

SUMMARY OF THE DRY CLEANER REMEDATION PROGRAM

(March 29, 2006)

DCRP LEGISLATION

House Bill 1366

On June 20, 2003 the Texas Legislature signed **House Bill (HB) 1366** – Dry Cleaner Environment Response. It created the Dry Cleaning Remediation Fund for state lead clean up. It also established registration requirements, fees, performance standards, and revenue disbursement.

The purpose of the legislation is to prevent pollution from dry cleaning facilities, encourage industry to use less polluting chemicals, and to prevent pollution during delivery, storage, use, and handling of chemicals.

The legislation established a sunset date of September 1, 2021.

HB 1366 included the establishment of an Advisory Committee. The Advisory Committee assists in development of the rules, in addition to reviewing and commenting on the methodology the TCEQ uses to rank contaminated sites. It is composed of five representatives: three from the dry cleaning industry, one from urban areas, and one from rural areas.

House Bill 2376

During the 2005 legislative session, **HB 2376** was signed into law. The new legislation included the following:

- Removed the five year property ownership requirement for eligibility;
- Added performance standards for all dry cleaners (including those with less than \$150,000 in gross annual receipts), the performance standards for this group must be in place by January 1, 2015;
- Secondary containment for all new or replaced dry cleaning units regardless of the solvent used;
- Revised the fee structures; requires comptroller verification of reported gross annual receipts;
- Solvent distributors are now entitled to withhold one percent of fees collected

as long as they meet the remitting requirements;

- Owner/operators must receive land owner permission to opt-out;
- Established late penalties of \$50/day for registration; and
- Established reimbursement for the Advisory Committee travel expenses.

Senate Bill 444

During the same legislative session, **SB 444** was also signed into law. It extended the deadline for opting out of the program to February 28, 2006. It also allows for some opt-out dry cleaners to receive credit for previously paid fees that exceeded the non-participation rate.

REGISTRATION FEES

Effective September 1, 2005, all facilities and drop stations must register and pay their annual registration fees based on their reported gross annual receipts.

- Facilities who reported >\$150,000 to the comptroller's office, their annual registration fee is \$2,500
- For all other facilities their annual registration fee is \$250
- Drop stations who reported >\$150,000 to the comptroller's office, their annual registration fee is \$750
- For all other drop stations, their annual registration fee is \$250

For facilities who opted-out (deadline February 28, 2006), their annual registration fee is \$250. Drop stations that opted-out have an annual registration fee of \$125. Facilities and drop stations that opted-out must never have used nor will use PCE. Once they opt-out they are not subject to solvent fees. They are however, still subject to the performance standards requirements.

PERFORMANCE STANDARDS

All facilities must use proper storage and disposal of wastes and comply with EPA and TCEQ emission standards. Facilities using chlorinated solvents must install secondary containment. Chlorinated solvents must be delivered by direct coupled delivery systems. All existing facilities who reported over \$150,000 in gross annual receipts must retrofit to meet all performance standards by January 2006. All other facilities must meet the performance standards requirements by January 2015. However, if before January 1, 2015, a qualifying

dry cleaning facility begins to have gross annual receipts greater than \$150,000, the dry cleaning facility must meet the requirements of this subsection by August 1 of the year following the time the facility exceeded \$150,000 in annual gross receipts.

SOLVENT DISTRIBUTORS

All solvent distributors must register with the state and must check to ensure that a facility is registered prior to delivery. All facilities must purchase their solvents from a registered distributor. There is no charge for solvent distributors to register. The distributors must collect the solvent fees from the facilities. Distributors must remit the collected fees to the TCEQ on a quarterly basis or they will not be eligible to withhold one percent of the collected fees for administrative expenses.

DRY CLEANER REMEDATION PROGRAM (DCRP)

The registration and solvent fees are collected by the TCEQ and are used to administer the registration of facilities and the remediation of sites in the DCRP. The TCEQ, Remediation Division, State Lead Section manages the clean up of eligible dry cleaning facilities. An eligible applicant must submit a completed application to the State Lead Section (SLS).

An eligible applicant must meet the following criteria:

- Must be participating in the program (not opted-out)
- If the applicant is the facility owner, they must be registered and current on fees
- Dry cleaner owner or a property owner of a current or former dry cleaning facility (can be co-applicants)
- All active facilities must meet the required performance standards
- Pay as a deductible the first \$5,000 of correction action costs

The SLS reviews the applications and assigns a ranking score. The site is then prioritized based on the ranking score and specific site factors including estimated expenditures for work expected in that fiscal year, available funding, construction or renovation scheduled for the property, all access agreements submitted, etc.

The DCRP was established in October 2004. There are currently two companies under contract through fiscal year 2007, to conduct site

assessment activities. Funding was available for work starting in January 2005.

All work is performed according to the Texas Risk Reduction Program (TRRP) rules.
<http://www.tceq.state.tx.us/remediation/trrp/trrp.html>

If a dry cleaner site is currently in the Volunteer Cleanup Program and chooses to leave that program and apply to the DCRP, they must complete a Program Participation Election Form and submit it with the application. A site cannot participate in the two programs simultaneously.
http://www.tceq.state.tx.us/assets/public/remediation/dry_cleaners/forms/20109_d.pdf

The DCRP is a member of the State Coalition for the Remediation of Drycleaners (SCRD). The 14 state members participate in an on-going dialogue with the other state dry cleaner programs to discuss new technology for site clean up.
<http://www.drycleancoalition.org/>

BENEFITS TO DRY CLEANER OWNERS AND PROPERTY OWNERS

Dry cleaner owners who are in compliance with the performance standards reduce the likelihood of a release and therefore help to protect the environment. An eligible applicant, who documents that a release has occurred, is only responsible for the initial \$5,000 of correction action. Sites where there was a historic release are eligible for the program. The Dry Cleaner Response Fund will cover costs up to \$5,000,000 per accepted application. Once a site is accepted into the program, all work is performed by a State Lead contractor and managed by the TCEQ.

CONTACTING THE DCRP

DCRP hotline number: **512.239.1011**

SLS phone number: **512.239.2120**

For forms, guidance documents, frequently asked questions, program updates and to sign up for the DCRP list serve, please see the DCRP web page:

http://www.tceq.state.tx.us/remediation/dry_cleaner/index.html

For all registration related issues, Registration phone number: **512.239.2160**