



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

**Fiscal Year 2019**

**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 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 2019 Registrations**

Registration Type	Total FY 2019 Registrations
Facilities	1,189
Drop Stations	1,409
Property Owners and Preceding Property Owners	207
Solvent Distributors	21

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 (aka: Participating Facility)	969	Yes (perchloroethylene: \$20 per gal / other solvent: \$3 per gal)	\$2,500	\$250
Participating Non-Perchloroethylene Facility ( <i>type will not transfer to new owner</i> )	27	No (should not be receiving perchloroethylene)	\$2,500	\$250
Non-Participating Non-Perchloroethylene Facility ( <i>type will transfer to new owner</i> )	193	No (should not be receiving perchloroethylene)	\$250	\$250

Type	Number of Locations	Solvent Fees Collected	Registration Fee - Gross Receipts >\$150,000	Registration Fee - Gross Receipts <\$150,000
Drop Station (aka: Participating Drop Station)	1,306	Not Applicable (should not be receiving solvent)	\$750	\$250
Non-Participating Non-Perchloroethylene Drop Station ( <i>type will transfer to new owner</i> )	103	Not Applicable (should not be receiving solvent)	\$125	\$125
<b>Total</b>	2,598	Not Applicable	Not Applicable	Not Applicable

**Table 3. Registration of Dry Cleaning Facilities, Drop Stations, Property Owners and Preceding Property Owner (2004-2019)**

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

<b>Registrations by Fiscal Year</b>	<b>Property Owner</b>	<b>Facilities</b>	<b>Drop Stations</b>	<b>Total</b>
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

## **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 2019 Dry Cleaner Initiative Final Results**

<b>Type</b>	<b>Amount</b>
Notified of Pending Enforcement	269
NOVs Issued	117
Entities Registered	178
Referred for Further Enforcement	52
Closed Facilities	29
Undeliverable Address	10

## 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 2019 Fee Collection Report**

Revenue Type	Amount
Registration Fees	\$2,996,391
Solvent Fees	\$645,837
Deductibles, Penalties, and Interest	\$9,606
<b>TOTAL COLLECTIONS</b>	<b>\$3,651,834</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 2019, the TCEQ DCRP budget was \$3,339,192 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 2019 were \$3,651,834. In FY 2019, the DCRP expended less than the allowable 15% to administer the program (11%).

The Fund balance as of August 31, 2019 was approximately \$21,272,807. As of August 31, 2019, the total revenue collected was approximately \$81,984,599.

## Compliance and Enforcement Actions

The TCEQ conducted 73 on-site investigations for dry cleaning facilities in FY 2019. Fifty-four of the investigations were at dry cleaning drop stations and 19 of the investigations were at dry cleaning facilities that generate hazardous waste. A total of 65 dry cleaner violations were found as a result of investigations at dry cleaning facilities.

In FY 2019, the TCEQ issued two administrative orders against dry cleaning facilities. The total penalties assessed were \$10,222 (\$2,044 was deferred; and \$8,178 was payable).

## New Dry Cleaner Legislation

No legislation in FY 2019.

## Corrective Actions

In FY 2019 the TCEQ received 15 applications for ranking. As of August 31, 2019, there were 222 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, 2019, there were 113 active sites and 109 postponed sites (Attachment 1). The DCRP completed corrective action at nine sites in FY 2019; to date, the TCEQ has completed corrective action at 86 sites. The list of closed sites is included in Attachment 2.