

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

Fiscal Year 2020

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 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 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](http://www.tceq.state.tx.us/assets/public/remediation/dry_cleaners/rank_prior.pdf) 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 2020 Registrations

| **Registration Type** | **Total FY 2020 Registrations** |
| --- | --- |
| Facilities | 1,119 |
| Drop Stations | 1,340 |
| Property Owners and Preceding Property Owners | 209 |
| Solvent Distributors | 22 |

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

| **T****ype** | **Number of Locations** | **Solvent Fees Collected** | **Registration Fee - Gross Receipts >$150,000** | **Registration Fee - Gross Receipts <$150,000** |
| --- | --- | --- | --- | --- |
| Facility (aka: Participating Facility) | 975 | Yes (perchloroethylene: $20 per gal / other solvent: $3 per gal) | $2,500 | $250 |
| Participating Non- Perchloroethylene Facility (type will not transfer to new owner) | 27 | No(should not be receiving perchloroethylene) | $2,500 | $250 |
| Non-Participating Non- Perchloroethylene Facility (type will transfer to new owner) | 194 | No(should not be receiving perchloroethylene) | $250 | $250 |
| Drop Station (aka: Participating Drop Station) | 1,323 | Not Applicable(should not be receiving solvent) | $750 | $250 |
| Non-Participating Non-Perchloroethylene Drop Station (type will transfer to new owner) | 102 | Not Applicable(should not be receiving solvent) | $125 | $125 |
| **Total** | 2,621 | Not Applicable | Not Applicable | Not Applicable |

Table 3. Registration of Dry Cleaning Facilities, Drop Stations, Property Owners and Preceding Property Owner (2004-2020)

| **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 |
| 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 |
| Fiscal Year 15 | 201 | 1,390 | 1,703 | 3,093 |
| Fiscal Year 16 | 203 | 1,333 | 1,639 | 2,972 |
| Fiscal Year 17 | 221 | 1,335 | 1,675 | 3,010 |
| Fiscal Year 18 | 211 | 1,241 | 1,485 | 2,726 |
| Fiscal Year 19 | 207 | 1,189 | 1,409 | 2,598 |
| Fiscal Year 20 | 209 | 1,119 | 1,340 | 2,459 |

# Dry Cleaning Registration Initiative

The Permitting and Registration Support Division’s Dry Cleaner Registration Initiative was developed in 2012 to address unregistered dry cleaners evading fees owed to the TCEQ. In FY 2019 an enforcement component was added to the initiative.

The Dry Cleaner Registration Team conducted outreach reminding owners/operators of the registration renewal requirements via letters and emails. Once outreach efforts were completed, entities that failed to renew their registration were sent a notification of pending enforcement and provided 30 days to respond. Entities that failed to respond were sent a Notice of Violation (NOV) and given 30 days to resolve their violation or be referred to TCEQ’s Office of Compliance and Enforcement for further enforcement.

Table 4. FY 2020 Dry Cleaner Initiative Final Results

| **T****ype** | **Amount** |
| --- | --- |
| Notified of Pending Enforcement | 229 |
| NOVs Issued | 209 |
| Entities Registered | 155 |
| Referred for Further Enforcement | 64 |
| Closed Facilities | 10 |
| Undeliverable Address | 6 |

During the time period between March 2020 through Aug 2020 there were additional closures. It is likely these sites closed as a result of the COVID-19 pandemic. The industry saw a significant impact to their business with some dry cleaners reporting decreases in monthly revenue as high as 85%. During this time, 12 facilities closed and 46 drop stations closed.

# 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 2020 Fee Collection Report

| **Revenue Type** | **Amount** |
| --- | --- |
| Registration Fees | $2,768,522 |
| Solvent Fees | $513,184 |
| Deductibles, Penalties, and Interest | $5,718 |
| **TOTAL COLLECTIONS** | **$3,287,424** |

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 2020, the TCEQ DCRP budget was $3,725,201 to address contaminated dry cleaning facilities.

The TCEQ may spend money from the Fund on administrative expenses not to exceed 15% 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 2020 were $3,287,424. In FY 2020, the DCRP expended less than the allowable 15% to administer the program.

The Fund balance as of August 31, 2020 was approximately $20,905,227.67.

As of August 31, 2020, the total revenue collected was approximately $85,272,023.

# Compliance and Enforcement Actions

The TCEQ conducted 36 on-site investigations for dry cleaning facilities in FY 2020. Sixteen of the investigations were at dry cleaning drop stations and 20 of the investigations were at dry cleaning facilities that generate hazardous waste. A total of 17 dry cleaner violations were found as a result of investigations at dry cleaning facilities.

In FY 2020, the TCEQ issued one administrative order against a dry cleaning facility. The total penalty assessed was $2,228 ($445 was deferred; and $1,783 was payable).

# New Dry Cleaner Legislation

No legislation in FY 2020.

# Corrective Actions

In FY 2020 the TCEQ received 11 applications for ranking. As of August 31, 2020, there were 227 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, 2020, there were 119 active sites and 108 postponed sites (Attachment 1).

The DCRP completed corrective action at three sites in FY 2020; to date, the TCEQ has completed corrective action at 89 sites. The list of closed sites is included in Attachment 2.