



HB127 – Maryland Paint Stewardship
Education, Health, and Environmental Affairs Committee
March 17, 2021

Position: Unfavorable

Background: HB127 would require sellers of paint in Maryland to establish and implement a paint disposal program which would be funded by an assessment levied on the sale of all architectural paint in state.

Comments: The Maryland Retailers Association has many concerns with this bill's language and the proposed Paint Stewardship Program.

The bill includes conflicting language regarding how the assessment collection required by the stewardship program would be handled. Section 9-1707(f)(6)(iv) states that the cost of the Paint Stewardship Program would be managed through the State Recycling Trust Fund, but Section 9-1733(a)(5)(ii) refers to paint reducers remitting the assessments directly to the organization selected for paint disposal, rather than to the Recycling Trust Fund.

Though the bill includes language regarding the review of the Paint Stewardship Program and states that the total amount of the assessments may not surpass the cost of the program's operation, it does not appear to address next steps if the program's representative organization collects more funds than necessary for operational costs. PaintCare, the nonprofit organization which operates paint stewardship programs in all other states that have enacted similar legislation, collects surplus funds from consumers year after year, as is visible on their 990 forms.

The Paint Stewardship Program, which would ostensibly award State taxing authority to a private entity, sets a dangerous precedent for charging additional fees for any consumer product deemed dangerous or difficult to dispose of (though architectural paint, as identified in the bill, is nontoxic and can be easily disposed of after being mixed with cat litter). A number of nonprofit groups have been established in the United States with the purpose of disposing of these products and are partnered under the Product Stewardship Institute umbrella association. PSI's website includes a long list of materials that their 'partners' can dispose of and advertises that PSI's goals include getting legislation passed to establish programs for local disposal – that their partners, including PaintCare, can pick up the contracts for.

Paint stewardship programs claim to result in reduced costs for paint recycling, but other states have reported cost increases as programs expand and more collection

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locations open. Paint stewardship programs may also result in increased waste at drop-off sites due to collection limitations. PaintCare does not accept spray paint, nor does it recycle paint cans, leaving the collection site with the responsibility of disposing of cans and other paint materials that may be left behind by confused consumers.

Most if not all jurisdictions in Maryland already have collections or drop-off options for hazardous waste or other unusual trash items, and these options are funded through taxpayer dollars. Though the bill's fiscal note claims that local waste management costs will decrease over time as more jurisdictions participate in the program, it is unlikely that consumers will see a corresponding decrease in their local taxes and waste disposal prices, and property owners will be double-charged for services that are already available to them through their current taxes and local infrastructure.

We also have concerns about the ethical implications of the Paint Stewardship Program. Paint stewardship programs in other states have been supported by national paint manufacturers who would see that such programs eliminate their competition in stores by banning paint manufacturers who do not participate in the program. Such behavior is unethical, and retailers across the country who operate in jurisdictions with similar programs have confirmed that the programs make it difficult for companies to remain competitive.

For these reasons, we must again urge an unfavorable report on HB127. Thank you for your consideration.