

Date of Hearing: May 7, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1304 (Schultz) – As Amended April 3, 2025

Policy Committee: Natural Resources

Vote: 13 - 1

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill revises the state’s paint product recovery program’s education and outreach requirements to include apprenticeship workforce training.

Specifically, this bill, among other things:

- 1) Defines “paint recovery” to mean the process of collecting and transporting leftover paint for the purpose of reusing, processing, or recycling to reduce its environmental impact and disposal costs.
- 2) Requires a stewardship plan to include consumer, contractor, and retailer education and outreach efforts to promote the proper use, handling, source reduction, and recycling of paint products.
- 3) Requires the education and outreach efforts to include investment in the training of California’s future workforce by working with California apprenticeship programs for training apprentices and journey-level painters.

FISCAL EFFECT:

CalRecycle will incur costs of an unknown amount, likely in the low hundreds of thousands of dollars, to implement this bill. CalRecycle is in the process of developing permanent regulations to implement recently chaptered bills that add aerosol coating products, nonindustrial coatings, and coating-related products into the paint program. Changes to the program as contemplated by this bill will delay the current rulemaking or require a new regulatory process.

For its part, CalRecycle estimates one-time costs of approximately \$257,000 in fiscal year (FY) 2026-27 for one new position followed by ongoing annual costs of approximately \$414,000 for two total positions to implement this bill. CalRecycle notes it would likely require a loan to cover these costs, because the Paint Product Stewardship Account does not have a sufficient balance to do so.

As noted below, the paint stewardship program (including CalRecycle’s administrative costs) is funded by a fee assessed on the sale of new paint. Because this assessment is collected from consumers at the point-of-sale, any increased funding for workforce development may result in either reduced funding for other components of the program or higher fees for consumers.

COMMENTS:

- 1) **Purpose.** According to the author, this bill strengthens the state’s paint stewardship program “by requiring PaintCare to invest in the training of California’s future workforce, thereby increasing the recycling rate of unused paint and providing career pathways for Californians by working with our existing apprenticeship programs.”
- 2) **Background.** Extended producer responsibility (EPR) is a strategy that places shared responsibility for end-of-life product management on producers and all entities involved in the product chain, instead of on the general public and local governments. The state’s EPR program for paint ensures leftover paint is reused, recycled, or properly disposed. CalRecycle oversees the program, which is run by PaintCare, a nonprofit stewardship organization created by paint manufacturers.

The paint stewardship program offers 816 free collection sites throughout the state as well as free pick-up service for large volumes of paint. According to PaintCare, the program has collected over 37 million gallons of used paint for recycling or proper disposal.

The program is funded by an assessment, or fee, charged to consumers for every container of paint at the time of sale. The current assessment for paint products sold in California is \$0.30 for a container that is one-half pint to less than one gallon, \$0.65 for a container that is between one and two gallons, and \$1.50 for a container that is larger than two gallons. PaintCare pays CalRecycle an administrative fee to cover the department’s costs of administering and enforcing the paint stewardship program. According to CalRecycle, for the first two quarters of FY 2024-25, PaintCare paid CalRecycle approximately \$196,000 and \$133,000 in administrative fees. The Paint Product Stewardship Account had an ending balance of \$575,000 in FY 2023-24, and in the same FY, the department expended approximately \$548,000 from the account (all of which is reimbursed by PaintCare).

The Assembly Natural Resources Committee analysis of this bill notes that this bill seems to be modeled after a provision in AB 863 (Aguiar-Curry), Chapter 675, Statutes of 2024, which requires that 8% of the carpet fee collected as part of the state’s carpet stewardship program be awarded as grants to fund apprenticeship programs for carpet installers.

This bill is supported by several labor unions, who argue that expanding the paint program’s education and outreach requirements to incorporate apprenticeship workforce development will train the state’s future workforce “to manage materials more sustainably leading to better outcomes for these programs but moreover will lead to cleaner communities by changing the workplace culture and making out trades people stewards of California’s environment.”

Among others in opposition, the American Coatings Association (ACA), which created PaintCare, argues that professional education is “already a cornerstone of the existing PaintCare program.” ACA further contends that the instructions to utilize the program are the “same for professionals as it is for do-it-yourself painters – replace the lid securely and either drop it off at a participating location or call for a large volume pick up. We are unclear how additional training would add value to the program.” ACA argues the bill will impose new program costs, which would ultimately cost consumers and contractor budgets with potential increased fees on the program to “account for new and unspecified training.” Finally ACA argues the bill will delay the aforementioned rulemaking “after two years of legislation supported by ACA and many other stakeholders.”