How Does the Minnesota Paint Stewardship Program Affect Paint Retailers?



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Minnesota's paint stewardship law requires a fee to be applied by manufacturers to all new architectural paint sales in Minnesota. Retail stores must pass the fee on to consumers and may volunteer to be a postconsumer paint drop-off site. The program started in November 2014.

PaintCare

PaintCare is a nonprofit organization established by the American Coatings Association to implement manufacturer-led paint stewardship programs in states that pass paint stewardship laws. PaintCare currently operates programs in California, Colorado, Connecticut, District of Columbia, Maine, Minnesota, New York, Oregon, Rhode Island, Vermont, and Washington, and is developing programs for Illinois and Maryland.

Paint Drop-Off Sites

The primary requirement of paint stewardship laws is for paint manufacturers to set up paint drop-off sites at retailers and other locations where households and businesses can take postconsumer (leftover) architectural paint, free of charge. PaintCare has established more than 2,400 paint drop-off sites across its 11 programs. Most sites are paint and hardware stores, as well as government run waste collection facilities. There are more than 250 PaintCare drop-off sites in Minnesota.

Participation as a Drop-Off Site Is Voluntary

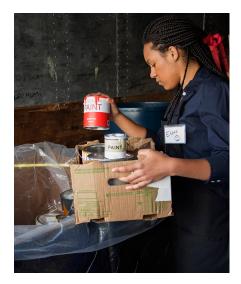
Paint retailers are encouraged to participate as paint dropoff sites. Participating as a drop-off site can increase foot traffic and provide an environmentally responsible service for the community by making it convenient for their customers to recycle leftover paint.

Store staff will screen and accept paint from the public. All supplies, including collection bins, as well as

transportation and recycling of the paint, and site training, will be provided by the PaintCare program. PaintCare also promotes sites to the local community.

Become a Drop-Off Site

Retailers interested in becoming drop-off sites can fill out the Interest Form available at www.paintcare.org/drop-off-site-interest-form/.



REQUIREMENTS OF RETAILERS

1. Check Registered Manufacturers and Brands

Retailers may not sell architectural paints in Minnesota that are not registered. Paint manufacturers must register their company with PaintCare, and they must register all architectural paint brands they sell in the state. PaintCare and the Minnesota Pollution Control Agency (MPCA) publish lists of registered manufacturers and brands on their websites so that retailers can confirm that the products they sell are registered. Please visit www.paintcare.org/manufacturers for current registration lists.

2. Pass on the PaintCare Fee

State law requires that a stewardship fee (PaintCare fee) be applied by manufacturers to the wholesale price of architectural paint sold in store and online in Minnesota. This fee pays for all aspects of running the program. The fee is remitted by manufacturers to PaintCare. Manufacturers then pass the fee to their dealers and retailers, who add it to the wholesale price of covered products. Retailers should see the PaintCare fee on invoices from suppliers. The law also requires that retailers and distributors apply the fee to the price of architectural paint they sell in store and online. The fee paid by the customers to the retailers offsets the fee charged to the retailers. This ensures a level playing field for all parties.

COMMON QUESTIONS

How much is the fee?

The fee is by container size, as follows:

\$ 0.00 - Half pint or smaller

\$ 0.49 — Larger than half pint up to smaller than 1 gallon

\$ 0.99 - 1-2 gallons

\$ 1.99 — Larger than 2 gallons up to 5 gallons

How is the fee calculated?

The fee is set to cover the cost of a fully operating program. PaintCare estimated the annual program expenses and sales of architectural paint in Minnesota and determined a fee structure that provides the revenue needed to fund the program. PaintCare is a nonprofit organization and operates programs on a state-by-state basis, so the fee may increase or decrease in the future and is different from state to state.

Is sales tax applied to the fee itself?

Yes. The fee is part of the purchase price; therefore, sales tax is collected on the fee. The fee itself is not a tax.

Is the fee a deposit to be returned to customers?

The fee is not a deposit. The fee is used entirely to cover the expenses of running the program. The fee is not given back as a deposit for dropping off covered PaintCare products or empty paint cans (empty cans are not accepted by the PaintCare program at all).

Are we required to show the fee on receipts?

Showing the fee on receipts is not required, but most stores show the fee in order to explain the price increase to their customers. PaintCare encourages retailers to display the fee to increase awareness of the program.

Do we refund the fee if a product is returned?

Yes, the fee should be refunded because it is part of the purchase price.

How does the public know about the fee?

PaintCare provides printed materials for retailers to distribute to the public to help explain the purpose of the fee, how the program works, and how to find a paint dropoff site. Translated materials are available in Spanish and over two dozen other languages, provided upon request. Additional materials can be ordered as needed for no charge. In addition to retailers, PaintCare works with contractor associations to inform professional painting contractors and conducts general outreach campaigns that may include digital and online advertising, direct mail, newspaper, radio, and television.

What products are covered?

Architectural paints include most house paints, stains, and clear coatings (e.g., varnish and shellac). For a definition of covered architectural paint (PaintCare products) for the purposes of this program and for examples of PaintCare and non-PaintCare products, please contact PaintCare or visit www.paintcare.org/products.

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