SUBSTITUTE HOUSE BILL 1376

State of Washington 65th Legislature 2017 Regular Session

By House Environment (originally sponsored by Representatives Peterson, Goodman, Tarleton, Gregerson, Ormsby, Bergquist, and Stanford)

AN ACT Relating to paint stewardship; amending RCW 43.21B.110 and 43.21B.110; reenacting and amending RCW 42.56.270; adding a new section to chapter 82.04 RCW; adding a new chapter to Title 70 RCW; prescribing penalties; providing an effective date; and providing an expiration date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 <u>NEW SECTION.</u> Sec. 1. The legislature finds that:

(1) Leftover architectural paints are a waste management issue 8 9 and present environmental risks and health and safety risks, especially to workers in the solid waste industry. During waste 10 11 collection and processing, wet paint can create spills and splashes 12 and oil paint and aerosol containers may rupture, releasing fumes 13 hazardous to workers and the remaining liquids may contribute to 14 leachate problems in landfills. Some local governments are able to devote resources to provide collection sites or events for latex 15 16 paint in order to provide their residents with at least some disposal 17 options and to keep latex paint out of the solid waste stream. But residents and small businesses need additional and more convenient 18 options for disposal of architectural paint. Drying latex for 19 disposal is difficult for many residents and is wasteful of latex 20 21 paint that can otherwise be reused or recycled. Local government

1 special and moderate-risk waste collection programs are heavily 2 impacted by the cost of managing unwanted architectural paints and 3 these costs decrease the available funds to address other hazardous 4 and hard to handle materials.

5 Nationally, an estimated average of ten percent (2) of б architectural paint purchased becomes leftover paint. Current programs only collect a fraction of the potential leftover paint for 7 proper reuse, recycling, or disposal. There is not a comprehensive 8 9 statewide, end-of-life management plan for architectural paint, resulting in significant missed opportunities to reduce, reuse, and 10 11 recycle paint.

12 (3)(a) It is in the best interest of Washington for paint 13 manufacturers to assume responsibility for the development and 14 implementation of a cost-effective paint stewardship program that:

15 (i) Develops and implements strategies to reduce the generation 16 of leftover paint;

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(ii) Promotes the reuse of leftover paint;

(iii) Collects, transports, and processes leftover paint for endof-life management, including reuse, recycling, energy recovery, and disposal; and

21 (iv) Provides for transparency under chapter 42.56 RCW, the 22 public records act.

(b) A paint stewardship program will follow the paint waste management hierarchy for managing and reducing leftover paint in the order as follows:

26 (i) Reduce consumer generation of leftover paint;

27 (ii) Reuse;

28 (iii) Recycle; and

29 (iv) Provide for energy recovery and disposal.

The establishment of a comprehensive leftover paint 30 (C) 31 management program that requires paint manufacturers to assume 32 responsibility for the collection, recycling, reuse, transportation, and disposal of leftover paint and that allows paint retailers to 33 voluntarily participate in the collection of leftover paint, will 34 provide more opportunities for consumers to properly manage their 35 36 leftover paint, provide fiscal relief for local government in managing leftover paint, keep paint out of the waste stream, and 37 38 conserve natural resources.

(4) The legislature further finds that Washington's existingwaste collection, recycling, and disposal system leads the nation in

1 innovation and environmentally sound practices. This system has achieved some of the highest overall recycling rates in the nation at 2 fifty-one percent in 2012. The legislature further finds that 3 leftover paint is a toxic and hard to handle waste product that is 4 appropriate for a product stewardship program to increase the safe, 5 б convenient, and effective reuse, recycling, and disposal of leftover 7 paint. Product stewardship programs for toxic and hard to handle materials, including an architectural paint stewardship program, 8 should integrate with and complement the existing waste collection, 9 recycling, and disposal system. 10

11 (5) This chapter creates an architectural paint recovery program 12 to be enforced by the department.

13 <u>NEW SECTION.</u> **Sec. 2.** The definitions in this section apply 14 throughout this chapter unless the context clearly requires 15 otherwise.

(1) "Architectural paint" or "paint" means interior and exterior
architectural coatings, sold in a container of five gallons or less.
"Architectural paint" or "paint" does not mean industrial coatings,
original equipment coatings, or specialty coatings.

20 (2) "Architectural paint stewardship assessment" or "assessment" 21 means the amount determined by a stewardship organization that must 22 be added to the purchase price of architectural paint sold in this 23 state to cover a stewardship organization's costs of administration, 24 education and outreach, collecting, transporting, and processing of 25 the leftover architectural paint managed through a statewide 26 architectural paint stewardship program.

(3) "Conditionally exempt small quantity generator" means a dangerous waste generator whose dangerous wastes are not subject to regulation under chapter 70.105 RCW, hazardous waste management, solely because the waste is generated or accumulated in quantities below the threshold for regulation and meets the conditions prescribed in WAC 173-303-070(8)(b), as it existed on the effective date of this section.

(4) "Conditionally exempt small quantity generator waste" means
 dangerous waste generated by a conditionally exempt small quantity
 generator.

37 (5) "Consumer" means any household, nonprofit, small business, or 38 other entity whose leftover paint is eligible under applicable laws 39 and regulations.

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- (6) "Covered entity" means:

2 (a) Any household;

3 (b) Any conditionally exempt small quantity generator of leftover
4 oil-based and latex architectural paint; or

5 (c) Any generator of dangerous waste as defined in RCW 70.105.010 6 that brings leftover architectural latex paint to a paint program 7 collection site operating under an approved Washington state paint 8 stewardship plan.

(7) "Curbside service" means a waste collection, recycling, and 9 disposal service providing pickup of leftover architectural paint 10 11 from residential sources, such as single-family households and multifamily housing, or other covered entities in quantities 12 generated from households or conditionally exempt small quantity 13 generators, provided by a solid waste collection company regulated 14 under chapter 81.77 RCW or under a contract for solid waste services 15 16 with any city or town.

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(8) "Department" means the department of ecology.

18 (9) "Distributor" means a person that has a contractual 19 relationship with one or more manufacturers to market and sell 20 architectural paint to retailers in Washington.

(10) "End-of-life" or "end-of-life management" means activities including, but not limited to, collection, transportation, reuse, recycling, energy recovery, and disposal for leftover architectural paint.

(11) "Energy recovery" means the recovery of energy in a useable form from mass burning or refuse-derived fuel incineration, pyrolysis, or any other means of using the heat of combustion of solid waste that involves high temperature (above twelve hundred degrees Fahrenheit) processing.

"Environmentally sound management practices" 30 (12)means 31 compliance with all applicable laws and rules to protect workers, public health, and the environment, and also addresses such issues as 32 safe and environmentally sound management of architectural paint from 33 collection through final disposition, adequate recordkeeping, 34 tracking and documenting the fate of materials within the state and 35 36 beyond, and adequate environmental liability coverage for the stewardship organization and for contracted service providers to the 37 38 stewardship organization.

(13) "Final disposition" means the point beyond which no furtherprocessing takes place and the paint has been transformed for direct

use as a feedstock in producing new products or is disposed of,
 including for energy recovery, in permitted facilities.

3 (14) "Household hazardous waste" means waste that exhibits any of 4 the properties of dangerous waste that is exempt from regulation 5 under chapter 70.105 RCW, hazardous waste management, solely because 6 the waste is generated by households. Household hazardous waste may 7 also include other solid waste identified in the local hazardous 8 waste management plan prepared pursuant to chapter 70.105 RCW.

9 (15) "Leftover paint" or "leftover architectural paint" means 10 architectural paint not used and no longer wanted by a consumer.

(16) "Moderate risk waste" means solid waste that is limited to conditionally exempt small quantity generator waste and household hazardous waste as defined in this chapter.

14 (17) "Paint retailer" means any person that offers architectural 15 paint for sale at retail in Washington.

16 (18) "Person" means any individual, business, manufacturer, 17 transporter, collector, processor, retailer, charity, nonprofit 18 organization, or government agency.

(19) "Population center" means urbanized areas or urban clusters as defined by the United States census bureau to identify areas of high population density and urban land use with populations of two thousand five hundred or greater.

(20) "Producer" means a manufacturer of architectural paint that
 is sold, offered for sale, or distributed in Washington under the
 producer's own name or other brand name.

26 (21) "Recycling" means transforming or remanufacturing waste 27 materials into usable or marketable materials for use other than 28 landfill disposal, energy recovery, or incineration. Recycling does 29 not include collection, compacting, repackaging, and sorting for the 30 purpose of transport.

31 (22) "Reuse" means any operation by which an architectural paint 32 product changes ownership and is used for the same purpose for which 33 it was originally purchased.

(23) "Sell" or "sale" means any transfer of title for
 consideration, including remote sales conducted through sales
 outlets, catalogues, or the internet or any other similar electronic
 means.

(24) "Stewardship organization" means a nonprofit organization
 created by a producer or group of producers to implement a paint
 stewardship program required under this chapter.

NEW SECTION. Sec. 3. (1) All producers of architectural paint selling in or into the state of Washington shall participate in an approved Washington state paint stewardship plan for covered entities through membership in and appropriate funding of a stewardship organization.

6 (2) Producers not participating in a stewardship plan may not 7 sell architectural paint in or into Washington state.

8 (3) Paint retailers are prohibited from selling architectural 9 paint manufactured or distributed by a producer not in compliance 10 with this chapter.

11 <u>NEW SECTION.</u> Sec. 4. (1) A stewardship organization 12 representing producers shall submit a plan for the implementation of 13 a paint stewardship program to the department for approval by January 14 15, 2018. The plan must include the following components:

(a) A description of how the program proposed under the plan will collect, transport, recycle, and process leftover paint from covered entities for end-of-life management, including reuse, recycling, energy recovery, and disposal, using environmentally sound management practices.

(b) Stewardship organization contact information and a list ofparticipating brands and producers under the program.

(c) A demonstration of sufficient funding for the architectural 22 paint stewardship program as described in the plan. The plan must 23 24 include a funding mechanism whereby each architectural paint producer 25 remits to the stewardship organization payment of an architectural paint stewardship assessment for each container of architectural 26 27 paint the producer sells in this state, unless the distributor or retailer has negotiated a voluntary agreement with the producer and 28 stewardship organization to remit the paint stewardship assessment 29 30 directly to the stewardship organization on behalf of the producer 31 for the producer's architectural paint sold by the distributor or retailer in the state. The plan must include a proposed budget and a 32 description of the process used to determine the architectural paint 33 architectural 34 stewardship assessment. The paint stewardship assessment must be added to the cost of all architectural paint sold 35 Washington paint retailers and distributors, 36 to unless the distributor or retailer has negotiated an agreement voluntarily with 37 38 the producer and stewardship organization to remit the assessment directly to the stewardship organization on behalf of the producer 39

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1 for the producer's architectural paint sold by the distributor or 2 retailer in the state. Each Washington paint retailer or distributor 3 shall add the assessment to the purchase price of all architectural 4 paint sold in this state. Manufacturers may not require retailers to 5 opt to participate in a voluntary remittance agreement. No fee may be 6 charged at the time of delivery to a drop-off or take back center.

7 To ensure that the funding mechanism is equitable and (d) sustainable, the plan must establish a uniform architectural paint 8 stewardship assessment for all architectural paint sold in this 9 state. For purposes of establishing the assessment, the plan must 10 11 categorize the sizes of paint containers sold at retail and determine 12 a uniform assessment amount that applies to each category of container size. The architectural paint stewardship assessment must 13 sufficient to recover, but not exceed, the costs of the 14 be architectural paint stewardship program. With the exception of the 15 16 annual administration costs paid to the department under section 7(4) 17 of this act, the department may not control or have spending 18 authority related to the funds received by the stewardship 19 organization from the assessment. Funds received by the stewardship organization are not state funds and not eligible to be transferred 20 21 for other state purposes in an appropriations act. The plan must require any surplus funds generated from the funding mechanism be put 22 back into the program to either increase and improve program services 23 24 or reduce the cost of the program and the architectural paint 25 stewardship assessment, or both. The plan must not allow the stewardship organization to retain fund balances between program 26 years that exceed a reserve of no greater than ten percent of the 27 operating expenditures during the most recent program year, unless 28 29 the excess balance beyond that reserve is specifically budgeted in the following year to increase or improve program services or to 30 31 reduce the cost of the program or the amount of the architectural 32 paint stewardship assessment.

(e) The proposed architectural paint stewardship assessment must 33 be reviewed by an independent auditor to ensure that such an 34 assessment is consistent with the budget of the paint stewardship 35 36 program and the independent auditor shall recommend an amount for the architectural paint stewardship assessment to the department. 37 The department is responsible for the approval of the architectural paint 38 39 stewardship assessment based on the information provided in the plan 40 and in the auditor's report.

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1 (f) A description of goals as practical to reduce the generation of leftover paint, to promote the reuse and recycling of leftover 2 paint, for the overall collection of leftover paint, and for the 3 proper end-of-life management of leftover paint. The goal for overall 4 collection of leftover paint must be based on current or historical 5 б household hazardous waste program information from Washington state. 7 The goals may be revised by a stewardship organization based on the information collected annually. 8

9 (g) A description of the reasonably convenient and available 10 statewide collection system required under section 5 of this act.

(h) A description of the criteria to be used for selecting collection locations when there are multiple paint retail stores that want to serve as collection sites in the same geographic area.

(i) A description of how leftover paint will be managed using environmentally sound management practices, including following the paint waste management hierarchy of: Source reduction; reuse; recycling; energy recovery; and disposal.

(j) A description of the process for managing architectural paint containers collected under the program, with an emphasis on recycling containers, where practical.

(k) A description of education and outreach efforts to promote the paint stewardship program. The education and outreach efforts must include effective strategies for reaching all sectors of the population and describe how the paint stewardship program will evaluate the effectiveness of its education and outreach.

(1) A description of collection site procedural manuals for architectural paint products, including training procedures and electronic copies of materials that will be provided to collection sites to ensure the use of environmentally sound management practices when handling leftover architectural paint.

31 (m) A list of processors that will be used to manage leftover 32 paint collected by the stewardship organization and a list of 33 potential processors to be used for final disposition.

(2) A stewardship organization shall promote a paint stewardship 34 program and provide consumers, covered entities, and retailers with 35 36 educational and informational materials describing collection opportunities for leftover paint statewide, the architectural paint 37 stewardship assessment used to finance the program, and promotion of 38 39 waste prevention, reuse, and recycling. These materials may include, 40 but are not limited to, the following:

(a) Signage that is prominently displayed and easily visible to
 the consumer;

3 (b) Written materials and templates of materials for reproduction 4 by paint retailers to be provided to the consumer at the time of 5 purchase or delivery, or both;

6 (c) Advertising or other promotional materials, or both, that
7 include references to the architectural paint stewardship program;
8 and

9 (d) An explanation that the architectural paint stewardship 10 assessment has been added to the purchase price of architectural 11 paint to fund the paint stewardship program in the state. The 12 architectural paint stewardship assessment may not be described as a 13 department recycling fee at the point of retail.

14 (3) A stewardship organization must submit a new plan or plan 15 amendment to the department for approval when:

(a) There is a change to the amount of the assessment;

17 (b) There is an addition to the products covered under the 18 program; or

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(c) There is a revision of the stewardship organization's goals.

20 <u>NEW SECTION.</u> Sec. 5. (1) A stewardship organization's program plan required in section 4 of this act must also describe how the 21 program will provide for reasonably convenient and available 22 statewide collection of leftover paint from covered entities in urban 23 and rural areas of the state, including island communities. The 24 program plan must address how it will utilize the existing solid 25 waste collection, disposal, and recycling system to implement any 26 27 stewardship program adopted.

(2) The program plan must address how it will incorporate
existing public and private waste collection services and facilities
for activities, which may include, but is not limited to:

31 (a) The coverage of costs for collecting leftover architectural 32 paint and paint containers through permanent collection sites and 33 collection events;

34 (b) The reuse or processing of leftover architectural paint at35 the permanent collection site; and

36 (c) The collection, transportation, and recycling or proper 37 disposal of leftover architectural paint, including curbside 38 services.

1 (3)(a) To ensure adequate collection coverage, the plan must use geographic information modeling and the information required under 2 this section to determine the subsection (2) of number 3 and distribution of collection sites based on the following criteria: At 4 least ninety percent of Washington residents must have a permanent 5 б collection site within a fifteen mile radius; and one additional permanent site must be established for every thirty thousand 7 residents of a population center distributed to provide convenient 8 and reasonably equitable access for residents within each population 9 10 center, unless otherwise approved by the department.

(b) For the portion of the population that does not have a 11 12 permanent collection location within a fifteen mile radius, the plan must provide collection events. The stewardship organization, 13 in consultation with the department and the local community, will 14 determine the frequency and location of these collections events, to 15 16 be held at least once a year in underserved areas, unless otherwise 17 determined through consultation with the local community. Special consideration is to be made for providing opportunities to island and 18 19 geographically isolated populations.

(4)(a) Nothing in subsection (3) of this section prohibits a program plan from identifying an available curbside service for a specific area or population that provides convenient and reasonably equitable access for Washington residents that is at least equivalent to the level of convenience and access that would be provided by a collection site.

(b) The producers participating in an approved program plan are responsible for covering all administrative and operational costs of the program, including, but not limited to collection, reuse, recycling, transportation, and disposal of paint under the program.

30 (c) A fee may not be charged at the time the unwanted paint is 31 delivered or collected for recycling. However, this subsection (4)(c) 32 does not prohibit collectors providing curbside services from 33 charging customers a fee, as provided by city contract or by the 34 Washington utilities and transportation commission under the 35 authority of chapter 81.77 RCW, for the additional collection cost of 36 providing this service.

37 (5) The program plan must utilize the existing public and private 38 waste collection services and facilities where cost-effective and 39 mutually agreeable.

1 (6) For purposes of this subsection, a stewardship organization 2 shall renegotiate a contract for the establishment of a permanent 3 collection site once every two years unless another period is agreed 4 to by the contracting parties.

5 (7) The program must utilize existing paint retail stores as 6 collection sites where cost effective and mutually agreeable.

7 (8) The plan must provide the collection site name and location
8 of each site statewide in Washington accepting architectural paint
9 under the program.

10 <u>NEW SECTION.</u> Sec. 6. (1) Each stewardship organization shall 11 submit a paint stewardship program plan in accordance with section 4 12 of this act.

(2) Each stewardship organization shall develop and distribute a
 collection site procedural manual to collection sites to ensure
 proper management of architectural paints at collection locations.

16 (3) A stewardship organization shall implement the paint 17 stewardship plan by July 1, 2018, or three months after approval of a 18 paint stewardship program plan under section 4 of this act, whichever 19 comes later.

(4) A stewardship organization shall submit an annual report by October 15th following the first year or partial year of operations and every year thereafter, structured to be used as a basis for annual plan review by the department. The report must be based on the requirements outlined in section 9 of this act.

25 (5) A stewardship organization shall work with producers, distributors, and retailers to provide consumers with educational and 26 27 informational materials describing collection opportunities for leftover paint statewide and promotion of waste prevention, reuse, 28 and recycling of leftover paint. A stewardship organization shall 29 30 also work with local governments to provide consumers and the 31 populations served by solid waste collection under plans adopted pursuant to chapter 70.95 RCW with educational and informational 32 materials regarding local collection options for leftover paint, 33 including curbside service, that are either provided through the 34 stewardship organization or under local solid or hazardous waste 35 plans. These educational materials must also encourage and provide 36 information regarding the disposition of leftover paint and the 37 cleaning of paint-soiled accessories in ways that reduce impacts to 38 water quality. 39

1 (6) A stewardship organization shall pay an annual administrative 2 fee, described in section 7 of this act, in an amount sufficient to 3 cover only the department's cost of administering and enforcing a 4 paint stewardship program established under this chapter.

5 <u>NEW SECTION.</u> Sec. 7. (1) The department shall review the plan within one hundred twenty days of receipt, and make a determination б whether or not to approve the plan. The department shall provide a 7 letter of approval for the plan if it provides for the establishment 8 of a stewardship program that meets the requirements of sections 4 9 and 5 of this act. If a plan is rejected, the department shall 10 11 provide the reasons for rejecting the plan to the stewardship organization. The stewardship organization must submit a new plan 12 within sixty days after receipt of the letter of disapproval. 13

14 (2) When a plan or an amendment to an approved plan is submitted 15 under this section, the department shall make the proposed plan or 16 amendment available for public review and comment for at least thirty 17 days.

18 (3) The department shall actively supervise the conduct of a 19 stewardship organization in determination and implementation of the 20 architectural paint stewardship assessment specified in section 4(1) 21 of this act.

(4) Beginning April 1, 2018, and annually thereafter, the 22 department shall determine the department's costs required to be paid 23 24 by each stewardship organization sufficient to cover only the department's costs of administering and enforcing paint stewardship 25 programs under this chapter. The total amount of yearly reimbursement 26 27 must not exceed the amount necessary to recover costs incurred by the department in connection with the administration, oversight, and 28 enforcement of the requirements of this chapter. Any unspent money 29 30 from the previous twelve-month period must be retained in the paint product stewardship account created in section 11 of this act and 31 applied to reduce the payments by stewardship organizations in the 32 33 following year.

(a) The department shall estimate the annual administration fee for the period of July 1st through June 30th and notify each stewardship organization by April 1st of the prior fiscal year. If there is more than one stewardship organization implementing a paint stewardship program in Washington, the fee must be divided equally between programs. The department shall make the proposed annual

administration fee, along with an accounting of the costs, available
 for public review and comment for at least thirty days.

3 (b) The department shall collect annual administration fees from
4 each stewardship organization by June 30, 2018, and annually
5 thereafter.

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(5) The department shall enforce this chapter.

7 (a) The department may administratively impose a civil penalty on
8 any person who violates this chapter in an amount of up to one
9 thousand dollars per violation per day.

10 (b) The department may assess a civil penalty of up to ten 11 thousand dollars per violation per day on any person who 12 intentionally, knowingly, or negligently violates this chapter.

13 (c) Any person who incurs a penalty under this section may appeal 14 the penalty to the pollution control hearings board established by 15 chapter 43.21B RCW.

16 (6) By July 1, 2018, or upon the date the first plan is approved, 17 whichever date is earlier, the department shall post on its web site 18 a list of producers and their brands for which the department has 19 approved a plan pursuant to section 4 of this act. The department 20 shall update the list of producers and brands participating under an 21 approved program plan on a monthly basis based on information 22 provided to the department from a stewardship organization.

(7) Upon a demonstration to the satisfaction of the department that a previously unlisted producer is in compliance with this chapter, within fourteen days the department must add the name of the producer to its web site.

(8) The department shall review each annual report required
pursuant to section 9 of this act within ninety days of its
submission to ensure compliance with section 9(1) of this act.

30 (9) The department may request information from the stewardship 31 organization that is in addition to the annual reporting requirements 32 in section 9 of this act.

(10) The department may adopt rules as necessary for the purposeof implementing, administering, and enforcing this chapter.

35 <u>NEW SECTION.</u> Sec. 8. (1) A producer or paint retailer may not 36 sell or offer for sale to any person in the state architectural paint 37 unless the producer or brand of architectural paint is participating 38 in an approved stewardship plan under this chapter. A retailer 39 complies with the requirements of this section if, on the date the

1 architectural paint was ordered from the producer or its agent, the 2 producer of the paint was listed on the department's web site as a 3 producer participating in an approved paint stewardship program plan. 4 However, a retailer may sell any paint purchased prior to the 5 effective date of this section.

6 (2) A paint distributor or a paint retailer that distributes or 7 sells architectural paint shall monitor the department's web site to 8 determine if the sale of a producer's architectural paint is in 9 compliance with this chapter.

10 (3) At the time of sale to a consumer, a producer, a stewardship 11 organization, or a paint retailer selling or offering architectural 12 paint for sale in Washington shall provide the consumer with 13 information regarding available end-of-life management options for 14 leftover architectural paint collected through a paint stewardship 15 program.

16 (4) A paint retailer that collects leftover architectural paint 17 from covered entities must follow the collection site procedure 18 manual developed by a stewardship organization to ensure the use of 19 environmentally sound management practices when handling 20 architectural paints at collection locations.

(5) Neither a retailer of architectural paint, nor any other retailer, is required to serve as a leftover paint collection facility.

NEW SECTION. Sec. 9. (1) By October 15, 2019, and annually thereafter, a stewardship organization shall submit to the department a report describing the stewardship program that the stewardship organization implemented during the previous fiscal year. The report must include all of the following:

(a) A description of the methods the stewardship organization
 used to reduce, reuse, collect, transport, recycle, and process
 leftover paint statewide in Washington;

32 (b) The volume of latex and oil-based architectural paint 33 collected by the stewardship organization in the preceding fiscal 34 year in Washington;

35 (c) The total volume of leftover paint collected by the 36 stewardship organization in Washington, including any increase in 37 total volume of paint collected each year, cost of the program per 38 gallon of paint collected, and the per capita cost of the program;

(d) The volume of latex and oil-based architectural paint
 collected by method of disposition, including reuse, recycling,
 energy recovery, and disposal;

4 (e) An estimate of the total weight of all paint containers 5 collected by the program and the amount recycled;

6 (f) A list of all processors through to final disposition that 7 are used to manage leftover paint collected by the stewardship 8 organization in the preceding year;

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(g) A list of all the producers participating in the plan;

10 (h) The total volume of architectural paint sold in Washington 11 during the preceding year based on the collected architectural paint 12 stewardship assessment by the stewardship organization;

(i) An independent financial audit of the paint stewardship program implemented by the stewardship organization, including a breakdown of the program's expenses such as collection, recycling, education, and overhead;

(j) The total cost of implementing the paint stewardship program broken out by administrative, collection, transportation and disposition, and communications costs;

20 (k) An evaluation of the effectiveness of the paint stewardship 21 program from year to year, and anticipated steps, if needed, to 22 improve performance throughout the state; and

(1) A summary of outreach and education activities undertaken and samples of the educational materials that the stewardship organization provided to consumers of architectural paint during the first year of the program and any changes to those materials in subsequent years.

28 (2) The department must make all reports submitted under this 29 section available to the general public through the internet. Consistent with section 14 of this act, valuable commercial 30 31 information submitted to the department under this chapter is exempt 32 from public disclosure under RCW 42.56.270. However, the department may use and disclose such information in summary or aggregated form 33 as long as the disclosure does not directly or indirectly identify 34 financial, production, or sales data of an individual producer or 35 stewardship organization. The department is not required to notify 36 individual producers prior to making available to the general public 37 the reports submitted under this section or aggregated or summarized 38 39 information from reports submitted under this section.

1 NEW SECTION. **Sec. 10.** Producers or stewardship organizations acting on behalf of producers that prepare, submit, and implement a 2 paint stewardship plan pursuant to section 4 of this act and thereby 3 are subject to regulation by the department are granted immunity from 4 state laws relating to antitrust, restraint of trade, unfair trade 5 6 practices, and other regulation of trade and commerce, for the 7 limited purpose of planning and reporting on a paint stewardship program and proposing and establishing the architectural paint 8 stewardship assessment required in section 4(1)(c) and (d) of this 9 10 act.

11 <u>NEW SECTION.</u> Sec. 11. The paint product stewardship account is 12 created in the state treasury. All receipts received by the 13 department from stewardship organizations must be deposited in the 14 account. Moneys in the account may be spent only after appropriation. 15 Expenditures from the account may be used by the department only for 16 administering and enforcing paint stewardship programs.

NEW SECTION. Sec. 12. This chapter is void if a federal law, or a combination of federal laws, takes effect that establishes a national program for the collection and recycling of architectural paint that substantially meets the intent of this chapter, including the creation of a funding mechanism for collection, transportation, recycling, and proper disposal of all architectural paint in the United States.

NEW SECTION. Sec. 13. Nothing in this chapter changes or limits the authority of the Washington utilities and transportation commission to regulate collection of solid waste, including curbside collection of residential recyclable materials, nor does this chapter khange or limit the authority of a city or town to provide the service itself or by contract under RCW 81.77.020.

30 <u>NEW SECTION.</u> Sec. 14. (1) Except as provided in subsection (3) 31 of this section, records, subject to chapter 42.56 RCW, filed with 32 the department from any person that contain valuable commercial 33 information, including trade secrets, confidential marketing, cost, 34 or financial information, or customer-specific usage information, are 35 not subject to inspection or copying under chapter 42.56 RCW. When 36 providing information to the department, a person shall designate which records or portions of records contain valuable commercial
 information.

3 (2) Upon receipt of a request to disclose valuable commercial 4 information submitted under this chapter, the department must provide 5 notice to the person or persons whose information is subject to 6 possible inspection or copying under chapter 42.56 RCW.

(3) Upon the notice provided under subsection (2) of this section 7 of the possible inspection or copying of valuable commercial 8 information pursuant to chapter 42.56 RCW, a person may petition the 9 superior court for an order protecting the records as confidential. 10 The superior court must determine that the records are confidential 11 12 and not subject to inspection or copying if disclosure would result in private loss, including an unfair competitive disadvantage. If a 13 person does not obtain an order protecting submitted records as 14 confidential within ten days of receiving a notice from the 15 16 department under subsection (2) of this section, the department may 17 make the records available for public inspection and copying pursuant 18 to chapter 42.56 RCW.

Sec. 15. RCW 42.56.270 and 2016 sp.s. c 9 s 3, 2016 sp.s c 8 s 1, and 2016 c 178 s 1 are each reenacted and amended to read as follows:

The following financial, commercial, and proprietary information is exempt from disclosure under this chapter:

(1) Valuable formulae, designs, drawings, computer source code or
object code, and research data obtained by any agency within five
years of the request for disclosure when disclosure would produce
private gain and public loss;

(2) Financial information supplied by or on behalf of a person, firm, or corporation for the purpose of qualifying to submit a bid or proposal for (a) a ferry system construction or repair contract as required by RCW 47.60.680 through 47.60.750 or (b) highway construction or improvement as required by RCW 47.28.070;

33 (3) Financial and commercial information and records supplied by 34 private persons pertaining to export services provided under chapters 35 43.163 and 53.31 RCW, and by persons pertaining to export projects 36 under RCW 43.23.035;

(4) Financial and commercial information and records supplied by
 businesses or individuals during application for loans or program
 services provided by chapters 43.325, 43.163, 43.160, 43.330, and

43.168 RCW, or during application for economic development loans or
 program services provided by any local agency;

3 (5) Financial information, business plans, examination reports,
4 and any information produced or obtained in evaluating or examining a
5 business and industrial development corporation organized or seeking
6 certification under chapter 31.24 RCW;

7 (6) Financial and commercial information supplied to the state 8 investment board by any person when the information relates to the 9 investment of public trust or retirement funds and when disclosure 10 would result in loss to such funds or in private loss to the 11 providers of this information;

12 (7) Financial and valuable trade information under RCW 51.36.120;

13 (8) Financial, commercial, operations, and technical and research 14 information and data submitted to or obtained by the clean Washington 15 center in applications for, or delivery of, program services under 16 chapter 70.95H RCW;

(9) Financial and commercial information requested by the public
stadium authority from any person or organization that leases or uses
the stadium and exhibition center as defined in RCW 36.102.010;

(10)(a) Financial information, including but not limited to account numbers and values, and other identification numbers supplied by or on behalf of a person, firm, corporation, limited liability company, partnership, or other entity related to an application for a horse racing license submitted pursuant to RCW 67.16.260(1)(b), marijuana producer, processor, or retailer license, liquor license, gambling license, or lottery retail license;

(b) Internal control documents, independent auditors' reports and financial statements, and supporting documents: (i) Of house-banked social card game licensees required by the gambling commission pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted by tribes with an approved tribal/state compact for class III gaming;

(11) Proprietary data, trade secrets, or other information that relates to: (a) A vendor's unique methods of conducting business; (b) data unique to the product or services of the vendor; or (c) determining prices or rates to be charged for services, submitted by any vendor to the department of social and health services for purposes of the development, acquisition, or implementation of state purchased health care as defined in RCW 41.05.011;

39 (12)(a) When supplied to and in the records of the department of 40 commerce: (i) Financial and proprietary information collected from any
 person and provided to the department of commerce pursuant to RCW
 43.330.050(8); and

4 (ii) Financial or proprietary information collected from any 5 person and provided to the department of commerce or the office of 6 the governor in connection with the siting, recruitment, expansion, 7 retention, or relocation of that person's business and until a siting 8 decision is made, identifying information of any person supplying 9 information under this subsection and the locations being considered 10 for siting, relocation, or expansion of a business;

(b) When developed by the department of commerce based on information as described in (a)(i) of this subsection, any work product is not exempt from disclosure;

14 (c) For the purposes of this subsection, "siting decision" means 15 the decision to acquire or not to acquire a site;

(d) If there is no written contact for a period of sixty days to the department of commerce from a person connected with siting, recruitment, expansion, retention, or relocation of that person's business, information described in (a)(ii) of this subsection will be available to the public under this chapter;

(13) Financial and proprietary information submitted to or obtained by the department of ecology or the authority created under chapter 70.95N RCW to implement chapter 70.95N RCW;

(14) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the life sciences discovery fund authority in applications for, or delivery of, grants under chapter 43.350 RCW, to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information;

30 (15) Financial and commercial information provided as evidence to 31 the department of licensing as required by RCW 19.112.110 or 32 19.112.120, except information disclosed in aggregate form that does 33 not permit the identification of information related to individual 34 fuel licensees;

(16) Any production records, mineral assessments, and trade
 secrets submitted by a permit holder, mine operator, or landowner to
 the department of natural resources under RCW 78.44.085;

(17)(a) Farm plans developed by conservation districts, unlesspermission to release the farm plan is granted by the landowner or

1 operator who requested the plan, or the farm plan is used for the 2 application or issuance of a permit;

3 (b) Farm plans developed under chapter 90.48 RCW and not under 4 the federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject 5 to RCW 42.56.610 and 90.64.190;

6 (18) Financial, commercial, operations, and technical and 7 research information and data submitted to or obtained by a health 8 sciences and services authority in applications for, or delivery of, 9 grants under RCW 35.104.010 through 35.104.060, to the extent that 10 such information, if revealed, would reasonably be expected to result 11 in private loss to providers of this information;

12 (19) Information gathered under chapter 19.85 RCW or RCW
13 34.05.328 that can be identified to a particular business;

Financial and commercial information submitted to 14 (20)or obtained by the University of Washington, other than information the 15 16 university is required to disclose under RCW 28B.20.150, when the 17 information relates to investments in private funds, to the extent that such information, if revealed, would reasonably be expected to 18 result in loss to the University of Washington consolidated endowment 19 20 fund or to result in private loss to the providers of this 21 information;

(21) Market share data submitted by a manufacturer under RCW70.95N.190(4);

(22) Financial information supplied to the department of financial institutions or to a portal under RCW 21.20.883, when filed by or on behalf of an issuer of securities for the purpose of obtaining the exemption from state securities registration for small securities offerings provided under RCW 21.20.880 or when filed by or on behalf of an investor for the purpose of purchasing such securities;

(23) Unaggregated or individual notices of a transfer of crude oil that is financial, proprietary, or commercial information, submitted to the department of ecology pursuant to RCW 90.56.565(1)(a), and that is in the possession of the department of ecology or any entity with which the department of ecology has shared the notice pursuant to RCW 90.56.565;

37 (24) Financial institution and retirement account information, 38 and building security plan information, supplied to the liquor and 39 cannabis board pursuant to RCW 69.50.325, 69.50.331, 69.50.342, and 40 69.50.345, when filed by or on behalf of a licensee or prospective

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1 licensee for the purpose of obtaining, maintaining, or renewing a 2 license to produce, process, transport, or sell marijuana as allowed 3 under chapter 69.50 RCW; ((and))

(25) Marijuana transport information, vehicle and driver 4 identification data, and account numbers or unique access identifiers 5 6 issued to private entities for traceability system access, submitted 7 by an individual or business to the liquor and cannabis board under the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and 8 9 69.50.345 for the purpose of marijuana product traceability. Disclosure to local, state, and federal officials is not considered 10 11 public disclosure for purposes of this section; ((and))

12 (26) Financial and commercial information submitted to or obtained by the retirement board of any city that is responsible for 13 the management of an employees' retirement system pursuant to the 14 authority of chapter 35.39 RCW, when the information relates to 15 16 investments in private funds, to the extent that such information, if 17 revealed, would reasonably be expected to result in loss to the retirement fund or to result in private loss to the providers of this 18 information except that (a) the names and commitment amounts of the 19 private funds in which retirement funds are invested and (b) the 20 21 aggregate quarterly performance results for a retirement fund's portfolio of investments in such funds are subject to disclosure; 22 23 ((and))

(27) Proprietary financial, commercial, operations, and technical and research information and data submitted to or obtained by the liquor and cannabis board in applications for marijuana research licenses under RCW 69.50.372, or in reports submitted by marijuana research licensees in accordance with rules adopted by the liquor and cannabis board under RCW 69.50.372; and

30 (28) Records filed with the department of ecology under chapter 31 70.--- RCW (the new chapter created in section 21 of this act) that a 32 court has determined are confidential valuable commercial information 33 under section 14 of this act.

34 <u>NEW SECTION.</u> Sec. 16. A new section is added to chapter 82.04 35 RCW to read as follows:

(1) This chapter does not apply to the receipts attributable to
 the assessment on architectural paint imposed pursuant to chapter
 70.--- RCW (the new chapter created in section 21 of this act).

1 (2) This section is not subject to the requirements of RCW 2 82.32.805 and 82.32.808, and is not subject to an expiration date.

3 Sec. 17. RCW 43.21B.110 and 2013 c 291 s 33 are each amended to 4 read as follows:

5 (1) The hearings board shall only have jurisdiction to hear and 6 decide appeals from the following decisions of the department, the 7 director, local conservation districts, the air pollution control 8 boards or authorities as established pursuant to chapter 70.94 RCW, 9 local health departments, the department of natural resources, the 10 department of fish and wildlife, the parks and recreation commission, 11 and authorized public entities described in chapter 79.100 RCW:

(a) Civil penalties imposed pursuant to RCW 18.104.155,
70.94.431, 70.105.080, 70.107.050, section 7 of this act, 76.09.170,
77.55.291, 78.44.250, 88.46.090, 90.03.600, 90.46.270, 90.48.144,
90.56.310, 90.56.330, and 90.64.102.

(b) Orders issued pursuant to RCW 18.104.043, 18.104.060,
43.27A.190, 70.94.211, 70.94.332, 70.105.095, 86.16.020, 88.46.070,
90.14.130, 90.46.250, 90.48.120, and 90.56.330.

(c) A final decision by the department or director made underchapter 183, Laws of 2009.

(d) Except as provided in RCW 90.03.210(2), the issuance, 21 modification, or termination of any permit, certificate, or license 22 by the department or any air authority in the exercise of its 23 24 jurisdiction, including the issuance or termination of a waste 25 disposal permit, the denial of an application for a waste disposal permit, the modification of the conditions or the terms of a waste 26 27 disposal permit, or a decision to approve or deny an application for a solid waste permit exemption under RCW 70.95.300. 28

(e) Decisions of local health departments regarding the grant or
 denial of solid waste permits pursuant to chapter 70.95 RCW.

31 (f) Decisions of local health departments regarding the issuance 32 and enforcement of permits to use or dispose of biosolids under RCW 33 70.95J.080.

34 (g) Decisions of the department regarding waste-derived 35 fertilizer or micronutrient fertilizer under RCW 15.54.820, and 36 decisions of the department regarding waste-derived soil amendments 37 under RCW 70.95.205.

(h) Decisions of local conservation districts related to thedenial of approval or denial of certification of a dairy nutrient

1 management plan; conditions contained in a plan; application of any 2 dairy nutrient management practices, standards, methods, and 3 technologies to a particular dairy farm; and failure to adhere to the 4 plan review and approval timelines in RCW 90.64.026.

5 (i) Any other decision by the department or an air authority 6 which pursuant to law must be decided as an adjudicative proceeding 7 under chapter 34.05 RCW.

8 (j) Decisions of the department of natural resources, the 9 department of fish and wildlife, and the department that are 10 reviewable under chapter 76.09 RCW, and the department of natural 11 resources' appeals of county, city, or town objections under RCW 12 76.09.050(7).

13 (k) Forest health hazard orders issued by the commissioner of 14 public lands under RCW 76.06.180.

(1) Decisions of the department of fish and wildlife to issue, deny, condition, or modify a hydraulic project approval permit under chapter 77.55 RCW.

18 (m) Decisions of the department of natural resources that are 19 reviewable under RCW 78.44.270.

(n) Decisions of an authorized public entity under RCW 79.100.010 to take temporary possession or custody of a vessel or to contest the amount of reimbursement owed that are reviewable by the hearings board under RCW 79.100.120.

(2) The following hearings shall not be conducted by the hearingsboard:

(a) Hearings required by law to be conducted by the shorelineshearings board pursuant to chapter 90.58 RCW.

(b) Hearings conducted by the department pursuant to RCW
70.94.332, 70.94.390, 70.94.395, 70.94.400, 70.94.405, 70.94.410, and
90.44.180.

31 (c) Appeals of decisions by the department under RCW 90.03.110 32 and 90.44.220.

33 (d) Hearings conducted by the department to adopt, modify, or 34 repeal rules.

35 (3) Review of rules and regulations adopted by the hearings board 36 shall be subject to review in accordance with the provisions of the 37 administrative procedure act, chapter 34.05 RCW.

38 **Sec. 18.** RCW 43.21B.110 and 2013 c 291 s 34 are each amended to 39 read as follows:

1 (1) The hearings board shall only have jurisdiction to hear and 2 decide appeals from the following decisions of the department, the 3 director, local conservation districts, the air pollution control 4 boards or authorities as established pursuant to chapter 70.94 RCW, 5 local health departments, the department of natural resources, the 6 department of fish and wildlife, the parks and recreation commission, 7 and authorized public entities described in chapter 79.100 RCW:

8 (a) Civil penalties imposed pursuant to RCW 18.104.155, 9 70.94.431, 70.105.080, 70.107.050, <u>section 7 of this act</u>, 76.09.170, 10 77.55.291, 78.44.250, 88.46.090, 90.03.600, 90.46.270, 90.48.144, 11 90.56.310, 90.56.330, and 90.64.102.

(b) Orders issued pursuant to RCW 18.104.043, 18.104.060,
43.27A.190, 70.94.211, 70.94.332, 70.105.095, 86.16.020, 88.46.070,
90.14.130, 90.46.250, 90.48.120, and 90.56.330.

(c) Except as provided in RCW 90.03.210(2), the issuance, 15 modification, or termination of any permit, certificate, or license 16 17 by the department or any air authority in the exercise of its jurisdiction, including the issuance or termination of a waste 18 disposal permit, the denial of an application for a waste disposal 19 permit, the modification of the conditions or the terms of a waste 20 21 disposal permit, or a decision to approve or deny an application for a solid waste permit exemption under RCW 70.95.300. 22

(d) Decisions of local health departments regarding the grant or
 denial of solid waste permits pursuant to chapter 70.95 RCW.

(e) Decisions of local health departments regarding the issuance
 and enforcement of permits to use or dispose of biosolids under RCW
 70.95J.080.

(f) Decisions of the department regarding waste-derived fertilizer or micronutrient fertilizer under RCW 15.54.820, and decisions of the department regarding waste-derived soil amendments under RCW 70.95.205.

(g) Decisions of local conservation districts related to the denial of approval or denial of certification of a dairy nutrient management plan; conditions contained in a plan; application of any dairy nutrient management practices, standards, methods, and technologies to a particular dairy farm; and failure to adhere to the plan review and approval timelines in RCW 90.64.026.

38 (h) Any other decision by the department or an air authority 39 which pursuant to law must be decided as an adjudicative proceeding 40 under chapter 34.05 RCW. 1 (i) Decisions of the department of natural resources, the 2 department of fish and wildlife, and the department that are 3 reviewable under chapter 76.09 RCW, and the department of natural 4 resources' appeals of county, city, or town objections under RCW 5 76.09.050(7).

6 (j) Forest health hazard orders issued by the commissioner of 7 public lands under RCW 76.06.180.

8 (k) Decisions of the department of fish and wildlife to issue, 9 deny, condition, or modify a hydraulic project approval permit under 10 chapter 77.55 RCW.

(1) Decisions of the department of natural resources that are reviewable under RCW 78.44.270.

(m) Decisions of an authorized public entity under RCW 79.100.010 to take temporary possession or custody of a vessel or to contest the amount of reimbursement owed that are reviewable by the hearings board under RCW 79.100.120.

17 (2) The following hearings shall not be conducted by the hearings18 board:

(a) Hearings required by law to be conducted by the shorelineshearings board pursuant to chapter 90.58 RCW.

(b) Hearings conducted by the department pursuant to RCW 70.94.332, 70.94.390, 70.94.395, 70.94.400, 70.94.405, 70.94.410, and 90.44.180.

(c) Appeals of decisions by the department under RCW 90.03.110and 90.44.220.

26 (d) Hearings conducted by the department to adopt, modify, or 27 repeal rules.

(3) Review of rules and regulations adopted by the hearings board
 shall be subject to review in accordance with the provisions of the
 administrative procedure act, chapter 34.05 RCW.

31 <u>NEW SECTION.</u> Sec. 19. Section 17 of this act expires June 30, 32 2019.

33 <u>NEW SECTION.</u> Sec. 20. Section 18 of this act takes effect June
34 30, 2019.

<u>NEW SECTION.</u> Sec. 21. Sections 1 through 14 of this act
 constitute a new chapter in Title 70 RCW.

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