

1 3. "ENVIRONMENTALLY SOUND MANAGEMENT PRACTICES" MEANS PROCEDURES FOR
2 THE COLLECTION, STORAGE, TRANSPORTATION, REUSE, RECYCLING AND DISPOSAL
3 OF ARCHITECTURAL PAINT, TO BE IMPLEMENTED BY THE PRODUCER OR REPRESENTATIVE ORGANIZATION OR SUCH REPRESENTATIVE ORGANIZATION'S CONTRACTED
4 PARTNERS TO ENSURE COMPLIANCE WITH ALL APPLICABLE FEDERAL, STATE AND
5 LOCAL LAWS, REGULATIONS AND ORDINANCES AND THE PROTECTION OF HUMAN
6 HEALTH AND THE ENVIRONMENT. ENVIRONMENTALLY SOUND MANAGEMENT PRACTICES
7 INCLUDE, BUT ARE NOT LIMITED TO, RECORD KEEPING, THE TRACKING AND DOCUMENTING
8 OF THE FATE OF POST-CONSUMER PAINT IN AND OUTSIDE OF THE STATE,
9 AND ENVIRONMENTAL LIABILITY COVERAGE FOR PROFESSIONAL SERVICES AND FOR
10 THE OPERATIONS OF THE CONTRACTORS WORKING ON BEHALF OF THE PRODUCER OR
11 REPRESENTATIVE ORGANIZATION.

12 4. "PAINT STEWARDSHIP ASSESSMENT" MEANS THE AMOUNT ADDED TO THE
13 PURCHASE PRICE OF ARCHITECTURAL PAINT SOLD IN THE STATE THAT IS NECESSARY
14 TO COVER THE COST OF COLLECTING, TRANSPORTING AND PROCESSING POST-
15 CONSUMER PAINT BY THE PRODUCER OR REPRESENTATIVE ORGANIZATION PURSUANT
16 TO THE PAINT STEWARDSHIP PROGRAM.

17 5. "PAINT STEWARDSHIP PROGRAM" OR "PROGRAM" MEANS A PROGRAM FOR THE
18 MANAGEMENT OF POST-CONSUMER PAINT OPERATED BY A PRODUCER OR REPRESENTATIVE ORGANIZATION.

19 6. "POST-CONSUMER PAINT" MEANS ARCHITECTURAL PAINT THAT IS NOT USED
20 AND THAT IS NO LONGER WANTED BY A PURCHASER OF ARCHITECTURAL PAINT.

21 7. "PRODUCER" MEANS A MANUFACTURER OF ARCHITECTURAL PAINT WHO SELLS,
22 OFFERS FOR SALE, DISTRIBUTES OR CONTRACTS TO DISTRIBUTE ARCHITECTURAL
23 PAINT IN THE STATE.

24 8. "RECYCLING" MEANS THE SERIES OF ACTIVITIES BY WHICH RECYCLABLES ARE
25 COLLECTED, SORTED, PROCESSED AND CONVERTED INTO RAW MATERIALS OR USED IN
26 THE PRODUCTION OF NEW PRODUCTS. THIS TERM EXCLUDES THERMAL TREATMENT OR
27 THE USE OF WASTE AS A FUEL SUBSTITUTE OR FOR ENERGY PRODUCTION.

28 9. "REPRESENTATIVE ORGANIZATION" MEANS A NONPROFIT ORGANIZATION
29 CREATED BY PRODUCERS TO IMPLEMENT THE PAINT STEWARDSHIP PROGRAM
30 DESCRIBED IN SECTION 27-2003 OF THIS TITLE.

31 10. "RETAILER" MEANS ANY PERSON WHO OFFERS ARCHITECTURAL PAINT FOR
32 SALE AT RETAIL IN THE STATE.

33 11. "REUSE" MEANS THE RETURN OF A PRODUCT INTO THE ECONOMIC STREAM FOR
34 USE IN THE SAME KIND OF APPLICATION AS THE PRODUCT WAS ORIGINALLY
35 INTENDED TO BE USED, WITHOUT A CHANGE IN THE PRODUCT'S IDENTITY.

36 12. "SELL" OR "SALE" MEANS ANY TRANSFER FOR CONSIDERATION OF TITLE OR
37 THE RIGHT TO USE, FROM A MANUFACTURER OR RETAILER TO A PERSON, INCLUDING,
38 BUT NOT LIMITED TO, TRANSACTIONS CONDUCTED THROUGH RETAIL SALES
39 OUTLETS, CATALOGS, MAIL, THE TELEPHONE, THE INTERNET, OR ANY ELECTRONIC
40 MEANS; THIS DOES NOT INCLUDE SAMPLES, DONATIONS, AND REUSE.

41 S 27-2003. PAINT STEWARDSHIP PROGRAM.

42 1. ON OR BEFORE MARCH FIRST, TWO THOUSAND SEVENTEEN, A PRODUCER OR A
43 REPRESENTATIVE ORGANIZATION SHALL SUBMIT A PLAN FOR THE ESTABLISHMENT OF
44 A PAINT STEWARDSHIP PROGRAM TO THE DEPARTMENT FOR APPROVAL. THE PROGRAM
45 SHALL MINIMIZE THE PUBLIC SECTOR INVOLVEMENT IN THE MANAGEMENT OF POST-
46 CONSUMER PAINT BY REDUCING THE GENERATION OF POST-CONSUMER PAINT, NEGOTIATING
47 AGREEMENTS TO COLLECT, TRANSPORT, REUSE, RECYCLE, AND/OR BURN
48 FOR ENERGY RECOVERY AT AN APPROPRIATELY LICENSED FACILITY POST-CONSUMER
49 PAINT USING ENVIRONMENTALLY SOUND MANAGEMENT PRACTICES. THE PROGRAM
50 SHALL MINIMIZE THE PUBLIC SECTOR INVOLVEMENT IN THE MANAGEMENT OF POST-
51 CONSUMER PAINT BY REDUCING THE GENERATION OF POST-CONSUMER PAINT, NEGOTIATING
52 AGREEMENTS TO COLLECT, TRANSPORT, REUSE, RECYCLE, AND/OR COMBUST
53 FOR ENERGY RECOVERY AT AN APPROPRIATELY AUTHORIZED FACILITY, INCLUDING

1 PERMITTEES, POST-CONSUMER PAINT USING ENVIRONMENTALLY SOUND MANAGEMENT
2 PRACTICES.

3 2. THE PROGRAM SHALL PROVIDE FOR CONVENIENT AND AVAILABLE STATE-WIDE
4 COLLECTION OF POST-CONSUMER PAINT THAT, AT A MINIMUM, PROVIDES AT LEAST
5 ONE PERMANENT COLLECTION SITE LOCATED WITHIN A FIFTEEN MILE RADIUS OF
6 ALL "INCORPORATED CITIES" AND "CENSUS-DESIGNATED PLACES" IN THE STATE;
7 AND ONE ADDITIONAL PERMANENT COLLECTION SITE FOR EVERY THIRTY THOUSAND
8 PEOPLE LOCATED IN THOSE AREAS, UNLESS OTHERWISE APPROVED BY THE DEPART-
9 MENT. WHERE A PERMANENT COLLECTION SITE CANNOT BE LOCATED WITHIN A
10 FIFTEEN MILE RADIUS OF AN INCORPORATED CITY OR CENSUS-DESIGNATED PLACE,
11 THE PROGRAM SHALL PROVIDE FOR AT LEAST ONE COLLECTION EVENT ANNUALLY.
12 THE PROGRAM SHALL NOT CHARGE A FEE TO THE CONSUMER AT THE TIME OF
13 COLLECTION OF POST-CONSUMER ARCHITECTURAL PAINT.

14 3. THE PLAN SUBMITTED TO THE DEPARTMENT PURSUANT TO THIS SECTION
15 SHALL:

16 (A) IDENTIFY EACH PRODUCER PARTICIPATING IN THE PAINT STEWARDSHIP
17 PROGRAM AND THE BRANDS OF ARCHITECTURAL PAINT SOLD IN THE STATE COVERED
18 BY THE PROGRAM;

19 (B) IDENTIFY HOW THE PRODUCER OR REPRESENTATIVE ORGANIZATION WILL
20 PROVIDE CONVENIENT, STATEWIDE ACCESSIBILITY TO THE PROGRAM;

21 (C) SET FORTH THE PROCESS BY WHICH AN INDEPENDENT AUDITOR WILL BE
22 SELECTED AND IDENTIFY THE CRITERIA USED BY THE PRODUCER OR REPRESENTATIVE
23 ORGANIZATION IN SELECTING AN INDEPENDENT AUDITOR;

24 (D) IDENTIFY, IN DETAIL, THE EDUCATIONAL AND OUTREACH PROGRAM THAT
25 WILL BE IMPLEMENTED TO INFORM CONSUMERS AND RETAILERS OF THE PROGRAM AND
26 HOW TO PARTICIPATE;

27 (E) IDENTIFY, IN DETAIL, THE OPERATIONAL PLANS FOR INTERACTING WITH
28 RETAILERS ON THE PROPER HANDLING AND MANAGEMENT OF POST-CONSUMER PAINT;

29 (F) INCLUDE THE PROPOSED, AUDITED PAINT ASSESSMENT AS IDENTIFIED IN
30 THIS SECTION AND THE CRITERIA UPON WHICH THE ASSESSMENT IS BASED;

31 (G) INCLUDE THE TARGETED ANNUAL COLLECTION RATE;

32 (H) INCLUDE A DESCRIPTION OF THE INTENDED TREATMENT, STORAGE, TRANS-
33 PORTATION AND DISPOSAL OPTIONS AND METHODS FOR THE COLLECTED POST-CON-
34 SUMER PAINT; AND

35 (I) BE ACCOMPANIED BY A FEE IN THE AMOUNT OF FIVE THOUSAND DOLLARS FOR
36 EACH PRODUCER, OR TEN THOUSAND DOLLARS FOR EACH PRODUCT STEWARDSHIP
37 ORGANIZATION TO BE DEPOSITED INTO THE ENVIRONMENTAL REGULATORY ACCOUNT
38 AS ESTABLISHED IN SECTION 72-1009 OF THIS CHAPTER, TO COVER THE REVIEW
39 OF SAID PLAN BY THE DEPARTMENT.

40 4. THE COMMISSIONER SHALL APPROVE OR REJECT A PLAN SUBMITTED UNDER
41 THIS SECTION WITHIN NINETY DAYS OF SUBMISSION AND, IF REJECTED, INFORM
42 THE PRODUCER OR REPRESENTATIVE ORGANIZATION IN WRITING AS TO ANY DEFICIENCIES
43 IN SAID PLAN. A PRODUCER OR REPRESENTATIVE ORGANIZATION SHALL
44 AMEND AND RESUBMIT ANY REJECTED PLANS FOR RECONSIDERATION WITHIN SIXTY
45 DAYS OF NOTIFICATION OF THE REJECTION OF SAID PLAN. THE COMMISSIONER
46 SHALL APPROVE OR REJECT SAID PLAN WITHIN THIRTY DAYS OF RESUBMISSION. A
47 PLAN SHALL BE APPROVED BY THE COMMISSIONER IF IT MEETS THE REQUIRED
48 ELEMENTS UNDER SUBDIVISION THREE OF THIS SECTION.

49 5. NOT LATER THAN THREE MONTHS AFTER THE DATE THE PLAN IS APPROVED,
50 THE REPRESENTATIVE ORGANIZATION SHALL IMPLEMENT THE PAINT STEWARDSHIP
51 PROGRAM.

52 6. ON OR BEFORE MARCH FIRST, TWO THOUSAND SEVENTEEN, THE PROPOSED
53 UNIFORM PAINT STEWARDSHIP ASSESSMENT FOR ALL ARCHITECTURAL PAINT SOLD IN
54 THE STATE SHALL BE REVIEWED BY AN INDEPENDENT AUDITOR TO ASSURE THAT THE
55 ASSESSMENT IS CONSISTENT WITH THE BUDGET OF THE PAINT STEWARDSHIP
56 PROGRAM DESCRIBED IN THIS SECTION AND THE INDEPENDENT AUDITOR SHALL

1 RECOMMEND AN AMOUNT FOR THE PAINT STEWARDSHIP ASSESSMENT TO THE DEPART-
2 MENT. THE DEPARTMENT SHALL APPROVE THE PAINT STEWARDSHIP ASSESSMENT
3 BASED UPON THE INDEPENDENT AUDITOR'S RECOMMENDATION. THE DEPARTMENT
4 SHALL BE RESPONSIBLE FOR THE APPROVAL OF SUCH PAINT STEWARDSHIP ASSESS-
5 MENT BASED UPON THE INDEPENDENT AUDITOR'S RECOMMENDATION. IF THE PAINT
6 STEWARDSHIP ASSESSMENT PREVIOUSLY APPROVED BY THE DEPARTMENT PURSUANT TO
7 THIS SECTION IS PROPOSED TO BE CHANGED, THE PRODUCER OR REPRESENTATIVE
8 ORGANIZATION SHALL SUBMIT THE NEW, ADJUSTED UNIFORM PAINT STEWARDSHIP
9 ASSESSMENT TO AN INDEPENDENT AUDITOR FOR REVIEW. AFTER SUCH REVIEW HAS
10 BEEN COMPLETED, THE PRODUCER OR REPRESENTATIVE ORGANIZATION SHALL SUBMIT
11 THE RESULTS OF SAID AUDITOR'S REVIEW AND A PROPOSAL TO AMEND THE PAINT
12 STEWARDSHIP ASSESSMENT TO THE DEPARTMENT FOR REVIEW. THE DEPARTMENT
13 SHALL REVIEW AND APPROVE, IN WRITING, THE ADJUSTED PAINT STEWARDSHIP
14 ASSESSMENT BEFORE THE NEW ASSESSMENT CAN BE IMPLEMENTED. ANY PROPOSED
15 CHANGES TO THE PAINT STEWARDSHIP ASSESSMENT SHALL BE SUBMITTED TO THE
16 DEPARTMENT NO LATER THAN SIXTY DAYS PRIOR TO THE DATE THE PRODUCER OR
17 REPRESENTATIVE ORGANIZATION ANTICIPATES THE ADJUSTED ASSESSMENT TO TAKE
18 EFFECT.

19 7. ON AND AFTER THE DATE OF IMPLEMENTATION OF THE PAINT STEWARDSHIP
20 PROGRAM PURSUANT TO THIS SECTION, THE PAINT STEWARDSHIP ASSESSMENT SHALL
21 BE ADDED TO THE COST OF ALL ARCHITECTURAL PAINT SOLD TO RETAILERS AND
22 DISTRIBUTORS IN THE STATE BY EACH PRODUCER. ON AND AFTER SUCH IMPLEMEN-
23 TATION DATE, EACH RETAILER OR DISTRIBUTOR, AS APPLICABLE, SHALL ADD THE
24 AMOUNT OF SUCH PAINT STEWARDSHIP ASSESSMENT TO THE PURCHASE PRICE OF ALL
25 ARCHITECTURAL PAINT SOLD IN THE STATE.

26 8. ANY RETAILER MAY PARTICIPATE, ON A VOLUNTARY BASIS, AS A PAINT
27 COLLECTION POINT PURSUANT TO SUCH PAINT STEWARDSHIP PROGRAM AND IN
28 ACCORDANCE WITH ANY APPLICABLE PROVISION OF LAW OR REGULATION.

29 9. EACH PRODUCER AND THE REPRESENTATIVE ORGANIZATION SHALL BE IMMUNE
30 FROM LIABILITY FOR ANY CLAIM OF A VIOLATION OF ANTITRUST LAW OR UNFAIR
31 TRADE PRACTICE IF SUCH CONDUCT IS A VIOLATION OF ANTITRUST LAW, TO THE
32 EXTENT SUCH PRODUCER OR REPRESENTATIVE ORGANIZATION IS EXERCISING
33 AUTHORITY PURSUANT TO THE PROVISIONS OF THIS SECTION.

34 10. NOT LATER THAN THE IMPLEMENTATION DATE OF THE PAINT STEWARDSHIP
35 PROGRAM, THE DEPARTMENT SHALL LIST THE NAMES OF PARTICIPATING PRODUCERS
36 AND THE BRANDS OF ARCHITECTURAL PAINT COVERED BY SUCH PAINT STEWARDSHIP
37 PROGRAM ON ITS WEBSITE.

38 11. (A) ON AND AFTER THE IMPLEMENTATION DATE OF THE PAINT STEWARDSHIP
39 PROGRAM, NO PRODUCER, DISTRIBUTOR OR RETAILER SHALL SELL OR OFFER FOR
40 SALE ARCHITECTURAL PAINT TO ANY PERSON IN THE STATE IF THE PRODUCER OF
41 SUCH ARCHITECTURAL PAINT IS NOT A MEMBER OF THE REPRESENTATIVE ORGANIZA-
42 TION.

43 (B) NO RETAILER OR DISTRIBUTOR SHALL BE FOUND TO BE IN VIOLATION OF
44 THE PROVISIONS OF THIS SECTION IF, ON THE DATE THE ARCHITECTURAL PAINT
45 WAS ORDERED FROM THE PRODUCER OR ITS AGENT, THE PRODUCER OR THE SUBJECT
46 BRAND OF ARCHITECTURAL PAINT WAS LISTED ON THE DEPARTMENT'S WEBSITE IN
47 ACCORDANCE WITH THE PROVISIONS OF THIS SECTION.

48 12. PRODUCERS OR THE REPRESENTATIVE ORGANIZATION SHALL PROVIDE RETAIL-
49 ERS WITH EDUCATIONAL MATERIALS REGARDING THE PAINT STEWARDSHIP ASSESS-
50 MENT AND PAINT STEWARDSHIP PROGRAM TO BE DISTRIBUTED AT THE POINT OF
51 SALE TO THE CONSUMER. SUCH MATERIALS SHALL INCLUDE, BUT NOT BE LIMITED
52 TO, INFORMATION REGARDING AVAILABLE END-OF-LIFE MANAGEMENT OPTIONS FOR
53 ARCHITECTURAL PAINT OFFERED THROUGH THE PAINT STEWARDSHIP PROGRAM AND
54 INFORMATION THAT NOTIFIES CONSUMERS THAT A CHARGE FOR THE OPERATION OF
55 SUCH PAINT STEWARDSHIP PROGRAM IS INCLUDED IN THE PURCHASE PRICE OF ALL
56 ARCHITECTURAL PAINT SOLD IN THE STATE.

13. ON OR BEFORE OCTOBER FIFTEENTH, TWO THOUSAND EIGHTEEN, AND ANNUALLY THEREAFTER, EACH OPERATOR OF A PROGRAM SHALL SUBMIT A REPORT TO THE COMMISSIONER THAT DETAILS THE PAINT STEWARDSHIP PROGRAM FOR THE PRIOR YEAR'S PROGRAM FROM JULY FIRST TO JUNE THIRTIETH. SAID REPORT SHALL INCLUDE A COPY OF THE INDEPENDENT AUDIT DETAILED IN PARAGRAPH (D) OF THIS SUBDIVISION. SUCH ANNUAL REPORT SHALL INCLUDE:

(A) A DETAILED DESCRIPTION OF THE METHODS USED TO COLLECT, TRANSPORT AND PROCESS POST-CONSUMER PAINT IN THE STATE INCLUDING DETAILING COLLECTION METHODS MADE AVAILABLE TO CONSUMERS AND AN EVALUATION OF THE PROGRAM'S COLLECTION CONVENIENCE;

(B) THE OVERALL VOLUME OF POST-CONSUMER PAINT COLLECTED IN THE STATE;

(C) THE VOLUME AND TYPE OF POST-CONSUMER PAINT COLLECTED IN THE STATE BY METHOD OF DISPOSITION, INCLUDING REUSE, RECYCLING AND OTHER METHODS OF PROCESSING OR DISPOSAL;

(D) THE TOTAL COST OF IMPLEMENTING THE PROGRAM, AS DETERMINED BY AN INDEPENDENT FINANCIAL AUDIT, AS PERFORMED BY AN INDEPENDENT AUDITOR;

(E) AN EVALUATION OF THE ADEQUACY OF THE PROGRAM'S FUNDING MECHANISM;

(F) SAMPLES OF ALL EDUCATIONAL MATERIALS PROVIDED TO CONSUMERS OF ARCHITECTURAL PAINT AND RETAILERS;

(G) A DETAILED LIST OF EFFORTS UNDERTAKEN AND AN EVALUATION OF THE METHODS USED TO DISSEMINATE SUCH MATERIALS INCLUDING RECOMMENDATIONS, IF ANY, FOR HOW THE EDUCATIONAL COMPONENT OF THE PROGRAM CAN BE IMPROVED; AND

(H) THE ANNUAL REPORT SHALL BE ACCOMPANIED BY A FEE IN THE AMOUNT OF THREE THOUSAND DOLLARS TO BE DEPOSITED INTO THE ENVIRONMENTAL REGULATORY ACCOUNT, ESTABLISHED PURSUANT TO SECTION 72-1009 OF THIS CHAPTER TO COVER THE REVIEW OF SAID PLAN BY THE DEPARTMENT.

14. THE REPRESENTATIVE ORGANIZATION SHALL UPDATE THE PLAN, AS NEEDED, WHEN THERE ARE CHANGES PROPOSED TO THE CURRENT PROGRAM. A NEW PLAN OR AMENDMENT WILL BE REQUIRED TO BE SUBMITTED TO THE DEPARTMENT FOR APPROVAL WHEN:

(A) THERE IS A CHANGE TO THE AMOUNT OF THE ASSESSMENT; OR

(B) THERE IS AN ADDITION TO THE PRODUCTS COVERED UNDER THE PROGRAM; OR

(C) THERE IS A REVISION OF THE PRODUCT STEWARDSHIP ORGANIZATION'S GOALS; OR

(D) EVERY FOUR YEARS, IF REQUESTED, IN WRITING, BY THE DEPARTMENT.

THE OPERATOR OF THE PAINT STEWARDSHIP PROGRAM SHALL NOTIFY THE DEPARTMENT ANNUALLY, IN WRITING, IF THERE ARE NO CHANGES PROPOSED TO THE PROGRAM AND THE PRODUCER OR REPRESENTATIVE ORGANIZATION INTENDS TO CONTINUE IMPLEMENTATION OF THE PROGRAM AS PREVIOUSLY APPROVED BY THE DEPARTMENT.

S 27-2005. REGULATIONS.

THE DEPARTMENT IS HEREBY AUTHORIZED TO PROMULGATE RULES AND REGULATIONS AS MAY BE NECESSARY TO IMPLEMENT AND CARRY OUT THE PROVISIONS OF THIS TITLE.

S 27-2007. REPORTING.

NOT LATER THAN JANUARY FIFTEENTH, TWO THOUSAND NINETEEN, AND BIENNIALY THEREAFTER, THE COMMISSIONER SHALL SUBMIT A REPORT TO THE LEGISLATURE AND THE GOVERNOR THAT DESCRIBES THE RESULTS AND ACTIVITIES OF THE PAINT STEWARDSHIP PROGRAM AS ENACTED PURSUANT TO THIS TITLE INCLUDING ANY RECOMMENDATIONS TO IMPROVE THE FUNCTIONING AND EFFICIENCY OF THE PAINT STEWARDSHIP PROGRAM, AS NECESSARY.

S 2. The environmental conservation law is amended by adding a new section 71-2730 to read as follows:

S 71-2730. ENFORCEMENT OF TITLE 20 OF ARTICLE 27 OF THIS CHAPTER.

1 1. CIVIL PENALTIES UNDER THIS SECTION SHALL BE ASSESSED BY THE COMMIS-
2 SIONER AFTER A HEARING OR OPPORTUNITY TO BE HEARD PURSUANT TO THE
3 PROVISIONS OF SECTION 71-1709 OF THIS ARTICLE, OR SHALL BE ASSESSED BY
4 THE COURT IN ANY ACTION OR PROCEEDING PURSUANT TO THIS SECTION. IN ADDI-
5 TION TO ANY CIVIL PENALTIES, ANY PERSON, RETAILER OR MANUFACTURER, AS
6 THOSE TERMS ARE DEFINED IN SECTION 27-1803 OF THIS CHAPTER, MAY BY SIMI-
7 LAR PROCESS BE ENJOINED FROM CONTINUING SUCH VIOLATION.
8 2. ALL PENALTIES COLLECTED PURSUANT TO THIS SECTION SHALL BE PAID OVER
9 TO THE COMMISSIONER FOR DEPOSIT TO THE ENVIRONMENTAL PROTECTION FUND
10 ESTABLISHED PURSUANT TO SECTION NINETY-TWO-S OF THE STATE FINANCE LAW.
11 S 3. This act shall take effect immediately.