



PAINT RECYCLING PROGRAM

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PAINTCARE INC.

PaintCare Inc. is a nonprofit organization that develops and operates paint stewardship (i.e., recycling) programs for manufacturers in states with paint stewardship laws. It was created by the American Coatings Association, a trade group of the paint manufacturing industry.

Based in Washington, D.C., PaintCare administers paint recycling programs in California, Connecticut, Oregon, Rhode Island, and Vermont. It is developing programs for Colorado, Maine, and Minnesota.

More information about PaintCare is available on its [website](#).

ISSUES

1. Describe the state's paint recycling program created by [Public Act \(PA\) 11-24](#).
2. How much money has the program collected?
3. How is the money used?
4. Why did the legislature decide to create the program?

SUMMARY

Connecticut's paint recycling program provides consumers and businesses with a way to manage unused architectural paint.

Administered by a non-profit organization called PaintCare (see sidebox), the program collects, transports, and processes the unused paint. The program is funded by an assessment (i.e., fee) added to the purchase price of paint sold in the state. Paint retailers serve as the primary collection locations.

During its first year (July 1, 2013 to June 30, 2014), the program collected \$3,533,470 from the fee. The funds were used to collect, transport, and process the post-consumer paint; educate consumers about the program; and pay administrative expenses. The greatest expense is transport and processing. The paint is often made into recycled-content paint, but it may also be fuel-blended, used to make other materials such as cement or landfill cover, or discarded.

The public hearing testimony and House debate for SB 828, which became law as [PA 11-24](#) and established the program, provided several arguments in support of the program. They included, among other things, (1) making paint collection more convenient, (2) increasing the amount of paint collected, and (3) lowering municipal and taxpayer expenses.

Most of the information in this report is from the (1) program's first annual report covering July 1, 2013 to June 30, 2014 and (2) Department of Energy and Environmental Protection's (DEEP) paint recycling [website](#). The program's annual report is available in the [Legislative Library's](#) collection.

CONNECTICUT PAINT STEWARDSHIP PROGRAM

The Connecticut Paint Stewardship law ([PA 11-24](#)) established a statewide recycling program to manage post-consumer paint.

It requires (1) all paint manufacturers selling or distributing paint in the state to join a "representative organization" of the paint industry (e.g., PaintCare) and (2) the representative organization to plan and operate the paint recycling program. DEEP approved PaintCare's plan in spring 2013; the program began on July 1, 2013.

Scope of the Program

The program applies to interior and exterior architectural paint sold in containers holding up to five gallons. It also includes, among other things, deck coatings, primers, sealers, stains, shellacs, varnishes, and urethanes.

Retailers must only sell brands of architectural paint that are registered with PaintCare. DEEP provides lists of registered manufacturers and brands on its [website](#).

Program's Purpose

By law, the program must (1) minimize the public sector's role in managing post-consumer paint and (2) provide convenient, statewide post-consumer paint collection that is no greater in cost or convenience than programs previously available to consumers.

Paint Stewardship Assessment

The program is funded by a paint stewardship assessment, also called the "PaintCare Recovery Fee," added to the purchase price of architectural paint covered by the program. The fees pay for collecting, transporting, and processing unused paint; public education about the program and proper paint management; and administrative costs.

Manufacturers pay the fees to PaintCare. The fees are then added to the wholesale and retail purchase price of paint and are based on the container size purchased, as shown in Table 1.

Table 1: PaintCare Recovery Fee Amounts

Container Size	Fee Amount
Half pint or less	No Fee
More than half pint to less than one gallon	\$0.35
One gallon	\$0.75
More than one gallon to five gallons	\$1.60

Source: Connecticut Paint Stewardship Program Annual Report, covering July 1, 2013 - June 30, 2014, page 25.

By law, the fees must not exceed the program's costs. Every two years, PaintCare must propose the fees for paint covered by the program. An independent auditor then reviews the proposal and recommends an amount to DEEP for approval.

DEEP chooses the auditor, reviews its work, and must select a new auditor at least once every five years.

Paint Collection and Disposal

PaintCare established drop-off sites throughout the state. Most are retailers, but others include transfer stations, recycling centers, and household hazardous waste collection programs. Participating as a paint drop-off site is voluntary, but sites must meet requirements for (1) storage, (2) latex and oil-based paint acceptance, and (3) public access. PaintCare provides drop-off sites with storage bins and transports them from the sites.

Public Education

PaintCare and retailers developed public education materials about the program for distribution at points of sale. The materials aim to inform consumers about the PaintCare Recovery Fee and the program's benefits.

TOTAL FEES COLLECTED

According to PaintCare’s first annual report, 5,755,458 gallons of paint were sold in Connecticut during the program’s first year. Sales generated \$3,533,470 in paint recovery fee revenue. Table 2 shows the fee revenue, broken down by container size.

Table 2: Year One Recovery Fee Revenue

Container Size	Fee Revenue (\$)
Greater than a half pint to less than one gallon	408,243
One gallon	2,403,101
Greater than one gallon up to five gallons	722,126
Total	3,533,470

Source: Connecticut Paint Stewardship Program Annual Report, covering July 1, 2013 – June 30, 2014, page 23.

USE OF COLLECTED FUNDS

The fees collected by PaintCare are used to operate the program. By law, PaintCare must report on the total cost of implementing the program, as determined by an independent audit.

During the program’s first year of operation, the fee revenues covered pre-program expenses, operating expenses such as paint collection and processing, and a reserves policy.

Pre-Program Expenses

According to PaintCare’s first annual report, pre-program expenses totaled \$495,872. Table 3 breaks down these expenses.

Table 3: Year One Pre-Program Expenses

Pre-Program Expense	Amount (\$)
Communication	42,430
Legal Fees	79,168
Collection Support	44,190
Other Program Expenses	113,294
Allocation of General and Administrative Activities	110,506
Net Deficit from Start of Year	106,284
Total	495,872

Source: Connecticut Paint Stewardship Program Annual Report, covering July 1, 2013 – June 30, 2014, Appendix B.

Year One Operating Expenses

During its first operating year, the program cost \$2,224,911. The expenses are broken down in Table 4.

Table 4: Year One Program Operating Expenses

Year One Expense	Amount (\$)
Transportation and Processing	1,325,917
Communication	256,452
Legal Fees	2,580
State Agency Administrative Fees	40,000
Collection Support	315,780
Other Program Expenses	141,700
Allocation of General and Administrative Activities	142,482
Total	2,224,911

Source: Connecticut Paint Stewardship Program Annual Report, covering July 1, 2013 – June 30, 2014, Appendix B.

At the end of year one, the program's net assets totaled \$812,687.

Reserves Policy

PaintCare has a Reserves Policy to keep a six-month net asset balance in each state program, covering expenses for two operating quarters. The policy's purpose is to ensure a program continues to operate when paint sales are low or collection rates are high.

According to PaintCare's report, Connecticut's targeted reserve balance should be about \$1.5 million. The net assets from the program's first year meet over half this amount.

Paint Collection and Processing

During the program's first year, PaintCare:

1. established 127 permanent year-round and five seasonal drop-off locations, including 100 retailers;
2. held 11 paint collection events;
3. managed paint from 54 municipal waste collection events; and
4. provided 34 paint pick-ups from large-volume businesses or institutions, such as contractors.

The program processed 240,798 gallons of paint (70% latex, 30% oil-based). The paint was, among other things, (1) made into recycled-content paint, (2) used to make landfill cover or cement, (3) fuel blended, or (4) landfilled as solids if unrecyclable. The majority was made into recycled-content paint.

LEGISLATIVE HISTORY – REASONS FOR THE PROGRAM

Committee Action

Environment Committee. Testimony from the Environment Committee’s February 9, 2011 public hearing on SB 828 focused primarily on the how the bill would (1) increase recovery of unwanted paint by creating more collection opportunities and (2) lower municipal and taxpayer expenses. Several other arguments in support of the bill included its possible effects of:

1. limiting government’s role in managing unused paint;
2. properly managing latex paint, which burdens the solid waste stream by (a) being difficult to handle and (b) adding volume and cost;
3. increasing the collection of other household hazardous waste materials (e.g., pesticides) at municipal collection events, because people would be more likely to attend events if latex paint was collected; and
4. maintaining consistency with the state’s Solid Waste Management Plan.

One industry group was concerned about how (1) the fee would be communicated to customers and (2) retailers would pay fee assessments on paint from distribution centers.

The Environment Committee reported the bill favorably on March 9, 2011.

Judiciary Committee. After the Senate passed SB 828 (see below), the House referred the bill to the Judiciary Committee, which favorably reported it on April 28, 2011.

House and Senate Action

The legislature unanimously passed SB 828, which became [PA 11-24](#) and was signed into law by the governor on June 3, 2011.

House. During the May 19, 2011 House debate, reasons given for establishing the program were (1) increasing the recovery of post-consumer paint, (2) providing a more convenient way to dispose of unused paint, and (3) saving municipalities and taxpayers money. It was explained that Connecticut had no program to manage latex paint so the paint had to be dried and disposed of as solid waste, thus increasing tipping fees (i.e., cost of waste disposal). Also, municipalities bore the cost of disposing of paint dropped off at hazardous waste collections.

Several representatives asked questions on, among other things, the program's scope and how it would be implemented. One expressed concern about (1) the selection of the nonprofit and the nonprofit's role in establishing the fee, (2) DEEP's ability to change the program in the future, and (3) whether the program would save taxpayers money.

Senate. The Senate passed the bill on its Consent Calendar on April 13, 2011; it did not discuss the bill.

HYPERLINKS

PaintCare Connecticut, <http://www.paintcare.org/paintcare-states/connecticut/>, last visited October 29, 2014.

DEEP, Paint Recycling, http://www.ct.gov/deep/cwp/view.asp?a=2708&q=449248&deepNav_GID=1645, last visited October 29, 2014.

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