HOUSE BILL 127

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HB 890/20 – ENT & ECM (PRE–FILED)

By: **Delegate Boyce** Requested: June 19, 2020

Introduced and read first time: January 13, 2021

Assigned to: Environment and Transportation and Economic Matters

A BILL ENTITLED

1 AN ACT concerning

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Maryland Paint Stewardship

FOR the purpose of requiring certain producers of architectural paint sold at retail in the State or a certain representative organization to submit a plan for the establishment of a Paint Stewardship Program to the Department of the Environment for approval on or before a certain date and in accordance with certain requirements; authorizing a certain plan to identify a certain retailer as a postconsumer collection site under certain circumstances; requiring a certain plan to establish a certain assessment; prohibiting a certain assessment from exceeding certain costs; requiring a certain assessment to be evaluated by an independent financial auditor, as designated by the Department, for certain purposes; requiring that the cost of certain work performed by a certain financial auditor be funded by the Paint Stewardship Program; requiring certain assessments to be used for a certain purpose; requiring the Office of Recycling within the Department to review and approve certain plans, including a certain assessment, submitted in accordance with the Paint Stewardship Program; requiring a producer or representative organization to pay a plan review fee, as determined by the Department; requiring certain fees to be deposited in the State Recycling Trust Fund; authorizing the State Recycling Trust Fund to be used to cover certain costs; requiring the Department to approve a certain plan under certain circumstances; requiring the Department to list certain producers and brands on its website under certain circumstances; requiring certain producers and retailers or distributors to add a certain assessment to the cost of all architectural paint sold in the State beginning on a certain date; requiring a certain producer or representative organization to implement a certain program within a certain amount of time after the Department approves a certain plan; prohibiting a producer or retailer from selling or offering for sale certain architectural paint under certain circumstances beginning on a certain date or after a certain amount of time after the Department approves a certain plan, whichever is later; requiring a certain producer or representative organization to provide consumers with certain educational materials in accordance with certain requirements; providing that certain retailers

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

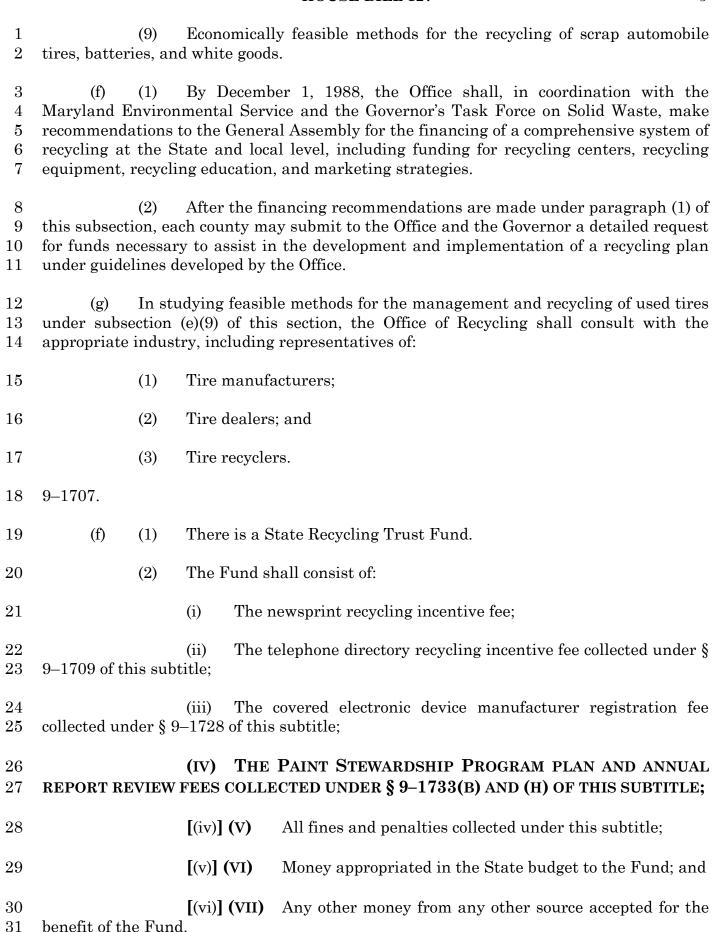


1 are in compliance with certain requirements under certain circumstances; providing 2 that a certain producer or representative organization is immune from certain liability under certain circumstances; requiring a certain producer or representative 3 4 organization to submit a certain report to the Department in accordance with certain requirements on or before a certain date and with a certain frequency thereafter; 5 requiring the Department to review a certain report in accordance with certain 6 7 requirements; requiring a producer or representative organization to pay an annual 8 report review fee, as determined by the Department; requiring the Department to 9 keep certain data confidential; authorizing the Department to release certain 10 summary data under certain circumstances; defining certain terms; and generally relating to the Paint Stewardship Program. 11

- 12 BY repealing and reenacting, without amendments,
- 13 Article Environment
- 14 Section 9–1701(a), (i), and (m)
- 15 Annotated Code of Maryland
- 16 (2014 Replacement Volume and 2020 Supplement)
- 17 BY adding to
- 18 Article Environment
- 19 Section 9–1701(b–1), (i–1), (o–1) through (o–3), (r–1), (s–1), and (s–2); and 9–1733 to
- be under the new part "Part V. Paint Stewardship Program"
- 21 Annotated Code of Maryland
- 22 (2014 Replacement Volume and 2020 Supplement)
- 23 BY repealing and reenacting, with amendments,
- 24 Article Environment
- 25 Section 9–1702 and 9–1707(f)
- 26 Annotated Code of Maryland
- 27 (2014 Replacement Volume and 2020 Supplement)
- 28 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
- 29 That the Laws of Maryland read as follows:
- 30 Article Environment
- 31 9–1701.
- 32 (a) In this subtitle the following words have the meanings indicated.
- 33 (B-1) (1) "ARCHITECTURAL PAINT" MEANS INTERIOR AND EXTERIOR 34 ARCHITECTURAL COATINGS SOLD IN CONTAINERS OF 5 GALLONS OR LESS.
- 35 (2) "ARCHITECTURAL PAINT" DOES NOT INCLUDE INDUSTRIAL 36 COATINGS, ORIGINAL EQUIPMENT COATINGS, OR SPECIALTY COATINGS.
- 37 (i) "Director" means the Director of the Office of Recycling.

- 1 (I-1) "DISTRIBUTOR" MEANS A COMPANY THAT HAS A CONTRACTUAL 2 RELATIONSHIP WITH ONE OR MORE PRODUCERS TO MARKET AND SELL 3 ARCHITECTURAL PAINT TO RETAILERS IN THE STATE.
- 4 (m) "Office" means the Office of Recycling within the Department.
- (0-1) "PAINT STEWARDSHIP ASSESSMENT" MEANS THE AMOUNT ADDED TO THE PURCHASE PRICE OF ARCHITECTURAL PAINT SOLD IN THE STATE THAT IS NECESSARY TO COVER THE PAINT STEWARDSHIP PROGRAM'S COST OF COLLECTING, TRANSPORTING, AND PROCESSING POSTCONSUMER PAINT STATEWIDE.
- 10 (O-2) "POSTCONSUMER PAINT" MEANS ARCHITECTURAL PAINT NOT USED 11 AND NO LONGER WANTED BY A PURCHASER.
- 12 (O-3) "PRODUCER" MEANS A MANUFACTURER OF ARCHITECTURAL PAINT
 13 THAT SELLS, OFFERS FOR SALE, OR DISTRIBUTES THE PAINT IN THE STATE UNDER
 14 THE PRODUCER'S OWN NAME OR BRAND.
- 15 (R-1) "REPRESENTATIVE ORGANIZATION" MEANS A NONPROFIT
 16 ORGANIZATION CREATED BY PRODUCERS TO IMPLEMENT A PAINT STEWARDSHIP
 17 PROGRAM.
- 18 (S-1) "RETAILER" MEANS ANY PERSON THAT OFFERS ARCHITECTURAL PAINT 19 FOR SALE AT RETAIL IN THE STATE.
- 20 (S-2) "SALE" OR "SELL" MEANS ANY TRANSFER OF TITLE FOR 21 CONSIDERATION, INCLUDING REMOTE SALES CONDUCTED THROUGH SALES 22 OUTLETS, CATALOGUES, THE INTERNET, OR ANY OTHER SIMILAR ELECTRONIC 23 MEANS.
- 24 9–1702.
- 25 (a) There is an Office of Recycling created within the Department.
- 26 (b) The Secretary shall appoint a Director and sufficient staff to perform the functions of the Office. After July 1, 1989, the number of staff shall be as provided in the budget.
- 29 (c) The Secretary may adopt regulations to carry out the provisions of this 30 subtitle.
- 31 (d) The Office shall:

- 1 (1) Assist the counties in developing an acceptable recycling plan required 2 under § 9–1703 of this subtitle and § 9–505 of this title, including technical assistance to 3 the local governments;
- 4 (2) Coordinate the efforts of the State to facilitate the implementation of the recycling goals at the county level;
- 6 (3) Review all recycling plans submitted as part of a county plan as 7 required under § 9–505 of this title and advise the Secretary on the adequacy of the 8 recycling plan; [and]
- 9 (4) Administer the Statewide Electronics Recycling Program under Part IV 10 of this subtitle; AND
- 11 (5) REVIEW AND APPROVE PLANS AND ANNUAL REPORTS, INCLUDING 12 THE PAINT STEWARDSHIP ASSESSMENT, SUBMITTED IN ACCORDANCE WITH A PAINT 13 STEWARDSHIP PROGRAM ESTABLISHED UNDER PART V OF THIS SUBTITLE.
- 14 (e) Beginning on January 1, 1990, and biannually thereafter, the Office shall, in 15 coordination with the Maryland Environmental Service, study and report to the Governor 16 and, subject to § 2–1257 of the State Government Article, the General Assembly on:
- 17 (1) The availability of local, national, and international markets for 18 recycling materials;
- 19 (2) The identification and location of recycling centers, including an 20 analysis of existing recycling centers and the need to expand these facilities or construct 21 new recycling centers;
- 22 (3) Programs necessary to educate the public on the need to participate in 23 recycling efforts;
- 24 (4) The economics and financing of existing and proposed systems of waste 25 disposal and recycling;
- 26 (5) State procurement policies for the purchase of recycled materials;
- 27 (6) Programs necessary to reduce the amount of solid waste generated for 28 disposal by a State agency or unit;
- 29 (7) The liaison role with local governments, the federal government, and 30 the private sector;
- 31 (8) The percentage reduction in the amount of solid waste that has been 32 achieved by each county; and



(1)

(A)

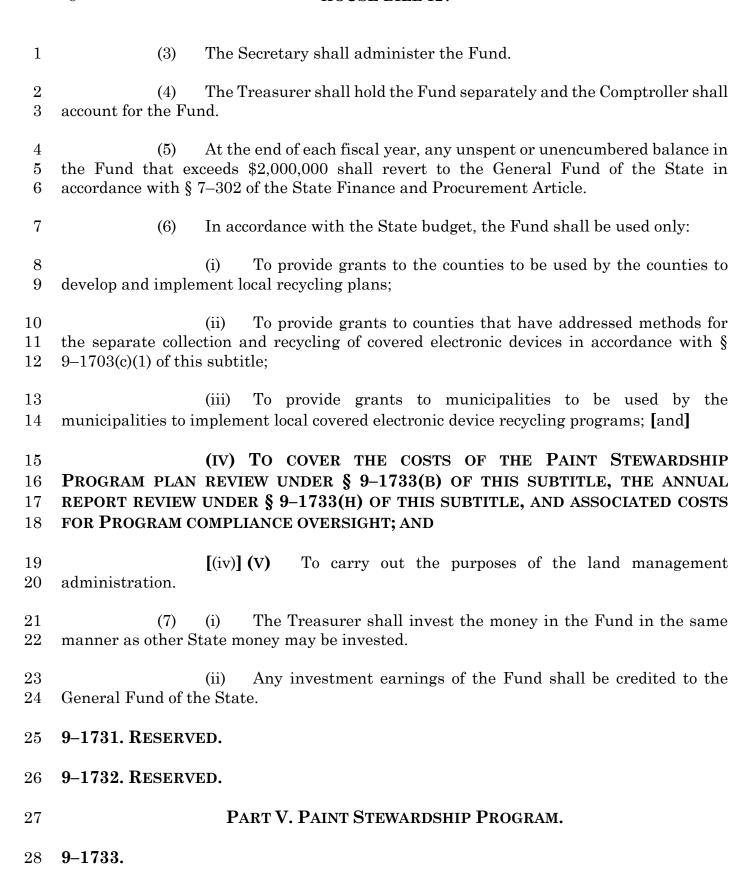
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OR

BEFORE

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JANUARY

ARCHITECTURAL PAINT SOLD AT RETAIL IN THE STATE, OR A REPRESENTATIVE

1,

2022,

PRODUCERS

OF

- 1 ORGANIZATION ACTING ON A PRODUCER'S BEHALF, SHALL SUBMIT A PLAN FOR THE
- 2 ESTABLISHMENT OF A PAINT STEWARDSHIP PROGRAM TO THE DEPARTMENT FOR
- 3 APPROVAL.
- 4 (2) THE PLAN SHALL MINIMIZE PUBLIC SECTOR INVOLVEMENT IN,
- 5 AND FINANCIAL RESPONSIBILITY FOR, THE MANAGEMENT OF POSTCONSUMER
- 6 PAINT BY:
- 7 (I) REDUCING ITS GENERATION;
- 8 (II) PROMOTING ITS REUSE AND RECYCLING; AND
- 9 (III) NEGOTIATING AND EXECUTING AGREEMENTS TO COLLECT,
- 10 TRANSPORT, REUSE, RECYCLE, PROCESS FOR RESOURCE RECOVERY, AND DISPOSE
- 11 OF POSTCONSUMER PAINT.
- 12 (3) THE PLAN SHALL PROVIDE FOR CONVENIENT AND AVAILABLE
- 13 STATEWIDE COLLECTION OF POSTCONSUMER PAINT THAT:
- 14 (I) PROVIDES FOR COLLECTION RATES AND CONVENIENCE
- 15 EQUAL TO OR GREATER THAN THE COLLECTION PROGRAMS AVAILABLE TO
- 16 CONSUMERS PRIOR TO THE PAINT STEWARDSHIP PROGRAM;
- 17 (II) IDENTIFIES EACH PRODUCER PARTICIPATING IN THE
- 18 PAINT STEWARDSHIP PROGRAM AND THE BRANDS OF ARCHITECTURAL PAINT SOLD
- 19 IN THE STATE THAT ARE COVERED BY THE PROGRAM;
- 20 (III) DESCRIBES HOW THE PAINT STEWARDSHIP PROGRAM MAY
- 21 BE IMPLEMENTED IN COORDINATION WITH EXISTING HOUSEHOLD HAZARDOUS
- 22 WASTE COLLECTION INFRASTRUCTURE IN A MANNER THAT IS MUTUALLY
- 23 AGREEABLE; AND
- 24 (IV) PROVIDES GEOGRAPHIC MODELING TO DETERMINE THE
- 25 NUMBER AND DISTRIBUTION OF SITES FOR COLLECTION OF POSTCONSUMER PAINT
- 26 BASED ON THE FOLLOWING CRITERIA:
- 27 1. At least 90% of the residents of the State
- 28 SHALL HAVE A COLLECTION SITE WITHIN A 15-MILE RADIUS; AND
- 29 2. Unless otherwise approved by the
- 30 DEPARTMENT, ONE ADDITIONAL COLLECTION SITE SHALL BE ESTABLISHED FOR
- 31 EVERY 50,000 RESIDENTS OF A GEOGRAPHICAL AREA DESIGNATED UNDER FEDERAL
- 32 LAW AS AN URBANIZED AREA.

- 1 (4) THE PLAN MAY IDENTIFY A RETAILER AS A POSTCONSUMER PAINT 2 COLLECTION SITE IF:
- 3 (I) THE RETAILER VOLUNTEERS TO ACT AS A POSTCONSUMER
- 4 PAINT COLLECTION SITE;
- 5 (II) THE RETAILER IS IN COMPLIANCE WITH ALL APPLICABLE
- 6 LAWS AND REGULATIONS; AND
- 7 (III) THE SITE LOCATION OF THE RETAILER IS CONSISTENT WITH
- 8 MAINTAINING A COST-EFFECTIVE NETWORK OF POSTCONSUMER PAINT
- 9 COLLECTION LOCATIONS.
- 10 **(5)** THE PLAN SHALL ESTABLISH:
- 11 (I) A UNIFORM PAINT STEWARDSHIP ASSESSMENT FOR ALL
- 12 ARCHITECTURAL PAINT SOLD IN THE STATE; AND
- 13 (II) A MECHANISM FOR PAINT PRODUCERS PARTICIPATING IN A
- 14 PAINT STEWARDSHIP PROGRAM TO REMIT TO THE REPRESENTATIVE
- 15 ORGANIZATION PAYMENT OF THE PAINT STEWARDSHIP ASSESSMENT FOR EACH
- 16 CONTAINER OF ARCHITECTURAL PAINT SOLD IN THE STATE.
- 17 (6) THE TOTAL AMOUNT OF THE PAINT STEWARDSHIP ASSESSMENT
- 18 MAY NOT EXCEED THE COSTS OF IMPLEMENTING THE PAINT STEWARDSHIP
- 19 **PROGRAM.**
- 20 (7) (I) THE PAINT STEWARDSHIP ASSESSMENT SHALL BE
- 21 EVALUATED BY AN INDEPENDENT FINANCIAL AUDITOR, AS DESIGNATED BY THE
- 22 DEPARTMENT, TO ENSURE THE COSTS OF IMPLEMENTING THE PAINT
- 23 STEWARDSHIP PROGRAM ARE COVERED BUT NOT EXCEEDED.
- 24 (II) THE COST OF ANY WORK PERFORMED BY AN INDEPENDENT
- 25 FINANCIAL AUDITOR SHALL BE FUNDED BY THE PROGRAM.
- 26 (8) PAINT STEWARDSHIP ASSESSMENTS MAY BE USED ONLY TO
- 27 IMPLEMENT THE PAINT STEWARDSHIP PROGRAM.
- 28 (B) (1) THE DEPARTMENT SHALL REVIEW:
- 29 (I) THE PAINT STEWARDSHIP PROGRAM PLAN REQUIRED
- 30 UNDER SUBSECTION (A) OF THIS SECTION; AND

- 1 (II) THE WORK PRODUCT OF THE INDEPENDENT FINANCIAL
- 2 AUDITOR DESIGNATED BY THE DEPARTMENT TO EVALUATE PAINT STEWARDSHIP
- 3 ASSESSMENTS.
- 4 (2) THE PRODUCER OR REPRESENTATIVE ORGANIZATION THAT
- 5 SUBMITS A PLAN FOR APPROVAL SHALL PAY A PLAN REVIEW FEE TO THE
- 6 DEPARTMENT TO BE DEPOSITED IN THE STATE RECYCLING TRUST FUND UNDER §
- 7 9-1707 OF THIS SUBTITLE THAT COVERS THE DEPARTMENT'S COST OF PLAN
- 8 REVIEW, INCLUDING ASSOCIATED COSTS FOR PROGRAM COMPLIANCE OVERSIGHT,
- 9 AS DETERMINED BY THE DEPARTMENT.
- 10 (3) IF THE DEPARTMENT DETERMINES THAT THE PAINT
- 11 STEWARDSHIP PROGRAM PLAN, INCLUDING THE PAINT STEWARDSHIP
- 12 ASSESSMENT, COMPLIES WITH THE REQUIREMENTS OF SUBSECTION (A) OF THIS
- 13 SECTION, THE DEPARTMENT SHALL APPROVE THE PROGRAM.
- 14 (4) THE DEPARTMENT SHALL LIST ON ITS WEBSITE THE PRODUCERS
- 15 AND BRANDS IMPLEMENTING OR PARTICIPATING IN AN APPROVED PAINT
- 16 STEWARDSHIP PROGRAM.
- 17 (C) (1) A PRODUCER OR REPRESENTATIVE ORGANIZATION SHALL
- 18 IMPLEMENT ITS PAINT STEWARDSHIP PROGRAM PLAN WITHIN 6 MONTHS AFTER
- 19 THE PLAN'S APPROVAL BY THE DEPARTMENT.
- 20 (2) BEGINNING OCTOBER 1, 2022, OR 6 MONTHS AFTER PLAN
- 21 APPROVAL, WHICHEVER IS LATER:
- 22 (I) A PRODUCER OR RETAILER MAY NOT SELL OR OFFER FOR
- 23 SALE A BRAND OF ARCHITECTURAL PAINT TO ANY PERSON IN THE STATE, UNLESS
- 24 THE PRODUCER OF THE BRAND OR A REPRESENTATIVE ORGANIZATION OF WHICH
- 25 THE PRODUCER IS A MEMBER IS IMPLEMENTING AN APPROVED PAINT
- 26 STEWARDSHIP PROGRAM;
- 27 (II) A PRODUCER SHALL ADD THE PAINT STEWARDSHIP
- 28 ASSESSMENT ESTABLISHED UNDER AN APPROVED PAINT STEWARDSHIP PROGRAM
- 29 TO THE COST OF ALL ARCHITECTURAL PAINT SOLD TO RETAILERS AND
- 30 DISTRIBUTED IN THE STATE; AND
- 31 (III) EACH RETAILER OR DISTRIBUTOR SHALL ADD A PAINT
- 32 STEWARDSHIP ASSESSMENT TO THE PURCHASE PRICE OF ALL ARCHITECTURAL
- 33 PAINT SOLD IN THE STATE.

- 1 (D) A PRODUCER OR REPRESENTATIVE ORGANIZATION PARTICIPATING IN 2 AN APPROVED PAINT STEWARDSHIP PROGRAM SHALL PROVIDE CONSUMERS WITH 3 EDUCATIONAL MATERIALS REGARDING THE PROGRAM THAT INCLUDE:
- 4 (1) Information regarding available end-of-life 5 management options for architectural paint offered through the 6 Program; and
- 7 (2) Information that notifies consumers that an 8 assessment to cover the costs of implementing the Program is included 9 in the purchase price of all architectural paint sold in the State.
- 10 (E) FOLLOWING THE IMPLEMENTATION OF THE PAINT STEWARDSHIP
 11 PROGRAM, A RETAILER COMPLIES WITH THE REQUIREMENTS OF THIS SECTION IF,
 12 ON THE DATE THE ARCHITECTURAL PAINT WAS ORDERED FROM THE PRODUCER OR
 13 ITS AGENT, THE PRODUCER OF THE PAINT BRAND IS LISTED ON THE DEPARTMENT'S
 14 WEBSITE AS IMPLEMENTING OR PARTICIPATING IN AN APPROVED PAINT
 15 STEWARDSHIP PROGRAM.
- 16 (F) A POSTCONSUMER PAINT COLLECTION SITE THAT IS IDENTIFIED IN THE 17 PLAN MAY NOT CHARGE AN ADDITIONAL FEE FOR THE DISPOSAL OF PAINT WHEN IT 18 IS OFFERED FOR DISPOSAL.
- 19 (G) A PRODUCER OR REPRESENTATIVE ORGANIZATION THAT ORGANIZES
 20 THE COLLECTION, TRANSPORT, AND PROCESSING OF POSTCONSUMER PAINT IN
 21 ACCORDANCE WITH AN APPROVED PAINT STEWARDSHIP PROGRAM SHALL BE
 22 IMMUNE FROM LIABILITY FOR ANY CLAIM OF A VIOLATION OF ANTITRUST,
 23 RESTRAINT OF TRADE, OR UNFAIR TRADE PRACTICE ARISING FROM CONDUCT
 24 UNDERTAKEN IN ACCORDANCE WITH THE PROGRAM.
- 25 (H) (1) BEGINNING APRIL 1, 2023, AND ANNUALLY THEREAFTER, THE PRODUCER OR REPRESENTATIVE ORGANIZATION SHALL SUBMIT A REPORT TO THE DEPARTMENT THAT DETAILS THE PAINT STEWARDSHIP PROGRAM, INCLUDING:
- 28 (I) A DESCRIPTION OF THE METHODS USED TO COLLECT, 29 TRANSPORT, AND PROCESS POSTCONSUMER PAINT IN THE STATE;
- 30 (II) THE VOLUME OF POSTCONSUMER PAINT COLLECTED IN 31 THE STATE;
- (III) THE VOLUME AND TYPE OF POSTCONSUMER PAINT COLLECTED IN THE STATE BY METHOD OF DISPOSITION, INCLUDING REUSE, RECYCLING, AND OTHER METHODS OF PROCESSING OR DISPOSAL, THAT INCLUDES

- 1 AN ACCOUNTING OF THE VOLUME OF POSTCONSUMER PAINT COLLECTED IN THE
- 2 STATE FOR EACH COUNTY IN THE STATE;
- 3 (IV) THE TOTAL COST OF IMPLEMENTING AND ADMINISTERING
- 4 THE PROGRAM, AS DETERMINED BY AN INDEPENDENT FINANCIAL AUDIT FUNDED
- 5 BY THE PAINT STEWARDSHIP ASSESSMENT: AND
- 6 (V) SAMPLES OF EDUCATIONAL MATERIALS USED TO INFORM
- 7 CONSUMERS OF ARCHITECTURAL PAINT.
- 8 (2) THE PRODUCER OR REPRESENTATIVE ORGANIZATION THAT
- 9 SUBMITS A REPORT REQUIRED UNDER THIS SECTION SHALL PAY A REPORT REVIEW
- 10 FEE TO THE DEPARTMENT TO BE DEPOSITED IN THE STATE RECYCLING TRUST
- 11 FUND UNDER § 9–1707 OF THIS SUBTITLE THAT COVERS THE DEPARTMENT'S COST
- 12 OF REPORT REVIEW, INCLUDING ASSOCIATED COSTS FOR PROGRAM COMPLIANCE
- 13 OVERSIGHT, AS DETERMINED BY THE DEPARTMENT.
- 14 (I) (1) THE DEPARTMENT SHALL REVIEW THE ANNUAL REPORT
- 15 REQUIRED UNDER SUBSECTION (H) OF THIS SECTION AND:
- 16 (I) EVALUATE THE TOTAL COSTS OF THE PAINT STEWARDSHIP
- 17 PROGRAM, INCLUDING ALL EXPENSES AND REVENUES, TO DETERMINE WHETHER
- 18 THE PAINT STEWARDSHIP ASSESSMENT MEETS OR EXCEEDS THE COSTS OF THE
- 19 PROGRAM IN ACCORDANCE WITH SUBSECTION (A)(5) OF THIS SECTION; AND
- 20 (II) DETERMINE WHETHER THE PLAN IS BEING IMPLEMENTED
- 21 IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.
- 22 (2) IF THE DEPARTMENT DETERMINES THAT THE PAINT
- 23 STEWARDSHIP ANNUAL REPORT, INCLUDING THE PAINT STEWARDSHIP
- 24 ASSESSMENT, COMPLIES WITH THE REQUIREMENTS OF SUBSECTION (A) OF THIS
- 25 SECTION, THE DEPARTMENT SHALL APPROVE THE ANNUAL REPORT.
- 26 (3) THE PRODUCER OR REPRESENTATIVE ORGANIZATION SHALL
- 27 MAKE THE APPROVED ANNUAL REPORT AVAILABLE TO THE PUBLIC.
- 28 (J) (1) FINANCIAL, PRODUCTION, OR SALES DATA REPORTED TO THE
- 29 DEPARTMENT BY A PRODUCER OR THE REPRESENTATIVE ORGANIZATION SHALL BE
- 30 KEPT CONFIDENTIAL BY THE DEPARTMENT AND MAY NOT BE SUBJECT TO PUBLIC
- 31 INSPECTION.
- 32 (2) THE DEPARTMENT MAY RELEASE SUMMARY DATA THAT DOES
- 33 NOT DISCLOSE FINANCIAL, PRODUCTION, OR SALES DATA OF A PRODUCER,
- 34 RETAILER, OR REPRESENTATIVE ORGANIZATION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 2 $\,$ 1, 2021.