HB 2048-1 (LC 574) 4/1/13 (DLT/ps)

PROPOSED AMENDMENTS TO HOUSE BILL 2048

- On page 1 of the printed bill, line 2, delete "1,".
- Delete line 3 and insert "4, 6, 7 and 9, chapter 777, Oregon Laws 2009;".
- In line 4, delete "Oregon Laws 2009;".
- Delete lines 6 through 28 and delete pages 2 through 9 and insert:

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"ARCHITECTURAL PAINT STEWARDSHIP PILOT PROGRAM

- 8 "SECTION 1. Section 2, chapter 777, Oregon Laws 2009, is amended to read:
- "Sec. 2. As used in sections 1 to 10, chapter 777, Oregon Laws 2009

 [of this 2009 Act]:
- "(1)(a) 'Architectural paint' means interior and exterior architectural coatings sold in containers of five gallons or less.
- "(b) 'Architectural paint' does not mean industrial, original equipment or specialty coatings.
- "(2) 'Architectural paint stewardship assessment' means the amount added to the purchase price of architectural paint sold in this state [necessary] to cover the cost of collecting, transporting and processing the post-consumer architectural paint managed through a statewide architectural paint stewardship pilot program.
- "(3) 'Distributor' means a company that has a contractual relationship with one or more producers to market and sell architectural paint to retail-

- 1 ers in this state.
- "(4) 'Energy recovery' means recovery in which all or a part of the solid waste materials of architectural paint are processed to use the heat content or other forms of energy from the solid waste materials.
- 5 "(5) 'Permanent collection site' means a collection site for post-6 consumer architectural paint at a fixed location with regular hours 7 of operation.
- 8 "[(5)] (6) 'Post-consumer architectural paint' means architectural paint 9 not used and no longer wanted by its purchaser.
- "[(6)] (7) 'Producer' means a person that manufactures architectural paint that is sold or offered for sale in this state.
- "[(7)(a)] (8)(a) 'Recycling' means any process by which discarded products, components and by-products are transformed into new usable or marketable materials in a manner in which the products may lose their original composition.
- "(b) 'Recycling' does not include energy recovery or energy generation by means of combusting discarded products, components and by-products with or without other waste products from post-consumer architectural paint.
- "[(8)] (9) 'Retailer' means any person that sells or offers for sale architectural paint at retail in this state.
- "[(9)] (10) 'Reuse' means the return of a product into the economic stream for use in the same kind of application intended for the use of the product, without a change in the product's original composition or packaging.
- "[(10)] (11) 'Sell' or 'sale' means any transfer of title for consideration, including remote sales conducted through sales outlets, catalogs or the Internet or through any other similar electronic means.
- "[(11)] (12) 'Sound management practices' means policies to be implemented by a producer or a stewardship organization to ensure compliance with all applicable laws and that address:
- "(a) Adequate record keeping;

- "(b) The tracking and documentation of the use, reuse or disposal of post-consumer architectural paint within this state and outside this state; and
- "(c) Adequate environmental liability coverage for professional services and for the operations of contractors working for producers or a stewardship organization.
- "[(12)] (13) 'Stewardship organization' means a corporation, nonprofit or-8 ganization or other legal entity created by a producer or group of producers 9 to implement the architectural paint stewardship pilot program described in 10 sections 1 to 10 [of this 2009 Act], chapter 777, Oregon Laws 2009.
- "SECTION 2. Section 3, chapter 777, Oregon Laws 2009, is amended to read:
 - "Sec. 3. (1) A producer or retailer may not sell or offer for sale architectural paint to any person in this state unless the producer is participating in [a] an approved statewide architectural paint stewardship pilot program organized by a stewardship organization. A retailer is in compliance with this [section] subsection if, on the date the architectural paint was ordered from the producer or its agent, the website maintained by the Department of Environmental Quality lists the producer, along with the producer's product brand, as participating in an approved architectural paint stewardship pilot program.
 - "(2)(a) [At the time of sale to a consumer, a producer or retailer] A stewardship organization must provide retailers selling or offering for sale architectural paint [must provide the consumer] with information on available [end-of-product-life management options] collection opportunities for post-consumer architectural paint offered through [an] the organization's architectural paint stewardship pilot program.
 - "(b) A retailer that sells or offers for sale architectural paint must provide the information described in paragraph (a) of this subsection to the consumer at the time of sale.

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- "SECTION 3. Section 4, chapter 777, Oregon Laws 2009, is amended to read:
- "Sec. 4. (1) [No later than March 1, 2010,] A stewardship organization
- 4 must submit a plan for a statewide architectural paint stewardship pilot
- 5 program to the Director of the Department of Environmental Quality for
- 6 approval. The plan must address the requirements set forth in sub-
- 7 sections (2) and (4) of this section.
- 8 "(2) The plan must:

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- 9 "[(a) Provide for convenient and available statewide collection of post-10 consumer architectural paint in urban and rural areas of this state;]
- "[(b) Identify each producer participating in the program and the brands
 of architectural paint sold by each producer; and]
 - "(a) Specify educational and outreach activities that promote the architectural paint stewardship pilot program. Educational and outreach materials must include, but are not limited to, signage, written materials and templates of materials for reproduction by retailers to be provided to the consumer at the time of sale. The materials must:
- 18 **"(A) Identify collection opportunities for post-consumer architec-**19 **tural paint;**
- 20 "(B) Explain the architectural paint stewardship assessment de-21 scribed in this section; and
- 22 **"(C) Promote:**
- 23 "(i) The reduction in the generation of post-consumer architectural 24 paint; and
- 25 "(ii) The reuse, recovery and recycling of post-consumer architec-26 tural paint.
- "(b) Specify activities related to the establishment and maintenance of a convenient system for the collection of post-consumer architectural paint. The system must ensure that:
 - "(A) One permanent collection site exists for every 30,000 residents

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- "(B) 95 percent of the residents in this state are within ____ miles
 of a permanent collection site.
 - "(c) Provide for the development and implementation of strategies to reduce the generation of post-consumer architectural paint; and
- "(d) Promote the reuse of post-consumer architectural paint and undertake the responsibility of negotiating and executing contracts to collect, transport, recycle and process post-consumer architectural paint for end-of-product-life management that includes recycling, energy recovery and disposal using sound management practices.
 - "(3) The director may exempt a stewardship organization from one or more of the activities specified in subsection (2) of this section if the director determines that the activity is impracticable or is unlikely to further the provisions of sections 1 to 10, chapter 777, Oregon Laws 2009.
 - "(4) In addition to the requirements specified in subsection (2) of this section, the plan must also:
 - "(a) Identify each producer participating in the program.
- 19 "(b) Identify the participating brands of architectural paint sold in 20 this state.
 - "(c) Identify the processors that manage the post-consumer architectural paint collected by the stewardship organization under the program.
 - "[(c)] (d) Include a funding mechanism whereby each architectural paint producer remits to the stewardship organization payment of an architectural paint stewardship assessment for each container of architectural paint the producer sells in this state. The architectural paint stewardship assessment must be added to the cost of all architectural paint sold to Oregon retailers and distributors, and each Oregon retailer or distributor shall add the assessment to the purchase price of all architectural paint sold in this state.

- 1 The architectural paint stewardship assessment may not be described as an
- 2 Oregon recycling fee at the point of retail, and a fee may not be charged to
- 3 the consumer at the point of collection of post-consumer architectural paint.
- 4 To ensure that the funding mechanism is equitable and sustainable, a uni-
- 5 form architectural paint stewardship assessment must be established for all
- 6 architectural paint sold in this state. The architectural paint stewardship
- 7 assessment must be approved by the director as part of the plan and must
- 8 be sufficient to recover, but not exceed, the costs of the architectural paint
- 9 stewardship pilot program.
- "(3) Beginning no later than [July 1, 2010, or] two months after the plan
- is approved under subsection (1) of this section, [whichever occurs first,] the
- stewardship organization must[:]
- "(a)] implement an architectural paint stewardship pilot program **as** de-
- scribed in the plan[;].
- "[(b) Provide for the development and implementation of strategies to reduce
- 16 the generation of post-consumer architectural paint; and]
- "[(c) Promote the reuse of post-consumer architectural paint and undertake
- 18 the responsibility of negotiating and executing contracts to collect, transport,
- 19 recycle and process post-consumer architectural paint for end-of-product-life
- 20 management that includes recycling, energy recovery and disposal using sound
- 21 management practices.]
- "[(4) A stewardship organization shall promote the architectural paint
- 23 stewardship pilot program and provide consumers with educational materials
- 24 describing collection opportunities for post-consumer architectural paint and
- 25 information promoting waste prevention, reuse and recycling. The educational
- 26 materials must also make consumers aware that funding for the operation of
- 27 the architectural paint stewardship pilot program has been added to the pur-
- 28 chase price of all architectural paint sold in this state.]
- "SECTION 4. (1) The first plans for statewide architectural paint
- stewardship pilot programs under section 4, chapter 777, Oregon Laws

- 2009, as amended by section 3 of this 2013 Act, must be submitted to the Director of the Department of Environmental Quality not later than January 1, 2014.
- "(2) A stewardship organization that submitted a plan for a statewide architectural paint stewardship pilot program to the director before the effective date of this 2013 Act, or that had a plan approved
 by the director before the effective date of this 2013 Act, must submit
 an updated plan under section 4, chapter 777, Oregon Laws 2009, as
 amended by section 3 of this 2013 Act, to the director not later than
 January 1, 2014.
- "SECTION 5. Section 6, chapter 777, Oregon Laws 2009, is amended to read:
- "Sec. 6. No later than [September 1, 2011, and by September 1 of each subsequent] October 1 of each year, a stewardship organization must submit a report to the Director of the Department of Environmental Quality describing the architectural paint stewardship pilot program approved by the director under section 4 [of this 2009 Act], chapter 777, Oregon Laws 2009. At a minimum, the report must contain:
- "(1) A description of the methods used to collect, transport, recycle and process post-consumer architectural paint in this state;
- "(2) The volume and type of post-consumer architectural paint collected in all regions of this state;
- "(3) The volume of post-consumer architectural paint collected in this state by method of disposition, including reuse, recycling, energy recovery and disposal;
- 26 "(4) An independent financial audit of the program;
- 27 "(5) A description of program costs;
- 28 "(6) An evaluation of the operation of the program's funding mechanism;
- "(7) Samples of educational **and outreach** materials provided to consumers of architectural paint, an evaluation of the methods used to disseminate

- 1 those materials and an assessment of the effectiveness of the education and
- 2 outreach, including levels of waste prevention and reuse; and
- 3 "(8) An analysis of the environmental costs and benefits of collecting and 4 recycling latex paint.
- "SECTION 6. Section 9, chapter 777, Oregon Laws 2009, is amended to read:
- "Sec. 9. (1) The Department of Environmental Quality shall charge the following fees to be paid by a stewardship organization for administering sections 1 to 10 [of this 2009 Act], chapter 777, Oregon Laws 2009:
- "(a) \$10,000 when the plan **or updated plan** specified in section 4 [of this 2009 Act], **chapter 777**, **Oregon Laws 2009**, is submitted to the [department] **Director of the Department of Environmental Quality**; and
 - "(b) [\$10,000] \$40,000 each year thereafter for administrative costs related to the architectural paint stewardship pilot program.
 - "[(2) The department may establish a schedule of fees in lieu of the fees specified in subsection (1) of this section that is based on an average of the results of the financial audits described in section 6 of this 2009 Act and that do not exceed 0.05 percent of the average architectural paint stewardship pilot program costs reported in the financial audits.]
- "[(3)] (2) Fees collected by the department under this section shall be deposited in the Product Stewardship Fund established under section 10 [of this 2009 Act], chapter 777, Oregon Laws 2009.
- "SECTION 7. Section 7, chapter 777, Oregon Laws 2009, as amended by section 1, chapter 146, Oregon Laws 2011, is amended is read:
- "Sec. 7. (1)(a) Except for the financial, cost, production or sales data and records specified in paragraph (b) of this subsection, the Department of Environmental Quality may not disclose any financial, cost, production or sales data and records of a stewardship organization, or of a specific producer, obtained by the department as part of the approval of a plan, or updated plan, for a statewide architectural paint stewardship pilot program pursuant

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- to section 4, chapter 777, Oregon Laws 2009, or as part of an annual report submitted pursuant to section 6, chapter 777, Oregon Laws 2009.
- "(b) If the Department of Environmental Quality determines that disclo-3 sure is necessary for the public to adequately understand the derivation of 4 the architectural paint stewardship assessment described in section 4, chap-5 ter 777, Oregon Laws 2009, the level of the services or associated costs that 6 are anticipated under the assessment or the services or associated costs that 7 are delivered under the assessment, the department may disclose, in aggre-8 gate form, information contained in the financial, cost, production or sales 9 data and records related to the level of service and associated costs for the 10 following services offered by the statewide architectural paint stewardship 11 pilot program: 12
- 13 "(A) Collection, reuse, transportation, recycling, energy recovery, disposal 14 and other processing of waste paint;
 - "(B) Waste reduction efforts;
 - "(C) Education and promotion; and
 - "(D) Administration.
 - "(2) The Department of Environmental Quality may not disclose the names of brands by specific producers obtained by the department as part of the approval of a plan for a statewide architectural paint stewardship pilot program pursuant to section 4, chapter 777, Oregon Laws 2009. The department may disclose separate lists indicating participating producers and participating brands of the statewide architectural paint stewardship pilot program.
 - "(3) Nothing in this section shall impose additional reporting obligations on a stewardship organization beyond those specified in sections 1 to 10, chapter 777, Oregon Laws 2009.

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29 "PENALTIES

- **"SECTION 8.** ORS 459.995 is amended to read:
- "459.995. (1) Except as provided in subsection (2) of this section, in addition to any other penalty provided by law:
- 4 "(a) Any person who violates ORS 459.205, 459.270, 459.272, 459.386 to 459.405, 459.705 to 459.790, 459A.005 to 459A.620, 459A.310 to 459A.335,
- 6 459A.675 to 459A.685 or 646A.080, or any rule or order of the Environmental
- 7 Quality Commission pertaining to the disposal, collection, storage or reuse
- 8 or recycling of solid wastes, as defined by ORS 459.005, or any rule or order
- 9 pertaining to the disposal, storage or transportation of waste tires, as defined
- by ORS 459.705, or any rule or order pertaining to the sale of novelty items
- that contain encapsulated liquid mercury, [shall incur] incurs a civil penalty
- not to exceed \$25,000 [a] **per** day for each day of the violation.
- 13 "(b) Any person who violates the provisions of ORS 459.420 to 459.426
- 14 [shall incur] incurs a civil penalty not to exceed \$500 for each violation.
- Each battery that is disposed of improperly [shall be] is a separate violation.
- 16 Each day an establishment fails to post the notice required under ORS
- 17 459.426 [shall be] **is** a separate violation.
- 18 "(c) For each day a city, county or metropolitan service district fails to
- 19 provide the opportunity to recycle as required under ORS 459A.005, the city,
- 20 county or metropolitan service district [shall incur] incurs a civil penalty
- 21 not to exceed \$500 for each violation.
- 22 "(d) Any person who violates the provisions of ORS 459.247 (1)(f) [shall
- 23 incur] incurs a civil penalty not to exceed \$500 for each violation. Each
- covered electronic device that is disposed of improperly [shall be] is a sepa-
- 25 rate violation.

- 26 "(e) Any retailer that violates the provisions of section 3 (2)(b),
- 27 chapter 777, Oregon Laws 2009, incurs a civil penalty not to exceed \$100
- 28 per day for each day of the violation.
- 29 "(f) Any producer or retailer that violates the provisions of section
- 30 3 (1), chapter 777, Oregon Laws 2009, incurs a civil penalty not to ex-

- ceed \$1,000 per day for each day of the violation.
- "(g) Any stewardship organization that violates the provisions of section 3 (2)(a), 4 or 6, chapter 777, Oregon Laws 2009, incurs a civil penalty not to exceed \$1,000 per day for each day of the violation.
- "(2) Any product manufacturer or package manufacturer who violates
 ORS 459A.650 to 459A.665 or any rule adopted under ORS 459A.650 to
 459A.665 [shall incur] incurs a civil penalty not to exceed \$1,000 per day for
 each day of the violation. A violation of ORS 459A.650 to 459A.665 [shall not
 be] is not subject to additional penalties under subsection (1) of this section.
 - "(3) Any civil penalty authorized by subsection (1) or (2) of this section shall be imposed in the manner provided by ORS 468.135.

"MISCELLANEOUS

"SECTION 9. The unit captions used in this 2013 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2013 Act.

"SECTION 10. (1)(a) The amendments to sections 2 to 4, 6 and 7, chapter 777, Oregon Laws 2009, by sections 1 to 3, 5 and 7 of this 2013 Act apply to the plans and updated plans that must be submitted to the Director of the Department of Environmental Quality on and after the effective date of this 2013 Act.

- "(b) A stewardship organization may continue to operate and report under a plan approved by the director before the effective date of this 2013 Act until the updated plan required to be submitted to the director pursuant to section 4 (2) of this 2013 Act is approved.
- "(2)(a) The amendments to section 9, chapter 777, Oregon Laws 2009, by section 6 of this 2013 Act apply to:
 - "(A) Plans specified in section 4, chapter 777, Oregon Laws 2009, as

amended by section 3 of this 2013 Act, submitted to the director on and after the effective date of this 2013 Act.

- "(B) Administrative costs related to architectural paint stewardship pilot programs for calendar years beginning on or after January 1, 2013.
- "(b) If sections 1 to 10, chapter 777, Oregon Laws 2009, are repealed on June 30, 2014, and a stewardship organization paid the yearly fee specified in section 9 (1)(b), chapter 777, Oregon Laws 2009, as amended by section 6 of this 2013 Act, the Department of Environmental Quality must refund half the amount of the fee to the stewardship organization.
 - "(3) The amendments to ORS 459.995 by section 8 of this 2013 Act apply to violations of sections 3, 4 and 6, chapter 777, Oregon Laws 2009, as amended by sections 2, 3 and 5 of this 2013 Act, that occur on or after the effective date of this 2013 Act.

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"EMERGENCY CLAUSE

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"SECTION 11. This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect on its passage."