## MARYLAND RETAILERS ASSOCIATION

The Voice of Retailing in Maryland



## HB890 – Maryland Paint Stewardship Program Environmental and Transportation and Economic Matters Committees February 26, 2020

**Position: OPPOSE** 

**Background:** HB890 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 the proposed Paint Stewardship Program.

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 difficult or dangerous to dispose of. 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 (see attached), and advertises that PSI's goals include getting legislation passed to establish programs for local disposal – that their partners can pick up the contracts for.

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 the other states that have enacted similar legislation, has collected surplus funds from consumers year after year, as is visible on their 990 forms.

The bill language is also unclear on how the assessment collection will be handled. Section 9-1707(f)(6)(iv) states that the cost of the Paint Stewardship Program will 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.



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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 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 though consumers may leave it at collection sites without distinguishing what can be collected, and does not recycle paint cans, the disposal of which is left up to the collection site or retailer.

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 similar 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 urge an unfavorable report on HB890. Thank you for your consideration.





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