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# *Budget Briefs* from the Legislative Reference Bureau

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Budget Brief 97-13

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## **DRY CLEANER ENVIRONMENTAL RESPONSE FUND**

The biennial state budget act (1997 Wisconsin Act 27), passed by the legislature and signed by Governor Thompson on October 11, 1997, includes various provisions relating to dry cleaning establishments and their impact on the environment, including new fee and licensing requirements and the creation of an environmental response program.

- **NEW LICENSING AND FEE REQUIREMENTS**

1997 Act 27 imposes an annual licensing fee on dry cleaning establishments equaling 1.8% of the previous years' gross receipts from dry cleaning. The act also imposes sale and inventory fees of \$5 per gallon on perchloroethylene and 75 cents per gallon on hydrocarbon-based solvent.

- **DRY CLEANER ENVIRONMENTAL RESPONSE FUND AND COUNCIL**

Act 27 creates a Dry Cleaner Environmental Response Council in the Department of Natural Resources (DNR), with representation for large and small dry cleaning establishments, wholesalers of dry cleaning solvents and manufacturers of dry cleaning equipment. Act 27 also provides that revenues from the new dry cleaning license and material fees be placed in a segregated fund in the state treasury called the Dry Cleaner Environmental Response Fund.

- **DRY CLEANER ENVIRONMENTAL RESPONSE PROGRAM**

Act 27 creates a Dry Cleaner Environmental Response Program which provides awards to dry cleaning establishments to assist in the investigation and cleanup of environmental contamination at current and former dry cleaning sites. The program is administered by DNR and is financed by the dry cleaner environmental response fund. In order to be eligible for an award, a dry cleaning establishment must report a solvent discharge in a timely manner; conduct a site investigation and submit the results to the DNR for review; prepare a plan identifying specific remedial action activities proposed; and conduct remedial action.

Dry cleaning establishments constructed after October 14, 1997, or establishments previously found to have discharged dry cleaning solvents must take certain pollution prevention measures in order to be eligible for awards. These include: complying with state and federal laws relating to hazardous wastes; refraining from discharging solvents and wastewater into sanitary sewers, septic tanks, or waters of the state; utilizing containment structures to

prevent spills; and accepting delivery of solvents by means of a closed, direct-coupled delivery system.

Awards may be granted for: removal and disposal of spilled solvents, contaminated soil and groundwater; investigation and preparation of remedial action plans; environmental monitoring and laboratory costs; and other costs deemed necessary by the DNR. Costs not eligible for awards from the fund are: those incurred before January 1, 1991; costs of retrofitting or replacing equipment; those determined to be unnecessary by the DNR; and those incurred outside of Wisconsin. An award may not exceed \$500,000. Deductibles for eligible costs are included in the act.

Applications for awards under the program must be submitted between September 1, 1998 and August 30, 2003, for facilities closed before September 1, 1998; and between September 1, 1998 and August 20, 2008, for all other facilities. The DNR may deny applications for fraud, gross negligence, and wilful failure to comply with laws and rules relating to the use or disposal of dry cleaning solvents. The DNR is required to inform all dry cleaning establishments of the program by August 1, 1998. The program has a sunset date of June 30, 2032.

- **ASSISTANCE FOR THE PURCHASE OF INTERIM REMEDIAL EQUIPMENT**

Act 27 requires the DNR to allocate 46% of the dry cleaner environmental response fund each year for the purchase and installation of equipment to begin the cleanup of discharges of dry cleaning solvents before completion of investigation and action plans. An applying facility is eligible for assistance if: the discharge was reported in a timely manner; preliminary site screening has been conducted; immediate action is not necessary; approved equipment is used; and the facility is operating at the time of application. Assistance awards are not to exceed \$15,000. Assistance awards may not be made before September 1, 1998 nor after June 30, 2002. Establishments eligible for an award for interim remedial equipment are not required to complete remedial action at the facility until an award is available under the dry cleaner environmental response program.

- **FOR MORE INFORMATION**

For copies of statutes relating to the dry cleaner environmental response provisions of 1997 Wisconsin Act 27, contact the Legislative Reference Bureau at (608) 266-0342. For information about the implementation of the dry cleaning provisions of Act 27, contact the Department of Natural Resources' Bureau for Remediation and Redevelopment at (608) 267-7569.