



**Texas Commission on Environmental Quality  
Dry Cleaner Environmental Response  
Program  
Status Report**

**Fiscal Year 2014**

**Prepared for the  
Dry Cleaner Advisory Committee**

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## **Dry Cleaner Environmental Response Program**

The Dry Cleaner Environmental Response Program (Program) protects the state's environmental resources by using a risk-based approach for the assessment and cleanup of releases of solvents from dry cleaning facilities. The Program collects registration fees from dry cleaning facilities, dry cleaning drop stations, property owners, and preceding property owners, and solvent fees from solvent distributors. These fees are deposited into the Dry Cleaning Facility Release Fund (the Fund). The Fund is used to process registrations and to conduct corrective action at dry cleaning sites.

The Program affects owners of dry cleaning facilities and drop stations, current owners and certain preceding owners of property on which a dry cleaning facility or drop station is or was located and solvent distributors.

The Program is administered through the Texas Commission on Environmental Quality (TCEQ) Office of Waste by the Dry Cleaner Remediation Program (DCRP) of the PST/DCRP Section in the Remediation Division, and by the Dry Cleaner Registration Team in the Permitting and Registration Support Division. The DCRP accepts applications for ranking, ranks and prioritizes sites, and conducts corrective action at sites. The Dry Cleaner Registration Team processes registrations for solvent distributors, dry cleaning facilities and drop stations, as well as for property owners and preceding property owners.

To be eligible for the DCRP the applicant must be one of the following: 1) a current or former owner of a dry cleaning facility or drop station; 2) an owner of property on which a dry cleaning facility or drop station is or was located; or 3) a preceding owner of property on which a dry cleaning facility or drop station is or was located, who entered into an agreement with the current property owner establishing that the previous property owner is responsible for costs associated with the cleanup of contamination.

DCRP applicants must submit an application for ranking the site, which documents a release of dry cleaning solvent into the environment from a currently registered or former retail dry cleaning facility. The applicant must pay a nonrefundable deductible of \$5,000 for corrective action costs incurred as a result of a release from the dry cleaning facility or drop station, and must sign an affidavit stating that perchloroethylene (Perc) will not be used at the site once the DCRP has begun corrective action at the site.

The DCRP cannot commence corrective action at a site until the site/application has been ranked and prioritized except for sites that require emergency action. Site ranking is based on potential impacts to human health or the environment from the site. Site prioritization includes site ranking, but also takes into account non-risk factors such as cost of implementing corrective action. The DCRP utilizes contractors to conduct corrective action at sites.

## Registration

State law requires all dry cleaning drop stations and facilities in Texas to register with the TCEQ annually. Annual Renewal Registration Forms for dry cleaning drop stations and facilities are due by August 1st of each year. Registration fees are billed on a quarterly basis.

**Table 1. Breakdown of FY 2014 Registrations**

Registration Type	Total FY 2013 Registrations
Facilities	1,461
Drop Stations	1,700
Property Owners and Preceding Property	204
Solvent Distributors	27

A facility/drop station's participating/non-participating status defines their fees and registrations costs. The terms "participating" and "non-participating" refer to a facility/drop station's eligibility to receive benefits from the Fund.

**Table 2. Differences in the DCRP Fee Structure**

Type	Number of Locations	Solvent Fees Collected	Registration Fee - Gross Receipts >\$150,000	Registration Fee - Gross Receipts ≤\$150,000
Facility ( <i>aka: Participating Facility</i> )	1,154	Yes ( <i>perchloroethylene: \$20 per gal / other solvent: \$3 per gal</i> )	\$2,500	\$250
Participating Non-Perchloroethylene Facility ( <i>type will not transfer to new owner</i> )	49	No ( <i>should not be receiving perchloroethylene</i> )	\$2,500	\$250

Type	Number of Locations	Solvent Fees Collected	Registration Fee - Gross Receipts >\$150,000	Registration Fee - Gross Receipts ≤\$150,000
Non-Participating Non-Perchloroethylene Facility ( <i>type will transfer to new owner</i> )	258	No ( <i>should not be receiving perchloroethylene</i> )	\$250	\$250
Drop Station( <i>aka: Participating Drop Station</i> )	1,574	Not Applicable ( <i>should not be receiving solvent</i> )	\$750	\$250
Non-Participating Non-Perchloroethylene Drop Station ( <i>type will transfer to new owner</i> )	126	Not Applicable ( <i>should not be receiving solvent</i> )	\$125	\$125
<b>Total</b>	3,161	Not Applicable	Not Applicable	Not Applicable

**Table 3. Registration of Dry Cleaning Facilities, Drop Stations, Property Owners and Preceding Property Owner (2004-2014)**

Registrations by Fiscal Year	Property Owner	Facilities	Drop Stations	Total
Fiscal Year 04	n/a	2,110	1,763	3,873
Fiscal Year 05	n/a	1,999	1,706	3,705
Fiscal Year 06	n/a	1,946	1,933	3,879
Fiscal Year 07	n/a	1,814	1,777	3,591
Fiscal Year 08	192	1,668	1,635	3,303

<b>Registrations by Fiscal Year</b>	<b>Property Owner</b>	<b>Facilities</b>	<b>Drop Stations</b>	<b>Total</b>
Fiscal Year 09	192	1,542	1,529	3,071
Fiscal Year 10	192	1,470	1,418	2,888
Fiscal Year 11	183	1,419	1,384	2,803
Fiscal Year 12	193	1,509	1,766	3,275
Fiscal Year 13	195	1,468	1,703	3,171
Fiscal Year 14	204	1,461	1,700	3,161

## **Dry Cleaning Registration Initiative**

The Permitting and Registration Support Division's Dry Cleaner Registration Initiative was developed in 2012 in an effort to address unregistered dry cleaners evading fees owed to the TCEQ.

Continuing the initiative for a 3rd year, letters were mailed on March 18, 2014 to all of the potentially unregistered dry cleaners.

Site visits were prioritized for sites that failed to register, did not respond to correspondence, or mail was returned. A total of 508 site visits were conducted in Fiscal Year 2014 consisting of three trips to Dallas/Ft Worth and three trips to Houston, and one trip each to Austin, Killen, San Antonio, College Station, Tyler, Beaumont, and Abilene (total of 7) with the following results:

**Table 4. FY 14 Dry Cleaner Initiative Final Results**

<b>Type</b>	<b>Amount</b>
Identified Locations	1,953
Registered	1,190
Closed/exempt	270
Undeliverable	14
No response	479

These efforts resulted in an increase of 1,190 registrations and an additional \$251,562.50 assessed in fees.

## Dry Cleaning Facility Release Fund (Fund 5093)

The Dry Cleaning Facility Release Fund (Fund) includes revenues from registration fees, solvent fees, deductibles, penalties, and interest.

Table 5. FY 2014 Fee Collection Report

Revenue Type	Amount
Registration Fees	\$3,317,952
Solvent Fees	\$823,386
Deductibles, Penalties, and Interest	\$17,718
<b>TOTAL COLLECTIONS</b>	<b>\$4,159,056</b>

In accordance with Texas Health and Safety Code, Section 374.055, money in the Fund must be used to address contamination resulting from releases from dry cleaning facilities. The amount expended in a fiscal year is dependent upon the amount appropriated by the Texas Legislature. In FY 2014, the TCEQ DCRP budget was \$3,335,463 to address contaminated dry cleaning facilities.

The TCEQ may spend money from the Fund on administrative expenses not to exceed 15 percent of the amount of money credited to the Fund in the same fiscal year as the expenditures. The total collections in the Fund in FY 2014 were \$4,159,056. In FY 2014, the DCRP expended less than the allowable 15 percent to administer the program (2.86%).

The Fund balance as of August 31, 2014 was approximately \$20,486,998. As of August 31, 2014, the total revenue collected was approximately \$61,754,716.

## Compliance and Enforcement Actions

The TCEQ conducted forty-four (44) on-site investigations for dry cleaning facilities in FY 2014. Thirteen of the investigations were at dry cleaning drop stations and thirty-one of the investigations were at dry cleaning facilities that generate hazardous waste. None of the investigations resulted in Notice of Violations (NOVs) and three resulted in Notices of Enforcement (NOEs).

In FY 2014, the TCEQ issued seven administrative orders against dry cleaning facility owners. The total penalties assessed was \$41,313 (\$3,941 was deferred; and \$37,372 was payable).

## **New Dry Cleaner Legislation**

No legislation in 2014.

## **Corrective Actions**

In FY 2014 the TCEQ received 10 applications for ranking. As of August 31, 2014, there were 177 sites in the DCRP.

The TCEQ may postpone or indefinitely suspend corrective action at a site in order to make money available for corrective action at a site with a higher priority. As of August 31, 2014, there were 93 active sites and 84 postponed sites (Attachment 1).

The DCRP completed corrective action at two sites in FY 2014; to date, the TCEQ has completed corrective action at 54 sites. The list of closed sites is included in Attachment 2.