



Oregon Paint Stewardship Program

2019 Annual Report



SUBMITTED BY

Jeremy Jones
West Coast Program Manager
PaintCare
(415) 590-0259
jjones@paint.org

SUBMITTED TO

Blake Bennett
Materials Management Program
Oregon Department of Environmental Quality
700 NE Multnomah St, Ste 600
Portland, OR 97232

Contents

Executive Summary	4
2019 Highlights	4
Section 1. Collection, Transportation and Processing	5
A. Paint Collection System and Convenience Level	5
A1. Drop-Off Sites and Events	5
B. Convenience Level	7
B1. Coverage	7
B2. Underserved Areas	10
C. Paint Collection Procedures	10
D. Transportation and Processing	10
D1. Transportation	10
D2. Latex Paint Management	10
D3. Oil-Based Paint Management	11
D4. Reuse	11
Section 2. Collection Volume and Disposition Methods	12
A. Collected Paint Volume	12
A1. Collection Volume for 2019	12
A2. Collection by Site Type	14
B. Latex Paint Recycling Rate Goal	14
C. Container Recycling	15
Section 3. Financial Summary, Audit & 2020 Budget	16
A. Program Revenue and Expenses	16
A1. Revenue	16
A2. Expenses	17
A3. Financial Summary	18
A4. Net assets	18
B. Evaluation of the Operation of the Program’s Funding Mechanism	19
C. Program Cost Effectiveness	19
D. Program Metrics	20

E.	Program Budget	20
F.	Independent Financial Audit	21
Section 4. Education and Outreach		22
A.	Educational Materials Provided to Consumers	22
A1.	Point of Sale (POS) Materials	22
A2.	Annual POS Retailer Mailing	23
A3.	Other Outreach and Advertising	23
A4.	Postconsumer Paint Reduction and Public Awareness Goals	24
A5.	2020 Planned Outreach	24
Maps		
	Permanent Drop-Off Sites	8
	Permanent Drop-Off Sites and Events	9
Appendix		
A.	PaintCare Drop-Off Sites and Events	
B.	Independent Financial Audit of the PaintCare Program	
C.	Samples of Outreach Materials	
D.	Underserved Area Events for 2019	

Executive Summary

PaintCare is the representative stewardship organization of the Oregon Architectural Paint Stewardship Program, as set forth by Chapter 459A, Reuse and Recycling, Subsection 820-855 of the 2013 Oregon Laws. That Paint Stewardship Law provides for the establishment of a permanent statewide paint stewardship program, managed by a stewardship organization, to accomplish the following:

- 1) Establish an environmentally sound and cost-effective architectural paint stewardship program;
- 2) Undertake responsibility for the development and implementation of strategies to reduce the generation of postconsumer architectural paint;
- 3) Promote the reuse of postconsumer architectural paint; and
- 4) Collect, transport and process postconsumer architectural paint for end-of-product-life management, including reuse, recycling, energy recovery and disposal.

Under the Oregon Paint Stewardship Law, PaintCare must submit an annual report to the Oregon Department of Environmental Quality (DEQ) by April 1 of each year. This report covers January 1 - December 31, 2019.

2019 HIGHLIGHTS

- ◆ **Site Count:** The year ended with 175 active drop-off sites. The program added eight sites – one solid waste facility, and seven retail stores. Five sites exited the program due to closure or relocation.
- ◆ **Convenience Goals:** The program continued to exceed its targets for the number of permanent sites (one for every 30,000 residents) and site distribution (95% of residents within 15 miles of a permanent site). The active sites provided access within 15 miles to a site for 96.7% of all Oregon residents. Including 80 household hazardous waste (HHW)/paint drop-off events, 98.1% of Oregon residents lived within 15 miles of a location to drop off unwanted paint.
- ◆ **Paint Collection Volume:** The program collected over 767,000 gallons of postconsumer paint in 2019. The program has collected more than 6 million gallons of postconsumer paint since it began in 2010.
- ◆ **Recycling and Reuse:** 64% of latex paint collected was recycled into paint. When including reuse, 70% of the latex paint collected by the program was either recycled or reused. Oil-based paint reuse increased by more than 63% thanks to expanded efforts by Metro.
- ◆ **Expenses and Revenues:** Total program revenue for the year was \$5,669,810 with expenses of \$4,674,473. During the first full calendar year of the new program fee structure, program finances improved significantly, reaching a positive net asset balance equal to 4% of annual program expenses.
- ◆ **Outreach:** PaintCare continued to support paint retailers, drop-off sites, and PaintCare events with required program awareness materials and supported county paint collection marketing efforts.

Section 1. Collection, Transportation and Processing

Statutory Citation

459A.842 Reports by stewardship organizations. At a minimum, the report must contain:

(1)(a) A description of the methods used to collect, transport, recycle and process post-consumer architectural paint in this state.

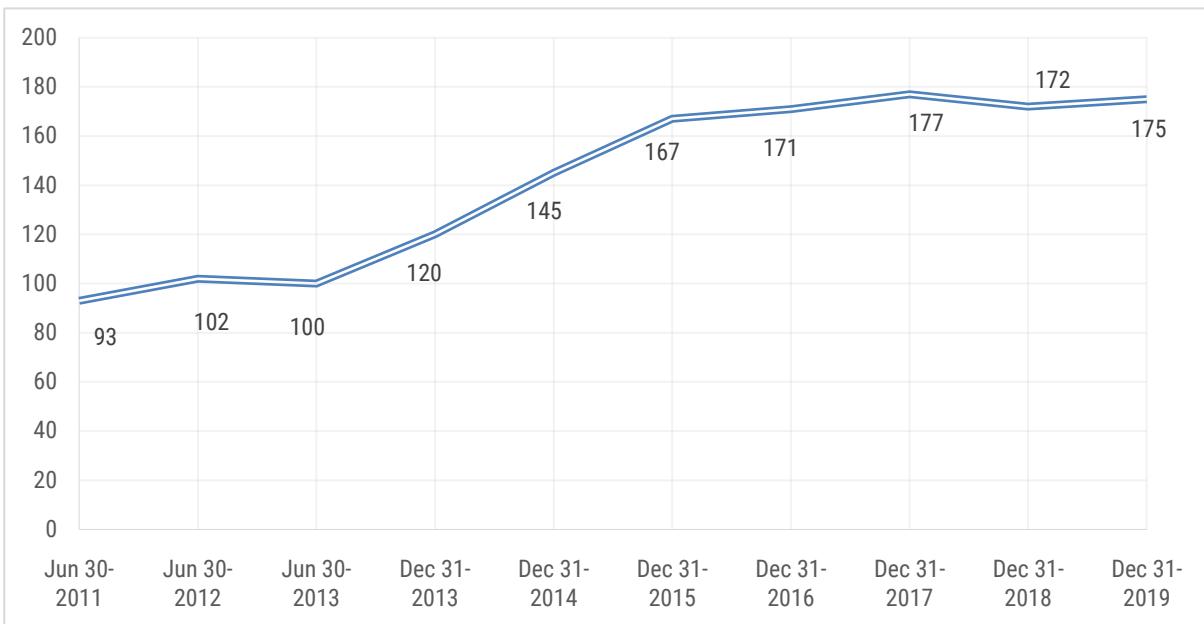
(1)(L) Documentation of compliance with the requirements of 459A.827(2)(b) (Plan for architectural paint stewardship program) and 459A.830 (Collection system for post-consumer architectural paint).

A. PAINT COLLECTION SYSTEM AND CONVENIENCE LEVEL

A1. Drop-Off Sites and Events

At the end of the year, the program had 175 active drop-off sites located throughout the state, an increase of three sites from the previous year. Drop-off sites as of December 31, 2019 are listed in Appendix A.

PERMANENT DROP-OFF SITES



The following table summarizes the program's paint collection system for the last four years including both permanent drop-off sites, drop-off events, and direct large volume pick-ups (LVPs):

PAINTCARE DROP-OFF SITES, EVENTS AND SERVICES

SITE TYPE	2016	2017	2018	2019	%
HHW & Solid Waste Facilities	22	26	27	28	16%
Paint Retailers	124	124	119	121	69%
Reuse Stores	25	27	26	26	15%
Total Permanent Sites	171	177	172	175	100%

EVENTS & LARGE VOLUME PICK-UPS	2016	2017	2018	2019	SITES
PaintCare-Sponsored Events	5	6	8	4	4
HHW/Municipal-Sponsored Events	65	75	72	64	42
Large Volume Pick-Ups	20	35	49	43	39
Recurring Large Volume Pick-Up Sites	7	7	10	10	10

The majority of PaintCare drop-off sites are retail stores that are open five or more days per week. There were 64 HHW/municipal-sponsored drop-off events at 42 sites. PaintCare sponsored four paint-only drop-off events. In addition, the program provided 43 LVPs to 39 different commercial and institutional entities, including painting contractors, property managers, and a variety of private businesses and public institutions. PaintCare also serviced 10 recurring large volume pick-up (RLVP) sites, businesses and organizations that generate large volumes of paint on a regular basis that contract with PaintCare for periodic scheduled pick-ups.

B. CONVENIENCE LEVEL

B1. Coverage

The program is required to provide coverage to ensure:

- ◆ One permanent collection site exists for every 30,000 residents
- ◆ 95% of residents are within 15 miles of a permanent collection site.

PaintCare's 175 permanent drop-off sites provided 96.7% of Oregon residents with a drop-off site within 15 miles of their home, with one site for every 21,892 residents (using the US Census Bureau's 2010 Oregon population of 3,831,074).

Including 68 HHW/paint drop-off events, 98.1% of Oregon residents lived within 15 miles of a location to drop off unwanted paint. Coverage was determined using Geographical Information System (GIS) analysis tools developed with the assistance of Dewberry, a professional services firm with expertise in geographic mapping and analysis. Throughout the year, these same GIS tools are used by PaintCare staff to identify potential coverage needs in the event of site closures or relocations.

The following tables show the change in convenience over the previous four years. The maps that follow show the locations of 2019 sites and events.

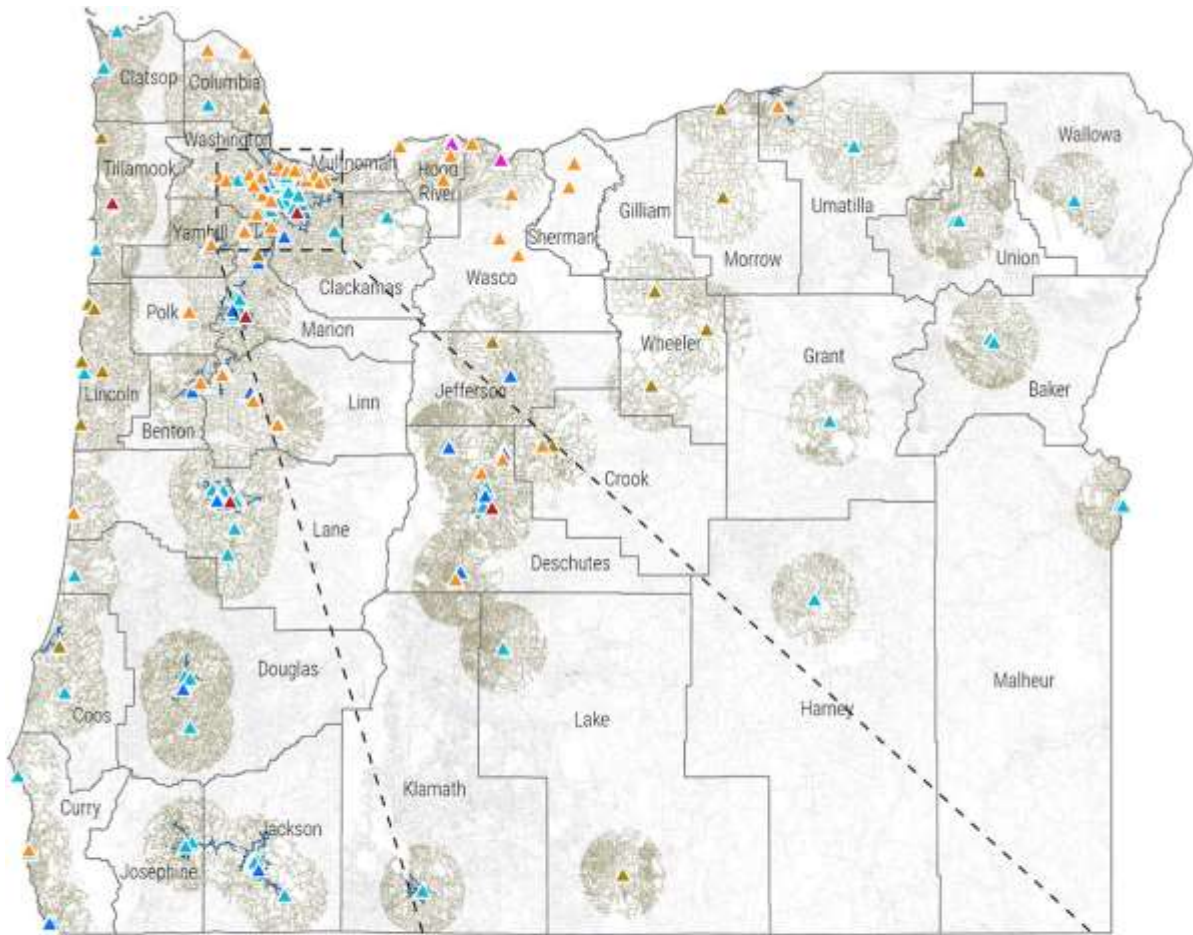
COVERAGE PROVIDED BY PERMANENT DROP-OFF SITES

METRIC	2016	2017	2018	2019
Percent of population within 15 miles	96.3	96.6	96.7	96.7
Number of Oregon residents per site	22,404	21,644	22,274	21,892

COVERAGE PROVIDED BY PERMANENT DROP-OFF SITES AND EVENTS

METRIC	2016	2017	2018	2019
Percent of population within 15 miles	98.0	98.2	98.5	98.1
Number of Oregon residents per site	16,302	15,637	16,729	17,335

PERMANENT DROP-OFF SITES

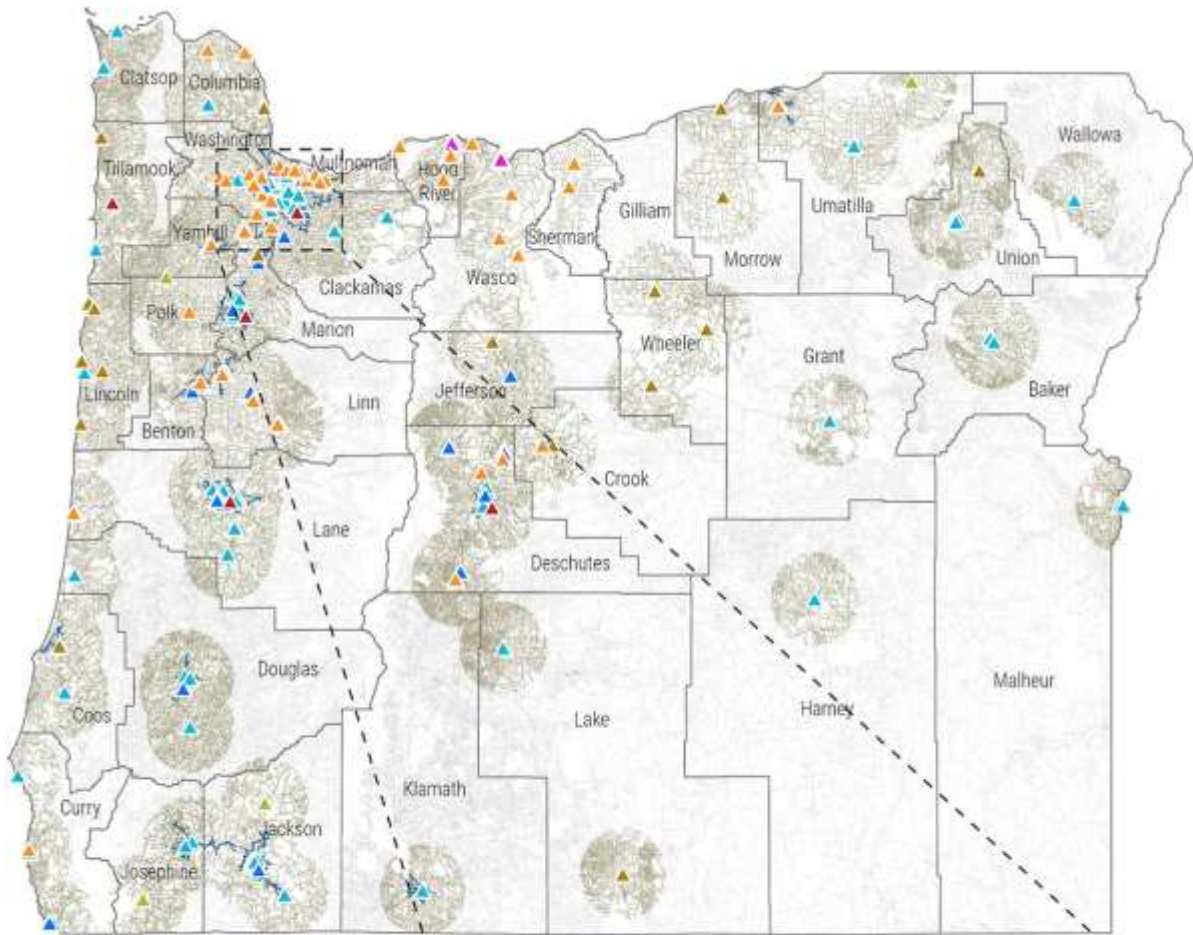


Portland Metro Area

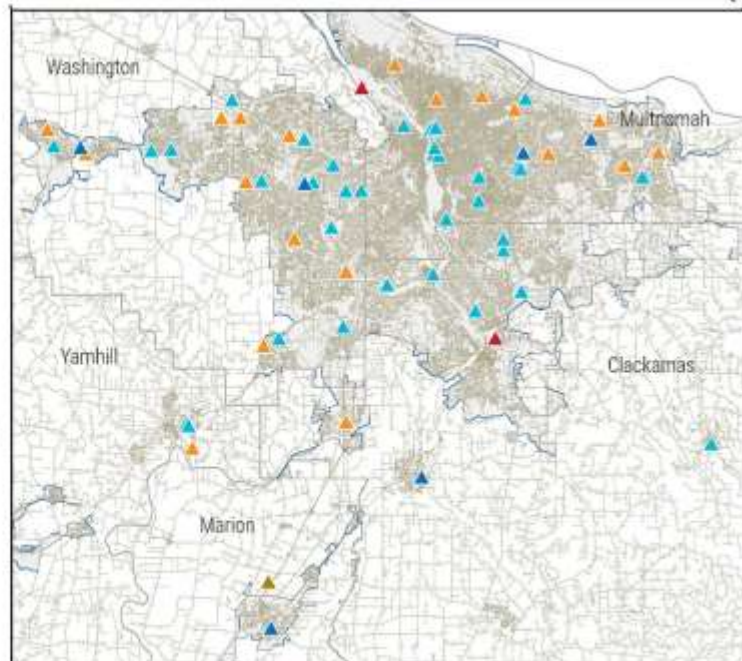
- ▲ HHW Facility
- ▲ HHW Seasonal Facility
- ▲ Retail
- ▲ Reuse Store
- ▲ Solid Waste Facility
- County Borders
- Urbanized Areas (Population 30,000 or more)
- Population Served by Drop-Off Sites
- Population Not Served by Drop-Off Sites



PERMANENT DROP-OFF SITES AND EVENTS



Portland Metro Area



- ▲ HHW Event
- ▲ HHW Facility
- ▲ HHW Seasonal Facility
- ▲ PaintCare Event
- ▲ Retail
- ▲ Reuse Store
- ▲ Solid Waste Facility
- County Borders
- Urbanized Areas (Population 30,000 or more)
- Population Served by Drop-Off Sites
- Population Not Served by Drop-Off Sites

B2. Underserved Areas

The paint stewardship law requires the program to provide 1-2 paint drop-off events per year in each underserved area of the state, unless DEQ agrees that holding a drop-off event for a given geographic area will not be practicable or effective. An area is defined as underserved if it is not within 15 miles of a paint drop-off site or event. Based on GIS analysis, approximately 1.9% of the state's population lives outside of a 15-mile radius of a permanent drop-off site or event.

Appendix D provides details about events held in underserved areas; it also documents that PaintCare made a good faith effort to reach local representatives to propose events and offer alternative services, such as LVPs or outreach to rural communities to ensure they are aware of their nearest drop-off locations.

C. PAINT COLLECTION PROCEDURES

The program enters into collection contracts with all drop-off sites. All drop-off sites receive an initial on-site program training and a program procedures manual, both of which cover program policies and site guidelines.

Drop-off sites are visited by program staff on a routine basis (generally, twice per year) to ensure compliance by the site with program requirements. There were 302 site visits conducted during the year.

D. TRANSPORTATION AND PROCESSING

D1. Transportation

The program continued to utilize the transportation procedures and material tracking systems that were implemented at the start of the program, including contracting with Stericycle to provide transportation services to drop-off sites, events and large volume pick-ups.

D2. Latex Paint Management

The following describes how latex paint was processed during the year:

Metro collected latex paint from its two fixed HHW facilities and at its events in the Portland metropolitan area. Metro also received latex paint collected by Stericycle from statewide drop-off sites, events and LVPs/RLVPs. Recyclable latex paint was made into new recycled-content latex paint and sold or distributed through a variety of channels. The market for recycled-content paint, particularly for less popular colors, varies from year to year. The remainder was used for biodegradation, a process used to extract gas from landfill at Columbia Ridge in Arlington, OR. Dry paint was separated from liquid paint and sent to landfill.

Tillamook County collected latex paint for reprocessing through their HHW collection events and Manzanita Transfer Station. Paint able to be reprocessed by Tillamook was made into new recycled-content paint and sold locally at municipal and non-profit locations.

D3. Oil-Based Paint Management

Stericycle collected oil-based paint from statewide drop-off sites, PaintCare events, and LVPs/RLVPs. All oil-based paint collected by Stericycle was burned for energy recovery.

D4. Reuse

Metro continued to offer an oil-based paint reuse program under contract with PaintCare.

Reuse stores offered latex and oil-based paint for reuse. These sites reported the gallons they sold to the public to PaintCare. PaintCare attempts to divert more paint for reuse by first referring candidates for LVPs to local reuse store partners. These stores have the capacity to determine if paint is suitable for reuse and can manage the fraction of paint that is deemed unusable by using their PaintCare collection bins on site.

Section 2. Collection Volume and Disposition Methods

Statutory Citation

459A.842 Reports by stewardship organizations. At a minimum, the report must contain:

(1)(b) A calculation of the total volume in gallons of post-consumer architectural paint collected by the program, categorized by latex, alkyd and any other type of paint.

(1)(c) For each permanent collection site and collection event under the program:

(A) A calculation of the total volume in gallons of post-consumer architectural paint collected at the site or event;

(B) The address or, if no address is available, the physical location of the site or event; and

(C) A description of whether the site or event is:

(i) A permanent collection site located at a retailer;

(ii) A permanent collection site or collection event for the program located within the local solid waste collection infrastructure; or

(iii) A collection event promoted and paid for by a stewardship organization.

(1)(d) An estimate of the total weight and disposition of all paint containers collected by the program.

(1)(e) The total volume of post-consumer architectural paint collected under the program, categorized by method of disposition, including reuse, recycling, energy recovery and disposal.

(1)(f) The data, conversion factors and any changes from prior years in the methodology used to complete the analysis required to comply with paragraphs (b) to (e) of this subsection.

(1)(m) A description of the activities undertaken to achieve, and the progress made toward achieving, the program goals as provided for in the program plan.

A. COLLECTED PAINT VOLUME

A1. Collection Volume for 2019

A total of 767,088 gallons of paint were collected during the year. This is a 3.5% decrease from 2018. The decrease is driven by two notable changes: the transition to weekend-only paint collections at one of Oregon's largest municipal drop-off sites (Marion County), and eight fewer DEQ-sponsored events. Absent these changes, collection volume would have been likely to increase compared to 2018. The following table shows the volume of postconsumer architectural paint collected categorized by method of disposition for the last four years. Data from previous years is available in prior reports and can be accessed at www.paintcare.org. A list of all paint drop-off sites and collection activity reported in gallons and grouped by wasteshed is provided in Appendix A.

SUMMARY OF PAINT MANAGEMENT

LATEX PAINT DISPOSITION	2016 GALLONS	2016 %	2017 GALLONS	2017 %	2018 GALLONS	2018 %	2019 GALLONS	2019 %
Reuse	30,829	5	31,739	5	36,050	5	34,550	6
Paint-to-Paint	354,419	59	332,494	53	341,018	54	392,544	64
Cement Products	0	0	0	0	75,777	12	0	0
Biomass	2640	<1	2,993	<1	933	<1	0	0
Biodegradation	215,109	35	257,317	41	182,949	29	189,331	30
Total Latex	602,997	100	624,543	100	636,727	100	616,425	100

OIL-BASED PAINT DISPOSITION

Reuse	10,222	6	11,104	6	8,266	5	13,499	9
Energy Recovery	150,934	94	175,097	94	150,793	95	137,164	91
Total Oil-Based	161,156	100	186,201	100	159,059	100	150,663	100

Grand Total	764,153		810,744		795,786		767,088	
-------------	---------	--	---------	--	---------	--	---------	--

During this reporting period, collection data was reported by Stericycle, Metro, reuse sites, and Tillamook County.

Stericycle reported the volume of latex and oil-based paint collected using gross weight of the collection bins, subtracting estimated packaging weight (bin and can weight), and dividing by 10 to convert to gallons. Latex paint disposition is reported based on the percentage provided by Metro for each method used. Oil-based paint disposition is reported as energy recovery.

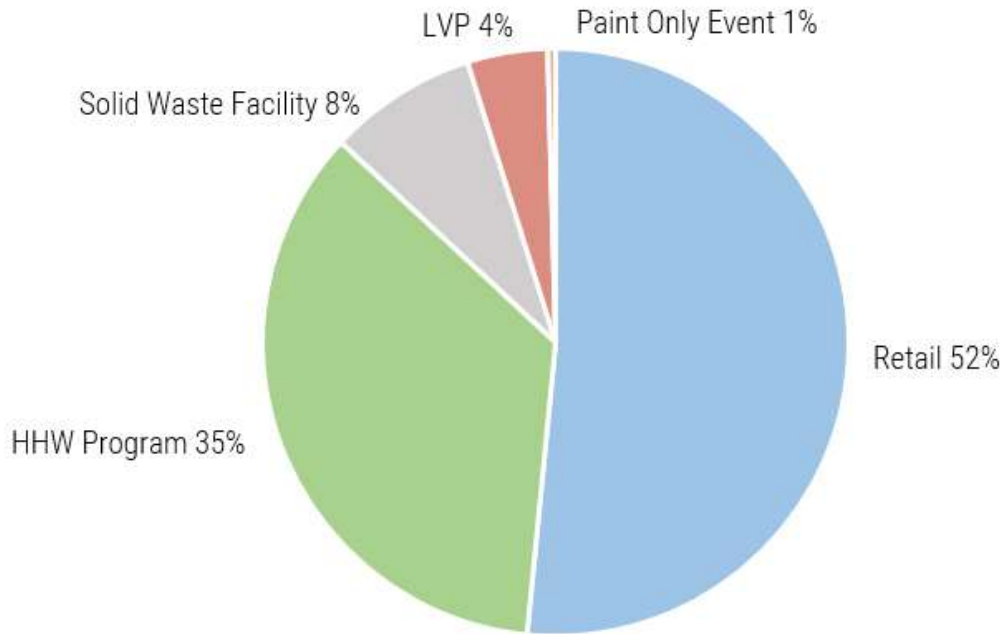
Metro reported the volume of latex collected from their facilities and events using gross weight of the collection pallet/cage, subtracting estimated packaging weight (pallet/cage and can weight), and dividing by their measurement of paint density to convert to gallons (approximately 10.14 pounds per gallon). Disposition is based on the percentage provided by Metro for each method used.

Reuse sites calculated volume in one of the following two ways: (1) containers larger than 1 quart and at least 50% full were counted and then converted to gallons by assuming an average fullness of 75%; or, (2) containers of any size and fullness were measured and reported in gallons using an accepted methodology (with documentation provided to PaintCare upon request). Disposition is reported as reuse.

Tillamook County reported the volume of latex paint they processed in gallons, made into recycled-content paint and sold. Disposition is reported as paint-to-paint.

A2. Collection by Site Type

The following pie chart shows the relative volume of paint collected by site type:



B. LATEX PAINT RECYCLING RATE GOAL

PaintCare has a goal to increase the percentage of latex paint-to-paint recycling by a minimum of 1% each year. In 2019, Metro's paint-to-paint recycling rate improved to 67% (compared to 56% in 2018).¹ As part of an update to the program plan in 2020, PaintCare will update its recycling goal.

Steps taken in 2019 to increase the paint-to-paint recycling of latex paint include:

- ◆ Metro successfully implemented an effort to seek wider markets for their paint.

¹ The inclusion of Reuse as a method of latex paint disposition lowers the overall share of paint-to-paint recycling. This accounts for the difference between Metro's paint-to-paint recycling rate (67%) and the share of latex paint-to-paint recycling (64%) reported in the Summary of Paint Management table on page 13.

- ◆ Metro made operational changes to ensure that all recyclable material was diverted to making new paint.
- ◆ Continued participation by Metro in the International Paint Recycling Association (IPRA). IPRA was formed with the assistance of the Product Stewardship Institute and seeks to improve paint recycling practices through improved communication between recyclers.

C. CONTAINER RECYCLING

Plastic paint pails and metal cans are sent for recycling when feasible. During the year, the program recycled 37.7 tons of metal containers and 3.5 tons of plastic pails. Metal container recycling more than doubled compared to the previous year. Trade restrictions by China continued to impact the market for recyclables, especially contaminated recyclables such as used paint containers. Metro continued to assess workflow changes that may improve container recycling, such as automated compaction of containers.

Section 3. Financial Summary, Audit & 2020 Budget

Statutory Citation

459A.842 Reports by stewardship organizations. At a minimum, the report must contain:

- (g) An independent financial audit of the program.
- (h) A description of program revenues and costs for the prior year that follows the budget requirements provided in ORS 459A.827 and that further describes:
 - (A) The total cost of the program during the prior year calculated as a per capita amount for each resident of this state;
 - (B) The cost per gallon of the program during the prior year;
 - (C) The use by the stewardship organization of any revenues from the program during the past year that exceeded the total costs of the program, including a description of the amount held by the stewardship organization in unallocated reserve funds at the end of the reporting period; and
 - (D) If requested by the director, any additional budgetary information necessary for the director to determine whether the stewardship organization must amend the plan under ORS 459A.835 (1)(d).
- (i) An updated budget for the next calendar year that follows the budget requirements provided in ORS 459A.827.
- (j) An evaluation of the operation of the program's funding mechanism.

A. PROGRAM REVENUE AND EXPENSES

A1. Revenue

Total revenue for the year was \$5,669,810 with all revenue coming from PaintCare fees. In previous years, the credit PaintCare received from Metro for reaching certain latex volume thresholds was counted as an addition to revenue. To better reflect an accurate picture of the amount actually paid to program vendors, the Metro credit is now reported as a reduction in operations expenses.

The following table shows the total number of containers and the corresponding gallons and revenue for each container size category:

PAINT SALES AND FEE REVENUE

CONTAINER SIZE	CONTAINERS	GALLONS	FEE REVENUE
Half pint or smaller	48,879	3,055	-
Larger than half pint to smaller than 1 gallon	1,312,179	328,045	582,768
1-2 gallons	3,142,981	3,142,981	2,962,369
Larger than 2 gallons up to 5 gallons	1,091,820	5,459,100	2,124,673
Total	5,595,859	8,933,181	5,669,810

A2. Expenses

- ◆ Paint collection, transportation and processing costs (collectively termed Operations for the Oregon budget) were 88% of program expenses in the year. Collection costs include training materials for sites, spill kits and other miscellaneous supplies needed to maintain operations. Transportation costs include money paid to Stericycle and Metro to pick up bins of program products from drop-off sites and events and deliver them to their own sites, recyclers or disposal facilities. Processing costs include direct reuse incentives, sorting, recycling, and proper disposal.
- ◆ Communications expenses include advertising and promotional materials to increase program visibility through education and outreach.
- ◆ State agency administrative fees of \$40,000 are paid to Oregon DEQ annually.
- ◆ Administrative costs, as defined by Oregon DEQ, include overhead expenses for operating the program such as in-state personnel, travel, legal, and other administrative services and supplies, along with the portion of PaintCare corporate expenses allocated to the Oregon program.

Note: Oregon's definition of administrative costs is distinct from how PaintCare defines it in its other states. In other states, PaintCare categorizes costs as direct (operations) or indirect (administrative). Direct costs include all in-state operational expenses including paint management costs, in-state staffing, and legal fees. Indirect costs (also referred to as administrative expenses) are costs that do not directly benefit a state program but are indirectly beneficial to the state program such as corporate staffing, company-wide auditing, and general communications.

A3. Financial Summary

The following table summarizes program revenue and expenses for the year:

FINANCIAL SUMMARY

PROGRAM REVENUE

PaintCare fees	\$ 5,669,810
Other ²	-
Total revenue	5,669,810

PROGRAM EXPENSES

Operations	4,126,197
Communications	40,950
DEQ administrative fee	40,000
Administrative costs	467,326
Total expenses	4,674,473

Change in net assets	995,337
----------------------	---------

Net assets, beginning of year	(789,716)
-------------------------------	-----------

Net assets, end of year	\$ 205,621
-------------------------	------------

A4. Net assets

The net asset balance at the beginning of the reporting period was -\$789,716. During this reporting period, net assets increased by \$995,337, resulting in a balance on December 31, 2019 of \$205,621.

² In previous years, "Other" program revenue was a credit received from Metro for reaching certain latex volume thresholds. From 2019 forward, this credit is counted as a reduction to program expenses under Operations. This has no impact on net assets and is solely a financial reporting improvement supported by the program's independent auditor.

B. EVALUATION OF THE OPERATION OF THE PROGRAM'S FUNDING MECHANISM

The program utilized the fee structure shown in following table:

PAINTCARE FEES PER CONTAINER

CONTAINER SIZE	FEES
Half pint or smaller	\$ 0.00
Larger than half pint up to smaller than 1 gallon	\$ 0.45
1-2 gallon	\$ 0.95
Larger than 2 gallon up to 5 gallons	\$ 1.95

As of December 31, 2019, monthly revenue exceeds monthly expenses and the program's finances have returned to a positive balance, indicating that the program's funding mechanism is functioning as intended. In 2020, PaintCare will provide to DEQ an analysis of the fee structure with updated projections for revenue and expenditures to determine whether the new fee structure is generating sufficient, but not excessive revenue.

C. PROGRAM COST EFFECTIVENESS

The program continued its efforts to deliver a cost-effective program within the context of its obligations under the law. PaintCare works with its partners and stakeholders to maintain a statutorily compliant program while attempting to minimize or eliminate activities that are not effective or required.

PaintCare follows the solid waste hierarchy established in Oregon state law that prioritizes reducing waste, reuse, and recycling. Vendors must also be cost-competitive within the industry for the services they provide and meet the substantial requirements of state and federal law associated with materials management.

The paint collection network is distributed to meet state requirements for convenience, utilizing both preexisting infrastructure in the HHW community and engaging new voluntary partners (primarily retail). As devised, the program adds costs in close proportion to the material it collects, with only a slight increase in transportation cost when material is retrieved from greater distances.

PaintCare's efforts to maintain a cost-effective program in 2019 included:

- ◆ Focusing recruitment efforts on new permanent drop-off sites to address underserved areas or when the placing of a new permanent drop-off site would increase the cost-effectiveness of the program;
- ◆ Limiting PaintCare drop-off events to underserved areas or where otherwise required by Oregon statute; and;
- ◆ Continuing to support and recruit reuse outlets. Reuse partners save the program transportation and processing costs while providing a benefit to their community.

D. PROGRAM METRICS

The following table presents costs per capita (using the US Census Bureau's 2010 Oregon population of 3,831,074) and cost per gallon collected. Both metrics reflected the relative stability of expenses in 2019:

PROGRAM METRICS

	2016	2017	2018	2019
Cost per Capita	\$ 1.25	\$ 1.26	\$ 1.22	\$ 1.22
Cost per Gallon	\$ 6.69	\$ 6.43	\$ 6.45	\$ 6.09

E. PROGRAM BUDGET

The budget for 2020 is summarized in the following table and reflects observed revenue and expense trends:

2020 BUDGET

REVENUE

PaintCare fees	\$ 5,802,438
Total revenue	5,802,438

EXPENSES

Operations	4,374,000
Communications	100,000
DEQ administrative fees	40,000
Administrative costs	516,516
Total expenses	5,030,516

Change in net assets	\$ 771,922
----------------------	------------

F. INDEPENDENT FINANCIAL AUDIT

An independent financial audit was conducted of the PaintCare program by Rogers & Company PLLC. This independent CPA firm conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that the firm plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit process includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. In Rogers & Company's opinion, the financial statements of PaintCare present fairly, in all material respects, the financial position as of December 31, 2019, and the changes in its net assets and its cash flows for the twelve months then ended in conformity with accounting principles generally accepted in the United States of America.

Please see Appendix B for the independent financial audit of the PaintCare program.

Section 4. Education and Outreach

Statutory Citation

459A.842 Reports by stewardship organizations. At a minimum, the report must contain:

(1)(k) Samples of educational and outreach materials provided to consumers of architectural paint, an evaluation of the methods used to disseminate those materials and an assessment of the effectiveness of the education and outreach, including levels of waste prevention and reuse.

(1)(m) A description of the activities undertaken to achieve, and the progress made toward achieving, the program goals as provided for in the program plan.

A. EDUCATIONAL MATERIALS PROVIDED TO CONSUMERS

A1. Point of Sale (POS) Materials

PaintCare makes POS materials available to Oregon paint retailers to distribute to their customers. POS materials include the program brochure, mini card, in-store poster, fact sheet for painting contractors, and fact sheet about the large volume pick-up service. Brochure holders and a counter mat version of the store poster are also made available.

Any retailer or interested party may order POS materials throughout the year: via an online form, email, fax, regular mail, or phone. Orders are filled within 2-3 days of placement. These materials and others may also be downloaded from the Oregon section of www.paintcare.org. Program materials were also delivered by the Oregon program coordinator to PaintCare drop-off sites during site visits.



Program Brochure, Mini Card, Store Poster, Counter Mat, Contractor and LVP Fact Sheets

PaintCare distributed 9,075 program brochures, mini cards, and fact sheets during the reporting year. Larger versions of the materials shown above are included in Appendix C and available on PaintCare's website.

A2. Annual POS Retailer Mailing

In November, PaintCare sent a mailing with the dual purpose of acknowledging PaintCare's 10th anniversary and reminding paint retailers of their responsibility under the stewardship law to provide information at the time of sale. The mailing was sent to all known paint retailers in the Oregon, including both PaintCare drop-off sites and retailers that do not act as drop-off sites. The cover letter thanked retailers for their support and participation, reminded them of their responsibility to inform consumers about paint stewardship, and informed them of how to order additional educational materials to distribute to paint consumers. Copies of PaintCare point-of-sale materials were enclosed in the package along with an infographic poster listing some of PaintCare's national paint management statistics to date. In total, 579 packets were sent to paint retail locations in Oregon, including 30,108 brochures, fact sheets, and cards.

A3. Other Outreach and Advertising

Website and Site Locator. PaintCare's website address is included in all PaintCare promotional materials. The website includes information on all aspects of the program. PaintCare provides web content for Store Right (tips for proper storage) and Pass It On (to promote reuse). PaintCare's site locator is kept up to date and provides a search engine for finding the closest PaintCare drop-off site by zip code, city, or street address.

PaintCare provides links to paint calculators from various sources (see: www.paintcare.org/paint-calculators/). These paint calculators can be used by everyone to help them buy the right amount of paint.

PaintCare maintains a list of locations in Oregon and around the country where the public can get recycled content paint (see: www.paintcare.org/wp-content/uploads/docs/xx-recycled-paint-stores.pdf).

Radio Advertising. Radio advertising in 2019 was limited to radio spots that were placed by Lane County as part of that county's outreach reimbursement agreement.

Print Advertising. Print advertising in 2019 was limited to targeted newspaper and direct mail advertising to promote paint drop-off events, advertisements placed by Tillamook County as part of that county's outreach reimbursement agreement, and a newspaper ad promoting a new drop-off site in Lakeview.

Social Media Presence and Advertising. PaintCare used a portion of its outreach funds to pay for advertising on Facebook in Oregon. PaintCare’s Facebook page has nearly 90,000 fans nationally, with several thousand from Oregon.

A4. Postconsumer Paint Reduction and Public Awareness Goals

In 2019, PaintCare and DEQ worked on finalizing a revision of the program plan that addresses the process for measuring and setting goals for postconsumer paint reduction and public awareness. PaintCare expects the revised program plan to be submitted for DEQ’s approval in mid-2020.

A5. 2020 Planned Outreach

POS Materials. PaintCare will continue to provide POS materials to retailers and other interested parties as it did in 2019.

Other Outreach/Advertising. Oregon outreach will cover the following activities:

- ◆ Promotion of PaintCare drop-off events using print and digital media. For each PaintCare-sponsored event, PaintCare will work with its outreach firm to develop a specific plan that may include flyers, radio, newspaper, direct mail, and social media. The selection of media will be tailored to the location and available media opportunities. As part of the communication with local contacts, PaintCare will solicit suggestions for outreach for these events.
- ◆ Reimbursements to counties with outreach funding agreements.

Other planned activities may include:

- ◆ Targeted digital media campaigns, including online display advertising, native display (ads that appear to be part of content on websites), and paid social media advertising (e.g., Facebook).
- ◆ An advertising campaign to list each drop-off site in print media.
- ◆ Underwriting messages on Oregon Public Radio.
- ◆ A digital advertising campaign focused on increasing general awareness of paint recycling options to work toward goals identified through 2017 public awareness survey results.

**Appendix
Section A**

PAINTCARE DROP-OFF SITES

PAINTCARE SITES IN OREGON IN 2019 - PAGE 1 OF 9

City	Site Name	Address	Type	Gallons
BAKER WASTESHED				1,232
Baker City	Millers Home Center	3815 Pocahontas Rd	Retail	376
Baker City	Thatchers Ace Hardware	2200 Resort St	Retail	856
BENTON WASTESHED				12,176
Corvallis	Habitat Restore	4840 SW Philomath Blvd	Reuse Store	1,614
Corvallis	Miller Paint	1405 NW Ninth St	Retail	2,035
Corvallis	Republic Services (Benton Co)	110 NE Walnut Blvd	HHW Event	5,000
Corvallis	Sherwin-Williams	2495 NW Ninth St	Retail	3,528
CLATSOP WASTESHED				6,513
Astoria	City Lumber	2142 Commercial St	Retail	2,716
Gearhart	Sherwin-Williams	3527 Hwy 101 N	Retail	3,797
COLUMBIA WASTESHED				9,269
Clatskanie	City Park (Columbia Co)	300 NE Park St	HHW Event	202
Rainier	Rainier City Park (Columbia Co)	690 West A St	HHW Event	294
Saint Helens	Habitat Restore	164 Little St	Reuse Store	811
Saint Helens	Waste Connections	1601 Railroad Ave	Transfer Station	7,556
Vernonia	Vernonia Hardware & Supply	1026 Bridge St	Retail	406
COOS WASTESHED				5,387
Coos Bay	Beaver Hill Disposal	55722 Hwy 101	Transfer Station	3,080
Coos Bay	Habitat Restore	776 S Second St	Reuse Store	2,221
Coquille	Coquille Supply	10054 Hwy 42	Retail	87
CROOK WASTESHED				3,146
Prineville	Crook County HHW & Landfill	110 SW Landfill Rd	Transfer Station	1,636
Prineville	Crook County Landfill (Crook Co)	110 SW Landfill Rd	HHW Event	649
Prineville	Habitat Restore	1427 NW Murphy Ct	Reuse Store	207
Prineville	Parr Lumber	601 N Main St	Retail	654
CURRY WASTESHED				2,716
Brookings	Gold Beach Lumber	16016 Hwy 101 S	Retail	156
Brookings	Habitat Restore	616 Memory Ln	Reuse Store	253
Brookings	Kerr Ace Hardware	711 Chetco Ave	Retail	1,493
Gold Beach	County Fairgrounds (HHW Event)	29392 Ellensburg Ave	HHW Event	140
Gold Beach	Gold Beach Lumber	28680 Hunter Creek Loop	Retail	580
Port Orford	Gold Beach Lumber	1935 Oregon St	Retail	95

PAINTCARE DROP-OFF SITES

PAINTCARE SITES IN OREGON IN 2019 - PAGE 2 OF 9

City	Site Name	Address	Type	Gallons
DESCHUTES WASTESHED				61,594
Bend	Denfeld Paints	2121 NE Division St	Retail	2,427
Bend	Habitat Restore	224 NE Thurston Ave	Reuse Store	7,119
Bend	Knott Landfill	61050 SE 27th St	Transfer Station	16,739
Bend	Knott Landfill HHW	61050 SE 27th St	HHW Facility	6,800
Bend	[Painting Contractor]		RLVP	350
Bend	[Painting Contractor]		RLVP	662
Bend	PPG Paints	955 SE Wilson Ave	Retail	1,175
Bend	Rodda Paint	63007 Layton Ave	Retail	3,982
Bend	Sherwin-Williams	20515 Cooley Rd	Retail	3,494
Bend	Sherwin-Williams	125 NE Franklin Ave	Retail	4,296
Bend	Sherwin-Williams	61137 S Hwy 97	Retail	356
La Pine	Habitat Restore	52684 Hwy 97	Reuse Store	1,237
La Pine	La Pine Ace Hardware	51615 Huntington Rd	Retail	1,621
La Pine	La Pine High School (Deschutes Co)	51633 Coach Rd	HHW Event	280
Redmond	County Fairgrounds (Deschutes Co)	3800 SW Airport Way	HHW Event	611
Redmond	Denfeld Paints	641 NW Fir Ave	Retail	1,634
Redmond	Habitat Restore	1242 Hwy 97 S	Reuse Store	4,383
Redmond	Sherwin-Williams	2835 SW 17th Pl	Retail	2,543
Sisters	Habitat Restore	254 West Adams Ave	Reuse Store	303
Sisters	Luttons Ace Hardware	373 E Hood Ave	Retail	1,272
Sisters	Sisters Recycling Ctr (Deschutes Co)	328 W Sisters Park Dr	HHW Event	309
DOUGLAS WASTESHED				8,326
Days Creek	[School or University]		LVP	275
Myrtle Creek	Dels True Value Building Supply	102 S Old Pacific Hwy	Retail	412
Reedsport	Kel Cee Ace Hardware	1350 Hwy 101 S	Retail	453
Roseburg	Colorcraft Paint	2646 NE Diamond Lake Blvd	Retail	1,499
Roseburg	Heartwood Resources	3495 Old Hwy 99 S	Reuse Store	2,011
Roseburg	Sherwin-Williams	287 NW Garden Valley Blvd	Retail	3,676
GRANT WASTESHED				448
John Day	John Day True Value	161 E Main St	Retail	448
HARNEY WASTESHED				558
Burns	Parr Lumber	1 S Broadway Ave	Retail	558
HOOD RIVER WASTESHED				3,629
Cascade Locks	East Gate Park (Tri-County)	95 Wa Na Pa St	HHW Event	162
Hood River	Hood River Supply	1945 12th St	Retail	376

PAINTCARE DROP-OFF SITES

PAINTCARE SITES IN OREGON IN 2019 - PAGE 3 OF 9

City	Site Name	Address	Type	Gallons
Hood River	Swell City Hometown Paint	1737 W Cascade Ave	Retail	405
Hood River	Tri-County HHW Hood River	3440 Guignard Dr	HHW Seasonal	2,321
Odell	Hood River Supply	3831 Eagle Loop	Retail	46
Odell	Mid Valley Market (Tri-County)	3380 Odell Highway	HHW Event	142
Parkdale	Parkdale Fire Dept (Tri-County)	4895 Baseline Dr	HHW Event	178
JACKSON WASTESHED				26,638
Ashland	Miller Paint	2205 Ashland St Suite 101	Retail	3,203
Ashland	Sherwin-Williams	2220 Ashland St	Retail	1,149
Medford	Drakes Paint & Supply	2929 N Pacific Hwy	Retail	2,913
Medford	Habitat Restore	2233 S Pacific Hwy	Reuse Store	4,387
Medford	Miller Paint	803 S Central Ave	Retail	4,290
Medford	Parr Lumber	1231 Disk Dr	Retail	1,404
Medford	PPG Paints	2720 Crater Lake Hwy	Retail	1,403
Medford	Rodda Paint	1211 Court St	Retail	518
Medford	[School District]		RLVP	
Medford	Sherwin-Williams	2560 Crater Lake Hwy	Retail	3,576
Medford	Sherwin-Williams	1361 Center Dr	Retail	2,498
Shady Cove	Shady Cove Public Works	1008 Celtic Circle	PaintCare Event	1,296
JEFFERSON WASTESHED				751
Madras	Habitat Restore	84 SW K St	Reuse Store	43
Madras	Madras Paint & Glass	1076 SW Hwy 97	Retail	708
Warm Springs	Warm Springs Transfer Station	6100 Dry Creek Trail Rd	Transfer Station	
JOSEPHINE WASTESHED				9,824
Cave Junction	Jubilee Park	307 S Junction Ave	PaintCare Event	459
Grants Pass	Miller Paint	1620 D Allen Creek Rd	Retail	3,809
Grants Pass	PPG Paints	310 NE Beacon St	Retail	1,978
Grants Pass	Sherwin-Williams	1072 Rogue River Hwy	Retail	3,578
KLAMATH WASTESHED				5,529
Klamath Falls	Sherwin-Williams	4525 S Sixth St	Retail	5,529
LAKE WASTESHED				598
Fort Rock	Rockhorse Park	74543 Oregon 31	Retail	0
Lakeview	Thomas Creek Rd Landfill	23980 Thomas Creek Rd	Transfer Station	598
LANE WASTESHED				63,288
Cottage Grove	Cascade Home Center	40 S Fifth St	Retail	506
Creswell	Cascade Home Center	104 S Mill St	Retail	553

PAINTCARE DROP-OFF SITES

PAINTCARE SITES IN OREGON IN 2019 - PAGE 4 OF 9

City	Site Name	Address	Type	Gallons
Eugene	[Construction]		LVP	125
Eugene	Forrest Paint	990 McKinley St	Retail	5,230
Eugene	Habitat Restore	1210 Oak Patch Rd	Reuse Store	2,465
Eugene	Jerrys Home Improvement	2600 Hwy 99 N	Retail	4,403
Eugene	Lane County HHW	3100 E 17th Ave	HHW Facility	8,390
Eugene	Lane County Transfer Station	3100 E 17th Ave	Transfer Station	13,728
Eugene	Miller Paint	3520 W 11th Ave	Retail	2,513
Eugene	PPG Paints	1830 W Seventh Ave	Retail	442
Eugene	Sherwin-Williams	1054 Green Acres Rd	Retail	4,061
Eugene	Sherwin-Williams	3390 W 11th Ave	Retail	4,893
Eugene	Sherwin-Williams	2866 Willamette St	Retail	1,642
Eugene	Tommys Paint Pot	1000A Conger St	Retail	1,596
Florence	Habitat Restore	2016 Hwy 101	Reuse Store	4,109
Florence	Lane County Waste (Lane Co)	2820 N Rhododendron Dr	HHW Event	1,293
Springfield	Jerrys Home Improvement	2525 Olympic St	Retail	4,293
Springfield	[Painting Contractor]		LVP	150
Springfield	[Painting Contractor]		LVP	275
Springfield	Parr Lumber	1291 South A St	Retail	
Springfield	[Property Manager/Owner]		LVP	36
Springfield	Sherwin-Williams	1520 N 18th St	Retail	2,586
LINCOLN WASTESHED				9,456
Lincoln City	Habitat Restore	2150 SE Hwy 101	Reuse Store	331
Lincoln City	Lincoln Sanitary Service	1726 SE Hwy 101	Transfer Station	3,336
Lincoln City	Schooner Creek Transfer Station	367 S Anderson Creek Rd	Transfer Station	119
Newport	Sherwin-Williams	121 NE Harney St	Retail	880
Newport	Thompsons Sanitary Service	7450 NE Avery St	Transfer Station	2,685
Toledo	Dahl Sanitary Service	5441 W Hwy 20	Transfer Station	1,295
Waldport	Dahl Sanitary Service	235 SW Dahl Ave	Transfer Station	810
LINN WASTESHED				20,272
Albany	Albany Lebanon Sanitation (City/County)	1214 Montgomery St SE	HHW Event	1,363
Albany	Habitat Restore	1225 SE Sixth Ave	Reuse Store	5,436
Albany	Miller Paint	1350 Pacific Blvd	Retail	1,531
Albany	[Painting Contractor]		RLVP	4,261
Albany	Parr Lumber	415 First Ave E	Retail	538
Albany	[School or University]		LVP	151
Albany	Sherwin-Williams	2945 SE Santiam Hwy	Retail	3,553
Lebanon	Habitat Restore	566 Main St	Reuse Store	1,372

PAINTCARE DROP-OFF SITES

PAINTCARE SITES IN OREGON IN 2019 - PAGE 5 OF 9

City	Site Name	Address	Type	Gallons
Lebanon	Old Crowfoot School (City/County)	410 Crowfoot Rd	HHW Event	444
Sweet Home	Hoys True Value	3041 Main St	Retail	1,235
Sweet Home	Sweet Home Sanitation (City)	1325 18th Ave	HHW Event	386
MALHEUR WASTESHED				1,570
Ontario	Kinney Bros & Keele True Value	460 SW Fourth Ave	Retail	1,246
Ontario	Sherwin-Williams	1289 SE First Ave	Retail	323
MARION WASTESHED				52,383
Hubbard	[Painting Contractor]		LVP	795
Keizer	Sherwin-Williams	4669 River Rd N	Retail	4,312
Salem	Habitat Restore	1249 13th St SE	Reuse Store	5,636
Salem	Marion County HHWF	3250 Deer Park Dr SE	HHW Facility	14,259
Salem	Miller Paint	390 Lancaster Dr NE	Retail	4,416
Salem	[Painting Contractor]		LVP	204
Salem	Parr Lumber	4050 Salem Industrial Dr NE	Retail	173
Salem	Rodda Paint	3589 Fairview Industrial Dr SE	Retail	1,824
Salem	Rodda Paint	2229 Lancaster Dr NE	retail	337
Salem	Salem Paint		LVP	208
Salem	Sherwin-Williams	4596 Commercial St SE	Retail	2,639
Salem	Tommys Paint Pot	980 Lancaster Dr NE	Retail	957
Woodburn	[Construction]		LVP	238
Woodburn	Habitat Restore	245 Young St	Reuse Store	3,685
Woodburn	North Marion Recycling	17827 Whitney Ln NE	Transfer Station	10,487
Woodburn	[Painting Contractor]		LVP	1,484
Woodburn	[Painting Contractor]		LVP	234
Woodburn	[Painting Contractor]		LVP	494
METRO WASTESHED				368
Various	Metro Latex Paint Recycling (Swan Island)	4825 N Basin Ave	Paint Recycler	368
METRO WASTESHED (CLACKAMAS COUNTY)				155,585
Boring	[Painting Contractor]		LVP	425
Canby	Habitat Restore	411 S Redwood St	Reuse Store	2,411
Clackamas	[Construction]		LVP	111
Clackamas	Miller Paint	10210 SE Hwy 212	Retail	3,251
Clackamas	[Painting Contractor]		RLVP	11,116
Clackamas	[Painting Contractor]		LVP	916
Clackamas	[Painting Contractor]		LVP	990

PAINTCARE DROP-OFF SITES

PAINTCARE SITES IN OREGON IN 2019 - PAGE 6 OF 9

City	Site Name	Address	Type	Gallons
Clackamas	Sherwin-Williams	11475 SE 82nd Ave	Retail	4,773
Estacada	Estacada True Value	310 S Main St	Retail	521
Government Camp	[Property Manager/Owner]		LVP	195
Lake Oswego	Miller Paint	544 N State St	Retail	6,522
Lake Oswego	Sherwin-Williams	15659 Boones Ferry Rd	Retail	3,928
Milwaukie	[Construction]		LVP	225
Milwaukie	Sherwin-Williams	18090 SE McLoughlin Blvd	Retail	3,592
Oregon City	Metro South HHWF	2001 Washington St	HHW Facility	112,160
Oregon City	[Painting Contractor]		LVP	490
Welches	Welches Mtn Building Supply	67250 E Hwy 26	Retail	218
Wilsonville	City of Wilsonville (Metro)	29799 SW Town Center Loop E	HHW Event	1,177
Happy Valley	Rodda Paint	10309 SE 82nd Ave	Retail	2,562
METRO WASTESHED (MULTNOMAH COUNTY)				177,599
Fairview	[School or University]		LVP	535
Gresham	Boeing (Employee Event)	19000 NE Sandy Blvd	HHW Event	175
Gresham	Gresham City Hall (Metro)	1333 NW Eastman Pkwy	HHW Event	1,731
Gresham	Habitat Restore	610 NE 181st Ave	Reuse Store	6,220
Gresham	Miller Paint	1831 E Powell Blvd	Retail	9,117
Gresham	Mt Hood Comm. College (Metro)	26000 SE Stark St	HHW Event	3,731
Gresham	[Painting Contractor]		LVP	213
Gresham	Sherwin-Williams	1740 E Powell Blvd	Retail	3,785
Portland	City Bible Church (Metro)	9200 NE Fremont St	HHW Event	1,758
Portland	Colorhouse Paint (Closed Jul 2019)	519 NE Hancock St	Retail	860
Portland	[Construction]		RLVP	271
Portland	[Construction]		LVP	303
Portland	David Douglas High School (Metro)	1001 SE 135th Ave	HHW Event	435
Portland	Dicks Color Center	909 SE Salmon St	Retail	2,430
Portland	Habitat Restore	10445 SE Cherry Blossom Dr	Reuse Store	11,882
Portland	LWO Corp		LVP	442
Portland	Martin Luther King Jr School (Metro)	4906 NE 6th Ave	HHW Event	188
Portland	Metro Central HHWF	6161 NW 61st Ave	HHW Facility	80,970
Portland	Miller Paint	10114 SE Division St Suite B	Retail	1,647
Portland	Miller Paint	8073 SE 17th Ave	Retail	1,659
Portland	Miller Paint	317 SE Grand Ave	Retail	10,787
Portland	Mt Olivet Family Life Center (Metro)	8725 N Chautauqua Blvd	HHW Event	523
Portland	[Painting Contractor]		RLVP	1,423
Portland	[Painting Contractor]		LVP	329

PAINTCARE DROP-OFF SITES

PAINTCARE SITES IN OREGON IN 2019 - PAGE 7 OF 9

City	Site Name	Address	Type	Gallons
Portland	[Painting Contractor]		LVP	1,690
Portland	Parkrose Hardware	10625 NE Sandy Blvd	Retail	3,946
Portland	Powell Paint Center	5205 SE Powell Blvd	Retail	7,737
Portland	[Property Manager/Owner]		RLVP	
Portland	[Property Manager/Owner]		LVP	305
Portland	[Property Manager/Owner]		LVP	44
Portland	[Property Manager/Owner]		LVP	167
Portland	[Property Manager/Owner]		LVP	352
Portland	[Property Manager/Owner]		LVP	140
Portland	Rodda Paint	321 SE Taylor St	Retail	3,844
Portland	Rodda Paint	10120 SW Park Way	Retail	1,270
Portland	Sherwin-Williams	2246 NW Roosevelt St	Retail	7,507
Portland	Sherwin-Williams	9745 SE Division St	Retail	3,205
Portland	Sherwin-Williams	30 NE Broadway St	Retail	2,467
Portland	Sherwin-Williams	5128 SE Woodstock Blvd	Retail	2,766
Portland	Sunset Presbyterian Church (Metro)	14986 NW Cornell Rd	HHW Event	476
Portland	Trinity Lutheran Church (Metro)	5520 NE Killingsworth St	HHW Event	266
METRO WASTESHED (WASHINGTON COUNTY)				92,210
Aloha	Intel Aloha (Metro)	3585 SW 198th Ave	HHW Event	2,340
Aloha	Suburban Ace Hardware	3470 SW 185th Ave	Retail	4,436
Beaverton	Habitat Restore	13475 SW Millikan Way	Reuse Store	12,166
Beaverton	[Painting Contractor]		RLVP	776
Beaverton	Rodda Paint	8614 SW Hall Blvd	Retail	5,493
Beaverton	Sherwin-Williams	12480 SW Center St	Retail	3,992
Beaverton	Southwest Bible Church (Metro)	14605 SW Weir Rd	HHW Event	2,242
Forest Grove	Armstrong Middle School (Metro)	1777 Mountain View Ln	HHW Event	741
Forest Grove	Forest Grove High School (Metro)	1401 Nichols Ln	HHW Event	1,678
Forest Grove	Habitat Restore	3731 Pacific Ave	Reuse Store	4,197
Forest Grove	Parr Lumber	2134 NE Main St	Retail	436
Forest Grove	[School or University]		LVP	101
Hillsboro	Epson (Metro)	3950 NW Aloclek PI	HHW Event	2,111
Hillsboro	Intel Ronler Acres (Metro)	2501 NW 229th Ave	HHW Event	1,687
Hillsboro	Miller Paint	646 SW Oak St	Retail	2,705
Hillsboro	[Painting Contractor]		LVP	264
Hillsboro	Parr Lumber	21700 NW Wagon Way	Retail	372
Hillsboro	[Property Manager/Owner]		LVP	125
Hillsboro	Sherwin-Williams	348 SE Tenth Ave	Retail	5,549
Portland	[Construction]		LVP	770

PAINTCARE DROP-OFF SITES

PAINTCARE SITES IN OREGON IN 2019 - PAGE 8 OF 9

City	Site Name	Address	Type	Gallons
Portland	Miller Paint	1040 NW Murray Rd	Retail	8,797
Portland	Miller Paint	8703 SW Beaverton Hillsdale Hwy	Retail	7,598
Portland	Parr Lumber	4605 SW Scholls Ferry Rd	Retail	540
Portland	[Property Manager/Owner]		LVP	93
Portland	Sherwin-Williams	13555 NW Cornell Rd	Retail	5,210
Sherwood	Laurel Ridge School (Metro)	21416 SW Copper Terrace	HHW Event	2,022
Sherwood	Sherwin-Williams	20673 SW Roy Rogers Rd	Retail	3,689
Tigard	[Painting Contractor]		RLVP	731
Tigard	Tigard Christian Church (Metro)	13405 SW Hall Blvd	HHW Event	329
Tualatin	[Property Manager/Owner]		LVP	73
Tualatin	Sherwin-Williams	19390 SW 90th Ct	Retail	10,946
MILTON-FREEWATER WASTESHED				573
Milton-Freewater	Humbert Recycling	54841 Hwy 332	PaintCare Event	573
MORROW WASTESHED				284
Boardman	Morrow County Transfer Station	69900 Frontage Ln	Transfer Station	121
Lexington	Morrow County Transfer Station	57185 Hwy 74	Transfer Station	163
POLK WASTESHED				503
Dallas	County Public Works (Polk Co)	820 SW Ash	HHW Event	503
SHERMAN WASTESHED				391
Moro	Sherman Co Rd Dept (Tri-County)	500 Court St	HHW Event	246
Wasco	Wasco School Event Ctr (Tri-County)	903 Barnett St	HHW Event	145
TILLAMOOK WASTESHED				4,625
Manzanita	Manzanita Transfer Station	34995 Necarney City Rd	Transfer Station	391
Pacific City	Pacific City True Value	34995 River Ave	Retail	480
Tillamook	Tillamook County HHW	1315 Ekloff Rd	HHW Facility	3,754
UMATILLA WASTESHED				4,281
Hermiston	Smittys Ace Hardware	1845 N First St	Retail	1,307
Hermiston	Umatilla Electric Co Op (City)	750 W Elm	HHW Event	943
Pendleton	Sherwin-Williams	115 SE Emigrant Ave	Retail	1,722
Weston	[Property Manager/Owner]		LVP	309
UNION WASTESHED				3,697
Elgin	Elgin Transfer Station	75718 Hemlock St	Transfer Station	285
La Grande	La Grande Paint & Glass	601 Adams Ave	Retail	761
La Grande	Millers Home Center	3109 May Ln	Retail	501

PAINTCARE DROP-OFF SITES

PAINTCARE SITES IN OREGON IN 2019 - PAGE 9 OF 9

City	Site Name	Address	Type	Gallons
La Grande	Millers Home Ctr (Closed Oct 2019)	307 Greenwood St	Retail	1,133
La Grande	Thatchers Ace Hardware	2212 Island Ave	Retail	1,018
WALLOWA WASTESHED				576
Enterprise	Wallowa County Ace Hardware	101 W North St	Retail	576
WASCO WASTESHED				4,782
Dufur	Dufur Ranger Station (Tri-County)	780 NE Court St	HHW Event	163
Maupin	South Wasco High (Tri-County)	699 4th St	HHW Event	210
Mosier	Mosier Comm. School (Tri-County)	Third Ave	HHW Event	160
The Dalles	Habitat Restore	1001 W Sixth St	Reuse Store	1,589
The Dalles	Sawyers True Value	500 E Third St	Retail	387
The Dalles	Sherwin-Williams	521 Mount Hood St	Retail	380
The Dalles	Tri-County HHW The Dalles	1317 W First St	HHW Seasonal	1,782
Tygh Valley	County Fairgrounds (Tri-County)	81849 Fairgrounds Rd	HHW Event	110
WHEELER WASTESHED				
Fossil	Fossil Transfer Station	17487 Black Butte Rd	Transfer Station	
Mitchell	Mitchell Transfer Station	Mile Post 24.5 Hwy 207	Transfer Station	
Spray	Spray Transfer Station	Kahler Basin Rd	Transfer Station	
YAMHILL WASTESHED				16,313
McMinnville	[Construction]		LVP	87
McMinnville	County Fairgrounds (HHW Event)	2070 NE Lafayette Ave	HHW Event	1,370
McMinnville	Habitat Restore	1040 SE 1st St	Reuse Store	2,981
McMinnville	Sherwin-Williams	570 NE Hwy 99 W	Retail	3,232
Newberg	Newberg Trans. Stat. (Yamhill Co)	2904 Wynooski Rd	HHW Event	1,548
Newberg	Parr Lumber	200 N Elliott Rd	Retail	1,709
Newberg	Sherwin-Williams	2508 Portland Rd	Retail	4,379
Willamina	West Valley Comm. Campus	266 SE Washington St	PaintCare Event	1,007
Total Gallons in 2019				767,088

NOTES:

* Two Lane County HHW event sites had volumes that were included with the HHW Facility and not reported separately.

Other sites with 0 volume did not ship paint in 2019

LVP = Large Volume Pick-Up Site (without contract)

RLVP = Recurring Large Volume Pick-Up Site (with contract)

**Appendix
Section B**

PaintCare Inc.

Financial Statements
and Independent Auditors' Report

Twelve Month Periods Ended December 31, 2019 and 2018

PaintCare Inc.

Financial Statements
Twelve Month Periods Ended December 31, 2019 and 2018

Contents

Independent Auditors' Report.....	1-2
<i>Financial Statements</i>	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8-17
<i>Supplementary Information</i>	
Schedules of Activities, Organized by Program.....	18-19

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
PaintCare Inc.

We have audited the accompanying financial statements of PaintCare Inc. ("PaintCare"), which comprise the statements of financial position as of December 31, 2019 and 2018; the related statements of activities, functional expenses, and cash flows for twelve month periods then ended; and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PaintCare as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for twelve month periods then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, PaintCare adopted Financial Accounting Standards Board Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (Topic 606). Our opinion is not modified with respect to this matter.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 18-19 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Vienna, Virginia
March 23, 2020

PaintCare Inc.

Statements of Financial Position December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current assets:		
Cash	\$ 11,592,998	\$ 12,932,756
Accounts receivable, net	4,160,915	5,678,781
Investments	55,001,406	44,527,270
Prepaid expenses	<u>93,086</u>	<u>175,237</u>
Total current assets	70,848,405	63,314,044
Property and equipment, net	<u>242,861</u>	<u>440,567</u>
Total assets	<u><u>\$ 71,091,266</u></u>	<u><u>\$ 63,754,611</u></u>
Liabilities and Net Assets		
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 7,932,775	\$ 7,841,441
Due to affiliate	865,118	1,214,428
Grants payable	<u>178,865</u>	<u>-</u>
Total liabilities	<u>8,976,758</u>	<u>9,055,869</u>
Net Assets		
Without donor restrictions	<u>62,114,508</u>	<u>54,698,742</u>
Total net assets	<u>62,114,508</u>	<u>54,698,742</u>
Total liabilities and net assets	<u><u>\$ 71,091,266</u></u>	<u><u>\$ 63,754,611</u></u>

See accompanying notes.

PaintCare Inc.

Statements of Activities
For the Twelve Month Periods Ended December 31, 2019 and 2018

	2019	2018
Operating Revenue and Support		
Paint recovery fees	\$ 60,008,899	\$ 61,077,464
Other income	-	140,962
	<hr/>	<hr/>
Total operating revenue and support	60,008,899	61,218,426
	<hr/>	<hr/>
Expenses		
Program and delivery services:		
Oregon	4,375,335	4,840,564
California	31,370,565	31,602,989
Connecticut	3,380,453	2,956,487
Rhode Island	810,418	685,783
Minnesota	5,130,101	5,024,733
Vermont	817,191	733,989
Maine	1,256,277	1,262,781
Colorado	5,866,575	5,425,078
District of Columbia	398,730	349,479
Washington	41,600	-
	<hr/>	<hr/>
Total program and delivery services	53,447,245	52,881,883
	<hr/>	<hr/>
General and administrative	4,517,663	4,330,431
	<hr/>	<hr/>
Total expenses	57,964,908	57,212,314
	<hr/>	<hr/>
Change in Net Assets from Operations	2,043,991	4,006,112
	<hr/>	<hr/>
Non-Operating Activities		
Loss on disposal of property and equipment	(102,362)	-
Investment income (loss), net	5,474,137	(749,969)
	<hr/>	<hr/>
Total non-operating activities	5,371,775	(749,969)
	<hr/>	<hr/>
Change in Net Assets	7,415,766	3,256,143
	<hr/>	<hr/>
Net Assets, beginning of period	54,698,742	51,442,599
	<hr/>	<hr/>
Net Assets, end of period	\$ 62,114,508	\$ 54,698,742
	<hr/>	<hr/>

See accompanying notes.

PaintCare Inc.

Statement of Functional Expenses
For the Twelve Month Period Ended December 31, 2019

	Program and Delivery Services										General and Administrative	Total	
	Oregon	California	Connecticut	Rhode Island	Minnesota	Vermont	Maine	Colorado	District of Columbia	Washington			
Expenses													
Salaries and related benefits	\$ 118,230	\$ 894,784	\$ 95,322	\$ 28,440	\$ 154,247	\$ 39,445	\$ 84,316	\$ 198,284	\$ 12,591	\$ 22,567	\$ 1,428,787	\$ 3,077,013	
Collection support	15,548	3,215,403	461,459	109,772	433,216	87,579	125,267	540,981	35,685	-	-	5,024,910	
Transportation and processing	4,110,650	23,255,793	2,242,897	492,977	4,275,146	674,900	928,091	4,159,813	215,033	-	-	40,355,300	
Communications	40,951	3,312,079	530,808	151,847	196,402	6,426	9,365	645,660	86,642	-	55,628	5,035,808	
Legal fees	7,018	79,845	10,674	14,881	9,903	-	8,416	9,935	9,915	8,849	48,140	207,576	
State agency administrative fees	40,000	307,617	20,000	-	19,891	-	71,003	120,000	26,000	-	-	604,511	
Professional fees	5,687	29,019	5,596	769	2,950	2,829	3,541	34,443	346	193	133,265	218,638	
Office and supplies	439	3,176	218	359	1,809	353	100	2,007	155	445	28,659	37,720	
Subscriptions and publications	866	3,978	172	46	1,358	61	130	869	2	9	64,005	71,496	
Professional development	1,150	23,657	3,822	564	6,082	50	2,633	7,826	-	73	32,959	78,816	
Travel	16,946	137,953	8,602	9,918	18,175	5,471	11,825	43,946	11,959	9,098	144,209	418,102	
Meetings	623	7,210	583	545	1,557	37	148	2,478	92	366	20,187	33,826	
Bank fees	1,025	-	-	-	-	-	657	-	-	-	68,264	69,946	
Management fees	-	-	-	-	-	-	-	-	-	-	2,161,926	2,161,926	
Insurance	-	-	-	-	-	-	-	-	-	-	235,750	235,750	
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	95,343	95,343	
Research and development grant	-	100,000	-	-	-	-	-	100,000	-	-	-	200,000	
Other expenses	16,202	51	300	300	9,365	40	10,785	333	310	-	541	38,227	
Total Expenses	\$ 4,375,335	\$ 31,370,565	\$ 3,380,453	\$ 810,418	\$ 5,130,101	\$ 817,191	\$ 1,256,277	\$ 5,866,575	\$ 398,730	\$ 41,600	\$ 4,517,663	\$ 57,964,908	

See accompanying notes.

PaintCare Inc.

Statement of Functional Expenses
For the Twelve Month Period Ended December 31, 2018

	Program and Delivery Services										Total	
	Oregon	California	Connecticut	Rhode Island	Minnesota	Vermont	Maine	Colorado	District of Columbia	General and Administrative		
Expenses												
Salaries and related benefits	\$ 105,463	\$ 708,453	\$ 91,667	\$ 27,432	\$ 132,352	\$ 38,383	\$ 80,588	\$ 182,275	\$ 24,792	\$ 1,381,024	\$ 2,772,429	
Collection support	10,516	3,155,233	406,935	97,718	417,322	71,457	148,109	503,531	33,993	-	4,844,814	
Transportation and processing	4,553,481	23,027,236	2,021,676	471,896	4,199,744	590,526	913,300	3,885,429	196,060	-	39,859,348	
Communications	67,674	3,298,304	394,501	80,589	193,004	10,996	37,128	636,821	85,285	45,205	4,849,507	
Legal fees	1,221	977,367	2,609	263	175	263	5,630	4,724	1,186	29,940	1,023,378	
State agency administrative fees	50,000	178,824	20,000	-	28,331	15,000	53,146	120,000	-	-	465,301	
Professional fees	9,625	6,830	371	321	150	162	176	7,334	150	81,664	106,783	
Office and supplies	1,083	3,592	247	160	1,198	319	425	3,761	12	7,898	18,695	
Subscriptions and publications	868	3,947	223	66	1,278	101	213	1,536	2	73,559	81,793	
Professional development	1,428	17,291	2,337	582	5,247	667	2,513	8,291	74	26,008	64,438	
Travel	22,826	165,552	9,275	3,650	18,246	6,035	21,400	64,492	7,437	169,491	488,404	
Meetings	1,157	10,859	475	48	1,306	71	41	5,725	488	17,190	37,360	
Bank fees	1,216	-	3,922	2,433	-	-	-	-	-	61,709	69,280	
Management fees	-	-	-	-	-	-	-	-	-	2,126,910	2,126,910	
Insurance	-	-	-	-	-	-	-	-	-	220,261	220,261	
Depreciation and amortization	-	-	-	-	-	-	-	-	-	87,330	87,330	
Other expenses	14,006	49,501	2,249	625	26,380	9	112	1,159	-	2,242	96,283	
Total Expenses	\$ 4,840,564	\$ 31,602,989	\$ 2,956,487	\$ 685,783	\$ 5,024,733	\$ 733,989	\$ 1,262,781	\$ 5,425,078	\$ 349,479	\$ 4,330,431	\$ 57,212,314	

PaintCare Inc.

Statements of Cash Flows
For the Twelve Month Periods Ended December 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Change in net assets	\$ 7,415,766	\$ 3,256,143
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	95,343	87,330
Loss on disposal of property and equipment	102,363	-
Net realized and unrealized (gain) loss on investments	(4,345,580)	1,773,718
Change in allowance for doubtful accounts receivable	21,275	17,052
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	1,496,591	(454,317)
Prepaid expenses	82,151	(158,273)
Increase (decrease) in:		
Accounts payable and accrued expenses	91,334	1,449,057
Due to affiliate	(349,310)	(4,169)
Grants payable	178,865	-
	<u>4,788,798</u>	<u>5,966,541</u>
Cash Flows from Investing Activities		
Purchases of investments	(16,493,716)	(25,371,978)
Proceeds from sale of investments	10,365,160	19,348,228
Purchases of property and equipment	-	(316,775)
	<u>(6,128,556)</u>	<u>(6,340,525)</u>
Net cash used in investing activities		
	<u>(6,128,556)</u>	<u>(6,340,525)</u>
Net Decrease in Cash	(1,339,758)	(373,984)
Cash, beginning of period	<u>12,932,756</u>	<u>13,306,740</u>
Cash, end of period	<u>\$ 11,592,998</u>	<u>\$ 12,932,756</u>

See accompanying notes.

PaintCare Inc.

Notes to Financial Statements
December 31, 2019 and 2018

1. Nature of Operations

PaintCare Inc. (“PaintCare”), a not-for-profit 501(c)(3) organization, was created in October 2009 by the American Coatings Association (ACA), who, working with state and local government stakeholders, passed the first ever paint product stewardship law in the United States in the state of Oregon in 2009 with implementation of the Oregon Program beginning July 1, 2010. Similar legislation has subsequently been passed in other jurisdictions. The legislation pilots an industry-led, end-of-life management program for post-consumer paint, which PaintCare operates. The PaintCare Board is made up of architectural paint manufacturers and participation in PaintCare is not limited to ACA members, but open to all architectural paint manufacturers. There are no dues or registration fees associated with PaintCare.

PaintCare organized single-member limited liability companies (LLC) for the Oregon, Connecticut, Rhode Island, Maine, Colorado, and District of Columbia programs in an effort to shield the assets of each state program from liability stemming from acts and obligations of other PaintCare state programs.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

PaintCare’s financial statements are prepared on the accrual basis of accounting. Net assets without donor restrictions represent funds that are not subject to donor-imposed stipulations and are available for support of PaintCare’s operations. At December 31, 2019 and 2018, all net assets were without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable are recorded at net realizable value and represent amounts due from post-consumer paint recovery fees. PaintCare provides an allowance for bad debts using the allowance method, which is based on management’s judgment considering historical information. Accounts are individually analyzed for collectability, and will be reserved based on individual evaluation and specific circumstances. When all collection efforts have been exhausted, the accounts are written off against the related allowance. At December 31, 2019 and 2018 an allowance of \$64,175 and \$42,900, respectively, was recognized.

PaintCare Inc.

Notes to Financial Statements
December 31, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

Investments

Investments are stated at fair value, based on quoted market prices. All realized and unrealized gains and losses, net of investment management fees, are reported as a component of net investment income (loss) in the accompanying statements of activities.

Property and Equipment

Property and equipment with a projected useful life ranging from three to ten years and in excess of \$1,000 are capitalized and recorded at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the individual assets, ranging from three to ten years.

Revenue Recognition

PaintCare recognizes revenue from post-consumer paint recovery fees at the time architectural paint product is sold by a manufacturer participant of the paint product stewardship program. Manufacturer participants in the program pay the PaintCare recovery fee to PaintCare based on the amount of program products they sell on a monthly basis. The majority of PaintCare's revenue arrangements generally consist of a single performance obligation to transfer promised services. Revenue is recognized when PaintCare delivers the services. Based on PaintCare's evaluation process and review of its contracts with customers, the timing and amount of revenue previously recognized is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

Program participants report their monthly unit sales of paint through a secure, HTTPS online system using their unique user ID and password. The participant must pay a paint recovery fee per unit sold, based on container size, according to the established fee schedule for each state program. As the PaintCare recovery fee is added to the wholesale price of paint and passed through uniformly to the retail purchase price of paint—so that the manufacturer, distributor, and/or retailer is made whole—in some cases, distributors or retailers have elected to undertake the obligation of the manufacturer for these fees. Thus, PaintCare has allowed remitter agreements in the program, whereby a distributor or retailer reports and remits directly to PaintCare on behalf of a participant manufacturer's brand or brands. Reports and payments are due by the end of the month following the reporting period.

Revenue from all other sources is recognized when earned.

PaintCare Inc.

Notes to Financial Statements
December 31, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Communications Costs

PaintCare holds communication-related contracts for advertising, marketing, and consumer awareness. Communications costs are charged to operations when incurred. Communications expenses were \$5,035,808 and \$4,849,507 for the twelve month periods ended December 31, 2019 and 2018, respectively.

Measure of Operations

PaintCare includes in its measure of operations all revenues and expenses that are an integral part of its programs and supporting activities, and excludes investment income (loss), and loss on disposal of property and equipment.

Change in Accounting Principle

Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended, supersedes or replaces nearly all revenue recognition guidance under accounting principles generally accepted in the United States of America. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. PaintCare has implemented Topic 606 and has adjusted, if applicable, the presentation in these financial statements accordingly. The amendments have been applied retrospectively to all periods presented. The implementation had no impact on the previously reported net assets.

Reclassifications

Certain amounts in the 2018 financial statements have been reclassified to conform to the 2019 presentation. These reclassifications have no effect on the change in net assets previously reported.

PaintCare Inc.

Notes to Financial Statements
December 31, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

In preparing these financial statements, PaintCare has evaluated events and transactions for potential recognition or disclosure through March 23, 2020, the date the financial statements were available to be issued.

3. Liquidity and Availability

PaintCare has \$52,167,593 of financial assets available within one year of the statement of financial position date. PaintCare strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. As part of this liquidity management, PaintCare invests cash in excess of daily requirements in money market funds and other short-term investments.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31:

	<u>2019</u>	<u>2018</u>
Cash	\$ 11,592,998	\$ 12,932,756
Accounts receivable, net	4,160,915	5,678,781
Short-term investments	<u>36,413,680</u>	<u>25,934,564</u>
Total available for general expenditures	<u>\$ 52,167,593</u>	<u>\$ 44,546,101</u>

4. Concentration of Credit Risk

Financial instruments that potentially subject PaintCare to significant concentrations of credit risk consist of cash and investments. PaintCare maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, may exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). PaintCare has not experienced any credit losses on its cash and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

PaintCare Inc.

Notes to Financial Statements
December 31, 2019 and 2018

5. Accounts Receivable

Accounts receivable related to the following programs were due as follows at December 31:

	<u>2019</u>	<u>2018</u>
California	\$ 2,763,506	\$ 3,605,417
Colorado	380,255	600,899
Minnesota	344,682	614,717
Oregon	342,296	352,980
Connecticut	180,242	225,526
Maine	64,647	95,129
Rhode Island	56,740	70,738
District of Columbia	43,739	52,758
Vermont	48,983	103,517
	<u>4,225,090</u>	<u>5,721,681</u>
Total accounts receivable	4,225,090	5,721,681
Less: allowance for doubtful accounts	<u>(64,175)</u>	<u>(42,900)</u>
Accounts receivable, net	<u>\$ 4,160,915</u>	<u>\$ 5,678,781</u>

6. Investments and Fair Value Measurements

Net investment income (loss) consisted of the following for the twelve month periods ended December 31:

	<u>2019</u>	<u>2018</u>
Interest and dividend income	\$ 1,273,968	\$ 1,169,172
Net realized and unrealized gain (loss)	4,345,580	(1,773,718)
Investment fees	<u>(145,411)</u>	<u>(145,423)</u>
Total investment income (loss), net	<u>\$ 5,474,137</u>	<u>\$ (749,969)</u>

PaintCare Inc.

Notes to Financial Statements
December 31, 2019 and 2018

6. Investments and Fair Value Measurements (continued)

PaintCare invests a portion of its accumulated surplus in a portfolio with Bank of America/Merrill Lynch. The sole objective of the portfolio is to earn a return equal to the rate of inflation and thus preserve the purchasing power of its capital. Interest, dividends, changes in market value, and other investment activities are allocated to each state program based on the relative net asset balances of each state program. Oversight of the investments is provided by the PaintCare Budget and Finance Committee and by the PaintCare Board of Directors.

PaintCare follows FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period.

In general, and where applicable, PaintCare uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments. Level 2 inputs include government securities, which are valued based on quoted prices in less active markets.

PaintCare Inc.

Notes to Financial Statements
December 31, 2019 and 2018

6. Investments and Fair Value Measurements (continued)

The following table presents PaintCare's fair value hierarchy for those assets measured on a recurring basis as of December 31, 2019:

	Level 1	Level 2	Level 3	Total
Equities:				
Energy	\$ 623,221	\$ -	\$ -	\$ 623,221
Materials	581,943	-	-	581,943
Industrials	1,763,731	-	-	1,763,731
Consumer discretionary	1,655,869	-	-	1,655,869
Consumer staples	1,328,062	-	-	1,328,062
Health care	2,053,925	-	-	2,053,925
Financials	2,428,028	-	-	2,428,028
Information technology	2,985,474	-	-	2,985,474
Telecommunication service	1,414,594	-	-	1,414,594
Utilities	631,352	-	-	631,352
Real estate	759,835	-	-	759,835
Bend	90,500	-	-	90,500
Mutual funds:				
Exchange traded funds	5,328,669	-	-	5,328,669
Fixed income	9,119,232	-	-	9,119,232
Corporate bonds	7,793,600	-	-	7,793,600
Cash equivalents	1,433,252	-	-	1,433,252
Government securities:				
U.S. Treasury	-	10,741,457	-	10,741,457
U.S. Agency	-	4,268,662	-	4,268,662
Total investments	\$ 39,991,287	\$ 15,010,119	\$ -	\$ 55,001,406

PaintCare Inc.

Notes to Financial Statements
December 31, 2019 and 2018

6. Investments and Fair Value Measurements (continued)

The following table presents PaintCare's fair value hierarchy for those assets measured on a recurring basis as of December 31, 2018:

	Level 1	Level 2	Level 3	Total
Equities:				
Energy	\$ 596,941	\$ -	\$ -	\$ 596,941
Materials	453,819	-	-	453,819
Industrials	1,339,480	-	-	1,339,480
Consumer discretionary	1,285,508	-	-	1,285,508
Consumer staples	1,035,110	-	-	1,035,110
Health care	1,728,636	-	-	1,728,636
Financials	1,874,340	-	-	1,874,340
Information technology	2,041,301	-	-	2,041,301
Telecommunication service	1,040,963	-	-	1,040,963
Utilities	464,489	-	-	464,489
Real estate	550,772	-	-	550,772
Bend	60,382	-	-	60,382
Mutual funds:				
Exchange traded funds	4,305,076	-	-	4,305,076
Fixed income	7,374,973	-	-	7,374,973
Corporate bonds	7,348,981	-	-	7,348,981
Cash equivalents	891,387	-	-	891,387
Government securities:				
U.S. Treasury	-	8,136,916	-	8,136,916
U.S. Agency	-	3,998,196	-	3,998,196
Total investments	\$ 32,392,158	\$ 12,135,112	\$ -	\$ 44,527,270

PaintCare Inc.

Notes to Financial Statements
December 31, 2019 and 2018

7. Property and Equipment

PaintCare held the following property and equipment at December 31:

	<u>2019</u>	<u>2018</u>
Software	\$ 354,739	\$ 738,598
Less: accumulated depreciation and amortization	<u>(111,878)</u>	<u>(298,031)</u>
Property and equipment, net	<u><u>\$ 242,861</u></u>	<u><u>\$ 440,567</u></u>

8. Related Party

ACA, a related party, is a separate, 501(c)(6) nonprofit organization working to advance the needs of the paint and coatings industry and the professionals who work in it. Through advocacy of the industry and its positions on legislative, regulatory, and judicial issues at the federal, state, and local levels, it acts as an effective ally, ensuring that the industry is represented and fairly considered. ACA also devotes itself to advancing industry efforts with regard to product stewardship, through its signature Coating Care[®] resources, and focuses on advancements in science and technology through its technical conferences and journals, as well as online training opportunities. ACA incorporated PaintCare for the sole purpose of implementing programs for post-consumer architectural paint. ACA maintains a controlling interest in PaintCare through the ability to appoint its Board of Directors.

In February 2011, ACA and PaintCare entered into an affiliation agreement whereby ACA charges PaintCare an administrative fee, annually, to cover the following expense categories: allocation of time incurred by PaintCare officers, allocation of other direct labor, and allocation of occupancy and infrastructure costs. The term of the agreement is for one year and automatically renews for one-year terms unless canceled by either party.

For the twelve month periods ended December 31, 2019 and 2018, the total administrative fees charged by ACA to PaintCare were \$2,161,926 and \$2,126,910, respectively. At December 31, 2019 and 2018, PaintCare owed ACA \$865,118 and \$1,214,428, respectively, which is recorded as due to affiliate in the accompanying statements of financial position.

PaintCare Inc.

Notes to Financial Statements
December 31, 2019 and 2018

9. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

10. Income Taxes

PaintCare is recognized as a tax-exempt organization under Internal Revenue Code (IRC) Section 501(c)(3), and is exempt from income taxes except for taxes on unrelated business activities. No tax expense is recorded in the accompanying financial statements for PaintCare, as there was no unrelated business taxable income. Contributions to PaintCare are deductible as provided in IRC Section 170(b)(1)(A)(vi).

Management evaluated PaintCare's tax positions, and concluded that PaintCare's financial statements do not include any uncertain tax positions.

SUPPLEMENTARY INFORMATION

PaintCare Inc.
Schedule of Activities, Organized by Program
For the Twelve Month Period Ended December 31, 2019

	Oregon	California	Connecticut	Rhode Island	Minnesota	Vermont	Maine	Colorado	District of Columbia	Washington	General and Administrative	Total
Operating Revenue and Support												
Paint recovery fees	\$ 5,669,810	\$ 34,287,202	\$ 3,423,301	\$ 934,494	\$ 6,191,647	\$ 856,215	\$ 1,308,974	\$ 6,691,728	\$ 645,528	\$ -	\$ -	\$ 60,008,899
Total operating revenue and support	5,669,810	34,287,202	3,423,301	934,494	6,191,647	856,215	1,308,974	6,691,728	645,528	-	-	60,008,899
Expenses												
Program and delivery services:												
Collection support	15,547	3,215,405	461,461	109,774	433,216	87,580	125,269	540,981	35,685	-	-	5,024,918
Transportation and processing	4,110,650	23,255,792	2,242,898	492,977	4,275,145	674,900	928,090	4,159,813	215,034	-	-	40,355,299
Communications	40,951	3,312,079	530,809	151,845	196,402	6,426	9,367	645,660	86,641	-	-	4,980,180
Legal fees	7,018	79,845	10,674	14,881	9,903	-	8,415	9,935	-	8,849	-	159,445
State agency administrative fees	40,000	307,617	20,000	-	19,890	-	71,003	120,000	-	26,000	-	604,510
Other program expenses	161,169	1,199,827	114,611	40,941	195,545	48,285	114,133	390,186	25,455	32,751	-	2,322,903
Total program and delivery services	4,375,335	31,370,565	3,380,453	810,418	5,130,101	817,191	1,256,277	5,866,575	398,730	41,600	-	53,447,245
General and administrative:												
Legal fees	-	-	-	-	-	-	-	-	-	-	48,140	48,140
Management fees	-	-	-	-	-	-	-	-	-	-	2,161,926	2,161,926
Insurance	-	-	-	-	-	-	-	-	-	-	235,750	235,750
Other expense	-	-	-	-	-	-	-	-	-	-	2,071,847	2,071,847
Total general and administrative	-	-	-	-	-	-	-	-	-	-	4,517,663	4,517,663
Total expenses	4,375,335	31,370,565	3,380,453	810,418	5,130,101	817,191	1,256,277	5,866,575	398,730	41,600	4,517,663	57,964,908
Change in Net Assets from Operations	1,294,475	2,916,637	42,848	124,076	1,061,546	39,024	52,697	825,153	246,798	(41,600)	(4,517,663)	2,043,991
Non-Operating Activities												
Investment income	-	-	-	-	-	-	-	-	-	-	5,474,137	5,474,137
Loss on disposal of property and equipment	-	-	-	-	-	-	-	-	-	-	(102,362)	(102,362)
Change in Net Assets Before Allocation of General and Administrative Activities	1,294,475	2,916,637	42,848	124,076	1,061,546	39,024	52,697	825,153	246,798	(41,600)	854,112	7,415,766
General and administrative allocation	(399,140)	(2,908,883)	(279,075)	(82,187)	(414,144)	(48,859)	(103,722)	(392,692)	(46,984)	(44,338)	4,620,024	-
Investment allocation	-	4,919,764	-	-	24,372	(51,223)	(352)	537,206	44,369	-	(5,474,136)	-
Total Change in Net Assets	995,335	4,927,518	(236,227)	41,889	671,774	(61,058)	(51,377)	969,667	244,183	(85,938)	-	7,415,766
Net Assets (Deficit), beginning of period	(789,708)	46,750,478	3,309,922	783,576	(273,220)	(492,751)	167,476	4,887,696	355,273	-	-	54,698,442
Net Assets (Deficit), end of period	\$ 205,627	\$ 51,677,996	\$ 3,073,695	\$ 825,465	\$ 398,554	\$ (53,723)	\$ 116,099	\$ 5,857,363	\$ 599,456	\$ (85,938)	\$ -	\$ 62,114,508

PaintCare Inc.
Schedule of Activities, Organized by Program
For the Twelve Month Period Ended December 31, 2018

	Oregon	California	Connecticut	Rhode Island	Minnesota	Vermont	Maine	Colorado	District of Columbia	General and Administrative	Total
Operating Revenue and Support											
Paint recovery fees	\$ 4,901,932	\$ 35,394,666	\$ 3,488,244	\$ 920,104	\$ 6,535,321	\$ 884,652	\$ 1,410,396	\$ 6,926,703	\$ 615,446	\$ -	\$ 61,077,464
Other income	140,962	-	-	-	-	-	-	-	-	-	140,962
Total operating revenue and support	5,042,894	35,394,666	3,488,244	920,104	6,535,321	884,652	1,410,396	6,926,703	615,446	-	61,218,426
Expenses											
Program and delivery services:											
Collection support	10,516	3,155,233	406,935	97,718	417,322	71,457	148,109	503,531	33,993	-	4,844,814
Transportation and processing	4,553,481	23,027,236	2,021,676	471,896	4,199,744	590,526	913,300	3,885,429	196,060	-	39,859,438
Communications	67,674	3,298,304	394,501	80,589	193,004	10,996	37,128	636,821	85,285	-	4,804,302
Legal fees	1,221	971,567	2,609	263	175	263	5,630	4,724	1,186	-	993,338
State agency administrative fees	50,000	178,824	20,000	-	283,311	15,000	53,146	120,000	-	-	465,301
Other program expenses	157,672	966,025	110,766	35,317	186,157	45,747	105,468	274,373	32,955	-	1,914,680
Total program and delivery services	4,840,564	31,602,989	2,956,487	685,783	5,024,733	733,989	1,262,781	5,425,078	349,479	-	52,881,883
General and administrative:											
Legal fees	-	-	-	-	-	-	-	-	-	29,940	29,940
Management fees	-	-	-	-	-	-	-	-	-	2,126,910	2,126,910
Insurance	-	-	-	-	-	-	-	-	-	220,261	220,261
Other expense	-	-	-	-	-	-	-	-	-	1,953,220	1,953,220
Total general and administrative	-	-	-	-	-	-	-	-	-	4,330,431	4,330,431
Total expenses	4,840,564	31,602,989	2,956,487	685,783	5,024,733	733,989	1,262,781	5,425,078	349,479	4,330,431	57,212,314
Change in Net Assets from Operations	202,330	3,791,677	531,757	234,321	1,510,588	150,663	147,615	1,501,625	265,967	(4,330,431)	4,006,112
Non-Operating Activities											
Investment income	-	-	-	-	-	-	-	-	-	(749,969)	(749,969)
Change in Net Assets Before Allocation of General and Administrative Activities	202,330	3,791,677	531,757	234,321	1,510,588	150,663	147,615	1,501,625	265,967	(5,080,400)	3,256,143
General and administrative allocation	(283,107)	(2,752,971)	(264,117)	(77,782)	(391,947)	(46,240)	(98,162)	(371,644)	(44,461)	4,330,431	-
Investment allocation	-	(690,010)	-	-	4,504	8,705	(1,701)	(67,151)	(4,316)	749,969	-
Total Change in Net Assets	(80,777)	348,696	267,640	156,539	1,123,145	113,128	47,752	1,062,830	217,190	-	3,256,143
Net Assets (Deficit), beginning of period	(708,931)	46,401,782	3,042,282	627,037	(1,396,305)	(605,879)	119,724	3,824,866	138,083	-	51,442,899
Net Assets (Deficit), end of period	(789,708)	46,750,478	3,309,922	783,576	(273,220)	(492,751)	167,476	4,887,696	355,273	\$ -	54,698,742

**Appendix
Section C**



Oregon Paint Stewardship Program

Each year about 802 million gallons of architectural paint is sold in the United States. Did you know that about 10 percent goes unused and is available for recycling?

Oregon's Paint Stewardship Law requires the paint manufacturing industry to develop a financially sustainable and environmentally responsible program to manage postconsumer architectural paint.

The program includes education about buying the right amount of paint, tips for using up remaining paint and setting up convenient recycling locations throughout the state.

Paint manufacturers established PaintCare, a nonprofit organization, to run paint stewardship programs in states with applicable laws.

PaintCare Products

These products have fees when you buy them and are accepted for free at drop-off sites:

- Interior and exterior architectural paints: latex, acrylic, water-based, alkyd, oil-based, enamel (including textured coatings)
- Deck coatings, floor paints (including elastomeric)
- Primers, sealers, undercoaters
- Stains
- Shellacs, lacquers, varnishes, urethanes (single component)
- Waterproofing concrete/masonry/wood sealers and repellents (not tar or bitumen-based)
- Metal coatings, rust preventatives
- Field and lawn paints

Leaking, unlabeled and empty containers are not accepted at drop-off sites.

⊘ Non-PaintCare Products

- Paint thinners, mineral spirits, solvents
- Aerosol paints (spray cans)
- Auto and marine paints
- Art and craft paints
- Caulk, epoxies, glues, adhesives
- Paint additives, colorants, tints, resins
- Wood preservatives (containing pesticides)
- Roof patch and repair
- Asphalt, tar and bitumen-based products
- 2-component coatings
- Deck cleaners
- Traffic and road marking paints
- Industrial Maintenance (IM) coatings
- Original Equipment Manufacturer (OEM) (shop application) paints and finishes

For information about recycling and proper disposal of non-PaintCare products, please contact your garbage hauler, local environmental health agency, household hazardous waste program or public works department.



Recycle

with PaintCare



OREGON

Places to Take Old Paint

Paint recycling is more convenient with PaintCare. We set up paint drop-off sites throughout Oregon. To find your nearest drop-off site, use PaintCare's search tool at www.paintcare.org or call our hotline at (855) 724-6809.

How to Recycle

PaintCare sites accept all brands of old house paint, stain and varnish — even if they are 20 years old! Containers must be five gallons or smaller, and a few types of paint are not accepted. See back panel for a list of what you can recycle.

All PaintCare drop-off sites accept up to five gallons of paint per visit. Some sites accept more. Please call the site in advance to make sure they can accept the amount of paint you would like to recycle.

Make sure all containers of paint have lids and original labels, and load them securely in your vehicle. Take them to a drop-off site during their regular business hours. We'll take it from there.

What Happens to the Paint?

PaintCare will make sure that your leftover paint is remixed into recycled paint, used as a fuel, made into other products or properly disposed.

Who Can Use the Program?

People bringing paint from their homes can bring as much latex or oil-based paint as the site is willing to accept.

Businesses (painting contractors and others) can use this program with one restriction: If your business produces more than 220 pounds (about 20-30 gallons) of hazardous waste per month, you may use the drop-off sites for your latex paint only but not for your oil-based paint. Contact PaintCare to learn more about this restriction.

Large Volume Pick-Up

If you have at least 200 gallons of paint to recycle at your business or home, ask about our free pick-up service. Please call for more details or to request an appointment.



PaintCare Fee

PaintCare is funded by a fee paid by paint manufacturers for each can of paint they sell in the state. Manufacturers pass the fee to retailers, who then apply it to the price of paint. Stores can choose whether or not to show the fee on their receipts. Fees are based on the size of the container as follows (effective October 1, 2018):

- \$0.00 Half pint or smaller
- \$0.45 Larger than half pint up to smaller than 1 gallon
- \$0.95 1 gallon up to 2 gallons
- \$1.95 Larger than 2 gallons up to 5 gallons

Not a Deposit

The fee is not a deposit — it is part of the purchase price. The fees are used to pay the costs of running the program: recycling, public education, staffing and other expenses.

Contact Us

To learn more or find a drop-off site, please visit www.paintcare.org or call (855) 724-6809.



It's easy to recycle
your leftover paint,
stain and varnish.

Recycle with PaintCare

Find a drop-off site near you:

(855) 724-6809 • www.paintcare.org

Buy right.
Use it up.
Recycle the rest.

Manufacturers of paint created PaintCare, a nonprofit organization, to set up convenient places for you to recycle leftover paint. We're working to provide environmentally sound and cost-effective recycling programs in your state and others with paint stewardship laws.

LEARN MORE

Visit www.paintcare.org or follow us on Facebook for tips on how to buy the right amount of paint, store paint properly, use up leftover paint, and find a drop-off site. We also have a free pick-up service for businesses or households with at least 300 gallons of paint to recycle.



Paint Recycling Program

About the Oregon PaintCare Program

PAINTCARE

Paint manufacturers created PaintCare, a non-profit organization, to set up convenient places for households and businesses to recycle leftover paint. PaintCare sets up paint drop-off sites throughout states that adopt paint stewardship laws.

✔ PAINTCARE PRODUCTS

These products have fees when purchased and will be accepted for free at PaintCare drop-off sites:

- Latex house paints (acrylic, water-based)
- Oil-based house paints (alkyd)
- Stains
- Primers and undercoaters
- Shellacs, lacquers, varnishes, urethanes
- Deck and floor paints
- Sealers and waterproofing coatings for wood, concrete and masonry

✘ NON-PAINTCARE PRODUCTS

- Paint thinners and solvents
- Aerosol paints (spray cans)
- Auto and marine paints
- Paint additives, colorants, tints, resins
- Wood preservatives (containing pesticides)
- Asphalt, tar and bitumen-based products
- 2-component coatings
- Coatings used for Original Equipment Manufacturing or shop application
- Any non-coatings (caulk, spackle, cleaners, etc.)

FEES

Fees are effective as of October 1, 2018.

PaintCare fees are applied to the purchase price of architectural paint sold in the state as required by state law. Fees are applied to each container and vary by the size of the container as follows:

Half pint or smaller	\$ 0.00
Larger than half pint to smaller than 1 gallon	\$ 0.45
1 gallon up to 2 gallons	\$ 0.95
Larger than 2 gallons up to 5 gallons	\$ 1.95

For more information or to find a place to take your unwanted paint for recycling, please ask for the PaintCare brochure, visit www.paintcare.org or call (855) 724-6809.



Recycle with PaintCare

OR-PIEN-0518

Counter Mat

WE CAN HELP Recycle YOUR PAINT

www.paintcare.org

Paint Recycling Made Easy

Paint manufacturers formed PaintCare, a nonprofit organization, to make paint recycling more convenient, cost effective, and environmentally sound. Paint doesn't belong in the trash or down the drain. If you can't use it up, recycle it with PaintCare.

We're setting up locations in your state where you can bring old paint for free all year-round.



What types of paint products can be recycled in Oregon?

✓ PAINTCARE PRODUCTS (YOU CAN RECYCLE THESE)

These products have fees when you buy them and are accepted for free when you drop them off for recycling:

- Water-based paints (latex, acrylic)
- Oil-based paints (alkyd)
- Stains
- Primers
- Varnishes
- Shellacs
- Lacquers
- Urethanes
- Deck paints
- Floor paints
- Sealers
- Waterproofing coatings

✗ NON-PAINTCARE PRODUCTS

Leaking, unlabeled, and empty containers are not accepted.

- Paint thinners and solvents
- Aerosol paints (spray cans)
- Auto and marine paints
- Paint additives, colorants, tints, resins
- Wood preservatives (containing pesticides)
- Asphalt, tar, and bitumen-based products
- 2-component coatings
- Coatings used for Original Equipment Manufacturing or shop application
- Any non-coatings (caulk, spackle, cleaner, etc.)

PROGRAM FUNDING

The PaintCare Fee is applied to the purchase price of architectural paint sold in your state as required by law. Fees are based on container size:

Half pint or smaller	\$0.00
Larger than half pint up to smaller than 1 gallon	\$0.45
1 gallon up to 2 gallons	\$0.95
More than 2 gallons up to 5 gallons	\$1.95

OR-CMWI-0319

LEARN MORE: Please ask for a PaintCare program brochure, visit www.paintcare.org, or call (855) 724-6809.



Information for Painting Contractors

UPDATED — JUNE 2019

PaintCare's paint stewardship programs offer contractors convenient ways to recycle and properly dispose of leftover paint.

Paint manufacturers are making it more convenient to recycle and properly dispose of leftover paint by setting up places throughout states with paint stewardship laws where households and businesses can take leftover paint with no charge.

Funding for these programs comes from a fee on the sale of architectural paint (house paint, stain, and varnish).

Paint Stewardship

The main goals of these paint stewardship programs are to decrease paint waste and provide an environmentally sound and cost-effective system for managing leftover paint. The programs are set up and operated by PaintCare, a nonprofit formed by the American Coatings Association (ACA).

PaintCare has programs in California, Colorado, Connecticut, District of Columbia, Maine, Minnesota, Oregon, Rhode Island, and Vermont. PaintCare is currently developing a program for Washington, expected to launch in 2020.



Fees and Funding

As required by laws in these states and the District of Columbia, a fee (known as the "PaintCare Fee") must be added by manufacturers to the wholesale price of all architectural paint sold in the state. This fee is paid by manufacturers to PaintCare to fund setting up drop-off sites for the transportation, recycling, and proper disposal of paint. The fees also pay for consumer education and program administration.

The law also requires that all distributors and retailers include the PaintCare fee with their sale price of paint sold in the state. Fees are set on a state-by-state basis.

California, Colorado, Connecticut, Maine, Rhode Island

\$ 0.00 — Half pint or smaller

\$ 0.35 — Larger than half pint up to smaller than 1 gallon

\$ 0.75 — 1 gallon

\$ 1.60 — Larger than 1 gallon up to 5 gallons

District of Columbia, Oregon

\$ 0.00 — Half pint or smaller

\$ 0.45 — Larger than half pint up to smaller than 1 gallon

\$ 0.95 — 1 gallon up to 2 gallons

\$ 1.95 — Larger than 2 gallons up to 5 gallons

Minnesota

\$ 0.00 — Half pint or smaller

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

\$ 0.99 — 1 gallon up to 2 gallons

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

Vermont

\$ 0.00 — Half pint or smaller

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

\$ 0.99 — 1 gallon

\$ 1.99 — Larger than 1 gallon up to 5 gallons

Washington: Fees are not yet determined. The program is expected to launch in 2020.

Displaying the fee on receipts is optional for retailers; however, PaintCare asks retailers to show the fee to help everyone know about the program.

RECOMMENDATIONS FOR CONTRACTORS

Preparing Your Estimates

When estimating jobs, contractors should take these fees into account by checking with suppliers to make sure the quotes for paint products include the fees.

Pass Fees to Your Customers

PaintCare suggests that painting contractors pass on the fees to their customers in order to recoup the fees they pay. You should also let your customers know that you will be including these fees in your quotes.

Paint Drop-Off Sites

PaintCare establishes paint drop-off sites across each state with a paint stewardship law. PaintCare's goal is to set up drop-off sites within 15 miles of 90-95 percent of everyone in the state.

Most drop-off sites are paint stores. Others include waste transfer stations, recycling centers, and government-sponsored household hazardous waste programs. Participation as a drop-off site is voluntary. To find a drop-off location, visit our website.

With paint drop-off sites conveniently located throughout their state, anyone can drop off a few gallons of leftover, unwanted paint year round. Many contractors in PaintCare states say they've cleared out their storage spaces and have stopped stockpiling paint. Others say they are happy to have an answer when their customers ask what to do with old paint they no longer want, and they recommend that their customers use the drop-off sites, too.

Use of Paint Drop-Off Sites by Businesses

Businesses that generate less than 220 pounds of hazardous waste* per month can drop off both leftover water- and oil-based paint (with some restrictions on quantity of oil-based paint). Before visiting transfer stations and household hazardous waste programs, check in advance, because not all of these serve businesses and may have additional restrictions.

Businesses that generate more than 220 pounds of hazardous waste per month may use PaintCare's retail drop-off sites for water-based products only; they are not allowed to use the sites for oil-based paint or other products.

*220 pounds is about 20-30 gallons of paint. When businesses count how much hazardous waste they generate in a month, oil-based paint counts (because by law it is a hazardous waste), but latex paint (and other

water-based paint) does not count toward the 220 pound monthly total.

Pick-Up Service for Large Volumes

Businesses with at least 200 gallons of postconsumer paint to recycle may ask to have their paint picked up by PaintCare for free. For details about this service or to request an appointment, please visit our website, or contact us by phone or e-mail.

What Products Are Covered?

The products accepted at PaintCare drop-off sites are the same products that have a fee when they are sold. PaintCare Products include interior and exterior architectural coatings sold in containers of five gallons or less. However, they do not include aerosol products (spray cans), industrial maintenance (IM), original equipment manufacturer (OEM), or specialty coatings.

PAINTCARE PRODUCTS

- ◆ Interior and exterior architectural paints: latex, acrylic, water-based, alkyd, oil-based, enamel (including textured coatings)
- ◆ Deck coatings, floor paints
- ◆ Primers, sealers, undercoaters
- ◆ Stains
- ◆ Shellacs, lacquers, varnishes, urethanes
- ◆ Waterproofing concrete/masonry/wood sealers and repellents (not tar or bitumen-based)
- ◆ Metal coatings, rust preventatives
- ◆ Field and lawn paints

NON-PAINTCARE PRODUCTS

- ◆ Paint thinners, mineral spirits, solvents
- ◆ Aerosol paints (spray cans)
- ◆ Auto and marine paints
- ◆ Art and craft paints
- ◆ Caulking compounds, epoxies, glues, adhesives
- ◆ Paint additives, colorants, tints, resins
- ◆ Wood preservatives (containing pesticides)
- ◆ Roof patch and repair
- ◆ Asphalt, tar, and bitumen-based products
- ◆ 2-component coatings
- ◆ Deck cleaners
- ◆ Traffic and road marking paints
- ◆ Industrial Maintenance (IM) coatings
- ◆ Original Equipment Manufacturer (OEM) (shop application) paints and finishes

**Appendix
Section D**

Appendix D. Underserved Area Events for 2019

County	Underserved area event, funded or held by PaintCare	Underserved area event considered for 2020	Location	Local representatives contacted, additional underserved area event not requested
Baker				✓
Benton				✓
Clackamas				✓
Clatsop				✓
Columbia	✓	✓	Rainier, Clatskanie	✓
Coos				✓
Crook				✓
Curry				✓
Deschutes				✓
Douglas				✓
Gilliam				✓
Grant				✓
Harney				✓
Hood River	✓	✓	Parkdale	✓
Jackson	✓	✓	Shady Cove	✓
Jefferson				✓
Josephine	✓	✓	Cave Junction	✓
Klamath				✓
Lake		✓	Christmas Valley	✓
Lane		✓	Blachly	✓
Lincoln				✓
Linn				✓
Malheur				✓
Marion				✓
Morrow				✓
Multnomah				✓
Polk	✓	✓	Dallas	✓
Sherman	✓	✓	Moro, Wasco	✓
Tillamook				✓
Umatilla	✓	✓	Milton-Freewater	✓
Union				✓
Wallowa				✓
Wasco	✓	✓	Dufur, Maupin, Tygh Valley	✓
Washington				✓
Wheeler				✓
Yamhill	✓	✓	Willamina	✓

NOTE: Clackamas, Lincoln, Multnomah, Washington and Wheeler counties have coverage via permanent drop-off locations.