containers (pints & quarts)

\$0.65 - \$1.35 - Mid-size containers (1-2 gallons)

\$1.50 - \$2.45 — Larger sizes up to 5 gallons

Find the PaintCare fee by state at www.paintcare.org/fee.

# How is the fee initially calculated?

When a new program starts, the fee structure 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 per container size 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 of paint. Sales tax is collected on the fee in most cases, except in a state that does not have a sales tax, such as Oregon. Sales tax is not applied to the fee in Maine per additional legislation. **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 dropping off covered products or empty paint cans (empty cans are not accepted by the PaintCare program at all).

# Are we required to 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.

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

PaintCare provides 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 dropoff site. Before the program starts, PaintCare sends packages of brochures and other information to all paint retailers. Additional materials can be ordered as needed for no charge. In addition to retailers, PaintCare will work with contractor associations to inform professional painting contractors and will conduct general outreach campaigns that may include digital and online advertising, direct mail, newspaper, radio, and television.

#### What products are covered?

Architectural paints include most house paints, stains, and clear coatings (e.g., varnish and shellac). For a definition of covered architectural paint (PaintCare products) for the purposes of this program and for examples of PaintCare and non-PaintCare products, visit www.paintcare.org/products.

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