

STATE OF NEW YORK

1038--A

2017-2018 Regular Sessions

IN ASSEMBLY

January 10, 2017

Introduced by M. of A. STIRPE, LUPARDO, BRONSON, THIELE, GOTTFRIED, L. ROSENTHAL, FAHY, JENNE, OTIS, SKOUFIS, MOSLEY, BRINDISI, DenDEKKER, MAGNARELLI, SKARTADOS, HEVESI, BARRETT, SIMOTAS, CUSICK, SIMON, PICHARDO, WOERNER, RYAN, GUNTHER, KIM, MAGEE, LENTOL, WEPRIN, JAFFEE, QUART, CAHILL, ABBATE, HUNTER, SANTABARBARA, M. G. MILLER, TITONE, RODRIGUEZ, STECK, SOLAGES, GALEF, CYMBROWITZ, COLTON, SEPULVEDA, McDONALD, D'URSO, ROZIC, PHEFFER AMATO, CARROLL, WALLACE, LAVINE, ZEBROWSKI, RIVERA, ORTIZ, O'DONNELL, DILAN, SEAWRIGHT, DE LA ROSA, DICKENS, NIOU, HARRIS, BLAKE, PRETLOW, ARROYO, BENEDETTO, BARNWELL, JOYNER, PERRY, WALKER, ABINANTI, LIFTON, DINOWITZ, BICHOTTE, BRAUNSTEIN, JEAN-PIERRE, GLICK, PAULIN, MAYER, PELLEGRINO, JONES -- Multi-Sponsored by -- M. of A. BUCHWALD, COOK, McDONOUGH -- read once and referred to the Committee on Environmental Conservation -- recommitted to the Committee on Environmental Conservation in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the environmental conservation law, in relation to establishing the paint stewardship program

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Article 27 of the environmental conservation law is amended by adding a new title 20 to read as follows:

TITLE 20

PAINT STEWARDSHIP PROGRAM

Section 27-2001. Definitions.

27-2003. Paint stewardship program.

27-2005. Regulations.

27-2007. Reporting.

§ 27-2001. Definitions.

When used in this title:

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD04737-03-8

1 1. "Architectural paint" means interior and exterior architectural
2 coatings sold in containers of five gallons or less. Architectural paint
3 does not include industrial, original equipment or specialty coatings.

4 2. "Distributor" means a person that has a contractual relationship
5 with one or more producers to market and sell architectural paint to
6 retailers or directly to consumers or end-users in the state.

7 3. "Environmentally sound management practices" means procedures for
8 the collection, storage, transportation, reuse, recycling and disposal
9 of architectural paint, to be implemented by the producer or represen-
10 tative organization or such representative organization's contracted
11 partners to ensure compliance with all applicable federal, state and
12 local laws, regulations and ordinances and the protection of human
13 health and the environment. Environmentally sound management practices
14 include, but are not limited to, record keeping, the tracking and docu-
15 menting of the fate of post-consumer paint in and outside of the state,
16 and environmental liability coverage for professional services and for
17 the operations of the contractors working on behalf of the producer or
18 representative organization.

19 4. "Paint stewardship assessment" means the amount added to the
20 purchase price of architectural paint sold in the state that is neces-
21 sary to cover the cost of collecting, transporting and processing post-
22 consumer paint by the producer or representative organization pursuant
23 to the paint stewardship program.

24 5. "Paint stewardship program" or "program" means a program for the
25 management of post-consumer paint operated by a producer or represen-
26 tative organization.

27 6. "Post-consumer paint" means architectural paint that is not used
28 and that is no longer wanted by a purchaser of architectural paint.

29 7. "Producer" means a manufacturer of architectural paint who sells,
30 offers for sale, distributes or contracts to distribute architectural
31 paint in the state.

32 8. "Recycling" means the series of activities by which recyclables are
33 collected, sorted, processed and converted into raw materials or used in
34 the production of new products. This term excludes thermal treatment or
35 the use of waste as a fuel substitute or for energy production.

36 9. "Representative organization" means a nonprofit organization
37 created by producers to implement the paint stewardship program
38 described in section 27-2003 of this title.

39 10. "Retailer" means any person who offers architectural paint for
40 sale at retail in the state.

41 11. "Reuse" means the return of a product into the economic stream for
42 use in the same kind of application as the product was originally
43 intended to be used, without a change in the product's identity.

44 12. "Sell" or "sale" means any transfer for consideration of title or
45 the right to use, from a manufacturer or retailer to a person, includ-
46 ing, but not limited to, transactions conducted through retail sales
47 outlets, catalogs, mail, the telephone, the internet, or any electronic
48 means; this does not include samples, donations, and reuse.

49 § 27-2003. Paint stewardship program.

50 1. On or before March first, two thousand nineteen, a producer or a
51 representative organization shall submit a plan for the establishment of
52 a paint stewardship program to the department for approval. The program
53 shall minimize the public sector involvement in the management of post-
54 consumer paint by reducing the generation of post-consumer paint, nego-
55 tiating agreements to collect, transport, reuse, recycle, and/or burn
56 for energy recovery at an appropriately licensed facility post-consumer

1 paint using environmentally sound management practices. The program
2 shall minimize the public sector involvement in the management of post-
3 consumer paint by reducing the generation of post-consumer paint, nego-
4 tiating agreements to collect, transport, reuse, recycle, and/or combust
5 for energy recovery at an appropriately authorized facility, including
6 permittees, post-consumer paint using environmentally sound management
7 practices.

8 2. The program shall provide for convenient and available state-wide
9 collection of post-consumer paint that, at a minimum, provides at least
10 one permanent collection site located within a fifteen mile radius of
11 all "incorporated cities" and "census-designated places" in the state;
12 and one additional permanent collection site for every thirty thousand
13 people located in those areas, unless otherwise approved by the depart-
14 ment. Where a permanent collection site cannot be located within a
15 fifteen mile radius of an incorporated city or census-designated place,
16 the program shall provide for at least one collection event annually.
17 The program shall not charge a fee to the consumer at the time of
18 collection of post-consumer architectural paint.

19 3. The plan submitted to the department pursuant to this section
20 shall:

21 (a) identify each producer participating in the paint stewardship
22 program and the brands of architectural paint sold in the state covered
23 by the program;

24 (b) identify how the producer or representative organization will
25 provide convenient, statewide accessibility to the program;

26 (c) set forth the process by which an independent auditor will be
27 selected and identify the criteria used by the producer or represen-
28 tative organization in selecting an independent auditor;

29 (d) identify, in detail, the educational and outreach program that
30 will be implemented to inform consumers and retailers of the program and
31 how to participate;

32 (e) identify, in detail, the operational plans for interacting with
33 retailers on the proper handling and management of post-consumer paint;

34 (f) include the proposed, audited paint assessment as identified in
35 this section and the criteria upon which the assessment is based;

36 (g) include the targeted annual collection rate;

37 (h) include a description of the intended treatment, storage, trans-
38 portation and disposal options and methods for the collected post-con-
39 sumer paint; and

40 (i) be accompanied by a fee in the amount of five thousand dollars for
41 each producer, or ten thousand dollars for each product stewardship
42 organization to be deposited into the environmental regulatory account
43 as established in section 72-1009 of this chapter, to cover the review
44 of said plan by the department.

45 4. The commissioner shall approve or reject a plan submitted under
46 this section within ninety days of submission and, if rejected, inform
47 the producer or representative organization in writing as to any defi-
48 ciencies in said plan. A producer or representative organization shall
49 amend and resubmit any rejected plans for reconsideration within sixty
50 days of notification of the rejection of said plan. The commissioner
51 shall approve or reject said plan within thirty days of resubmission. A
52 plan shall be approved by the commissioner if it meets the required
53 elements under subdivision three of this section.

54 5. Not later than three months after the date the plan is approved,
55 the representative organization shall implement the paint stewardship
56 program.

6. On or before March first, two thousand nineteen, the proposed uniform paint stewardship assessment for all architectural paint sold in the state shall be reviewed by an independent auditor to assure that the assessment is consistent with the budget of the paint stewardship program described in this section and the independent auditor shall recommend an amount for the paint stewardship assessment to the department. The department shall approve the paint stewardship assessment based upon the independent auditor's recommendation. The department shall be responsible for the approval of such paint stewardship assessment based upon the independent auditor's recommendation. If the paint stewardship assessment previously approved by the department pursuant to this section is proposed to be changed, the producer or representative organization shall submit the new, adjusted uniform paint stewardship assessment to an independent auditor for review. After such review has been completed, the producer or representative organization shall submit the results of said auditor's review and a proposal to amend the paint stewardship assessment to the department for review. The department shall review and approve, in writing, the adjusted paint stewardship assessment before the new assessment can be implemented. Any proposed changes to the paint stewardship assessment shall be submitted to the department no later than sixty days prior to the date the producer or representative organization anticipates the adjusted assessment to take effect.

7. On and after the date of implementation of the paint stewardship program pursuant to this section, the paint stewardship assessment shall be added to the cost of all architectural paint sold to retailers and distributors in the state by each producer. On and after such implementation date, each retailer or distributor, as applicable, shall add the amount of such paint stewardship assessment to the purchase price of all architectural paint sold in the state.

8. Any retailer may participate, on a voluntary basis, as a paint collection point pursuant to such paint stewardship program and in accordance with any applicable provision of law or regulation.

9. Each producer and the representative organization shall be immune from liability for any claim of a violation of antitrust law or unfair trade practice if such conduct is a violation of antitrust law, to the extent such producer or representative organization is exercising authority pursuant to the provisions of this section.

10. Not later than the implementation date of the paint stewardship program, the department shall list the names of participating producers and the brands of architectural paint covered by such paint stewardship program on its website.

11. (a) On and after the implementation date of the paint stewardship program, no producer, distributor or retailer shall sell or offer for sale architectural paint to any person in the state if the producer of such architectural paint is not a member of the representative organization.

(b) No retailer or distributor shall be found to be in violation of the provisions of this section if, on the date the architectural paint was ordered from the producer or its agent, the producer or the subject brand of architectural paint was listed on the department's website in accordance with the provisions of this section.

(c) Notwithstanding any other provision of law, a retailer carrying out duties or responsibilities imposed by this title shall incur no civil liability or penalty of any sort unless it is determined by a court of competent jurisdiction that such retailer has acted in a gross-

1 ly negligent manner in the transport or storage of paint and/or altering
2 the contents of a returned paint container.

3 12. Producers or the representative organization shall provide retail-
4 ers with educational materials regarding the paint stewardship assess-
5 ment and paint stewardship program to be distributed at the point of
6 sale to the consumer. Such materials shall include, but not be limited
7 to, information regarding available end-of-life management options for
8 architectural paint offered through the paint stewardship program and
9 information that notifies consumers that a charge for the operation of
10 such paint stewardship program is included in the purchase price of all
11 architectural paint sold in the state.

12 13. On or before October fifteenth, two thousand twenty, and annually
13 thereafter, each operator of a program shall submit a report to the
14 commissioner that details the paint stewardship program for the prior
15 year's program from July first to June thirtieth. Said report shall
16 include a copy of the independent audit detailed in paragraph (d) of
17 this subdivision. Such annual report shall include:

18 (a) a detailed description of the methods used to collect, transport
19 and process post-consumer paint in the state including detailing
20 collection methods made available to consumers and an evaluation of the
21 program's collection convenience;

22 (b) the overall volume of post-consumer paint collected in the state;

23 (c) the volume and type of post-consumer paint collected in the state
24 by method of disposition, including reuse, recycling and other methods
25 of processing or disposal;

26 (d) the total cost of implementing the program, as determined by an
27 independent financial audit, as performed by an independent auditor;

28 (e) an evaluation of the adequacy of the program's funding mechanism;

29 (f) samples of all educational materials provided to consumers of
30 architectural paint and retailers;

31 (g) a detailed list of efforts undertaken and an evaluation of the
32 methods used to disseminate such materials including recommendations, if
33 any, for how the educational component of the program can be improved;
34 and

35 (h) the annual report shall be accompanied by a fee in the amount of
36 three thousand dollars to be deposited into the environmental regulatory
37 account, established pursuant to section 72-1009 of this chapter to
38 cover the review of said plan by the department.

39 14. The representative organization shall update the plan, as needed,
40 when there are changes proposed to the current program. A new plan or
41 amendment will be required to be submitted to the department for
42 approval when:

43 (a) there is a change to the amount of the assessment; or

44 (b) there is an addition to the products covered under the program; or

45 (c) there is a revision of the product stewardship organization's
46 goals; or

47 (d) every four years, if requested, in writing, by the department.

48 The operator of the paint stewardship program shall notify the depart-
49 ment annually, in writing, if there are no changes proposed to the
50 program and the producer or representative organization intends to
51 continue implementation of the program as previously approved by the
52 department.

53 § 27-2005. Regulations.

54 The department is hereby authorized to promulgate rules and regu-
55 lations as may be necessary to implement and carry out the provisions of
56 this title.

1 § 27-2007. Reporting.

2 Not later than January fifteenth, two thousand twenty-one, and bienni-
3 ally thereafter, the commissioner shall submit a report to the legisla-
4 ture and the governor that describes the results and activities of the
5 paint stewardship program as enacted pursuant to this title including
6 any recommendations to improve the functioning and efficiency of the
7 paint stewardship program, as necessary.

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

10 § 71-2730. Enforcement of title 20 of article 27 of this chapter.

11 1. Civil penalties under this section shall be assessed by the commis-
12 sioner after a hearing or opportunity to be heard pursuant to the
13 provisions of section 71-1709 of this article, or shall be assessed by
14 the court in any action or proceeding pursuant to this section. In addi-
15 tion to any civil penalties, any retailer or producer, as those terms
16 are defined in section 27-2001 of this chapter, may by similar process
17 be enjoined from continuing such violation.

18 2. All penalties collected pursuant to this section shall be paid over
19 to the commissioner for deposit to the environmental protection fund
20 established pursuant to section ninety-two-s of the state finance law.

21 § 3. This act shall take effect immediately.