

**1999 DRAFTING REQUEST**

**Bill**

Received: **12/28/98**

Received By: **traderc**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Wong**

This file may be shown to any legislator: **NO**

Drafter: **isagerro**

May Contact:

Alt. Drafters:

Subject: **Environment - env. cleanup**

Extra Copies: **RCT**

**Topic:**

DOA:.....Wong - Dry cleaner environmental response program, exclude lenders from definition of service provider"

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	traderc 12/29/98			_____			S&L
/P1	isagerro 01/4/99 isagerro 01/12/99	gilfokm 01/4/99	lpaasch 01/5/99	_____	lrb_docadmin 01/5/99		State
/1		gilfokm 01/12/99	jfrantze 01/13/99	_____	lrb_docadmin 01/13/99		

FE Sent For:

<END>

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FE Sent For: *1-1-12-99 kmg* *J 1/13* *J/KM*  
*END*  
*1/13*

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1?	traderc	1/1-1-4-99	1-5-99	<del>1-5-99</del> JP			

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1?	traderc	1/1 -1-4-99 kmg		_____			

FE Sent For:

<END>

**Date:** December 21, 1998

**To:** Steve Miller, Chief  
Legislative Reference Bureau

**From:** Manyee Wong *M.W.*  
State Policy and Budget Analyst

**Subject:** Drafting Instructions for 1999-01 Budget

At your office request, I have revised my previous memo and made further clarifications on certain items. Also, I have attached relevant documents that may help with your drafting process. Please let me know if you have any further questions. My number is 266-7597.

**Dry Cleaner Response Program - DNR**

Please see Attachment A for further details and explanations.

1. License Fee

- Include retail and dry stores as entities subject to the fee.
- Require the fee to be paid quarterly based on previous quarter sales.
- If a license transfer is involved in the transfer of business ownership, the buyer has to pay the license fee in an amount assessed on gross receipts for the entire quarter in which the buyer officially took ownership.
- If no license transfer is involved in the transfer of business ownership, the seller has to pay the license fee in an amount assessed from the last quarter payment until the last day the seller operated the facility.

2. Definitions

- Define a "dry cleaning facility" as a facility where dry cleaning of apparel or household fabrics and related services are provided to the public.
- Define "dry store" as a retail outlet for dry cleaning drop off and pick up.
- Define "owner" as a property or business owner of a licensed facility or a closed facility that ceased operation before September 1, 1998.
- Define "operator" as business operator of a licensed facility or a closed facility that ceased operation before September 1, 1998.
- ✓ ➤ Exclude lenders from the definition of "service provider".
- ✓ ➤ Replace all "remedial action plan" references with "remedial action options report".

From DNR

- ✓ 6. Change the deductible for closed facilities so that it is the same as the deductibles for active facilities (different deductibles based on cost of response actions). In 292.65(8)(e)3 a. should be reworded so that the deductible is based on the amount of the eligible costs plus the 30 year calculated fee for the license fee, and the solvent fee (3.b., and 3.c.). Currently the deductible for closed facilities is simply \$10,000 plus the average license fee and solvent fee for 30 years.
- ✓ 7. New language needs to be created that if the environmental fund is used to fund eligible costs at a dry cleaning facility, the dry cleaner fund will be used to reimburse the environmental fund; the facility will be classified for reimbursement as if the dry cleaner was funding the work, but the reimbursement monies will be paid to the environmental fund instead of the dry cleaner (since the dry cleaner didn't fund the activities, the EF did). When the environmental fund is used, no deductibles or closed facility fees will be assessed. The environmental fund will only be used in high priority cases or where long term costs will significantly drain the dry cleaner fund.
- ✓ 8. New language is needed that requires anyone applying to the program to notify the department when they make any insurance claims that would cover any eligible costs. The department shall be given the ability to join any private suits against insurance companies to cover the costs of deductibles and other fees appropriate for a closed facilities. Any monies collected for this purpose shall be put into the dry cleaner fund.
- ✓ 9. Change the definition of "service provider" in s. 292.65(1)(l) so that lender is no longer included in this definition (financing costs are not eligible costs under this program).

- ✓ 10. Change 292.65(4) (f), (g) and (h) to state remedial action options report instead of remedial action plan. This should be done to remain consistent with the terminology used in NR 700.

**Changes to the license fees relating to how the fees are applied:**

11. A license fee of 1.8% of wholesale receipts shall be paid by a dry cleaning facility operator for all out of state dry cleaning sales and for all dry cleaning services provided to outlets other than dry stores including pick-up or bobtail routes, hotel valet services and other valet services, and other related services as defined in 292.65(1)(d) and paid on a quarterly basis, based on the previous quarter's sales.
12. A license fee of 1.8% of retail sales shall be paid on all dry cleaning services provided by all dry stores and dry cleaning facilities that retail dry cleaning services. and paid on a quarterly basis, based on the previous quarter's sales.
13. Add language that states if a facility transfers ownership and the seller transfers their license to the buyer, the seller has to pay the 1.8% fee on gross receipts, as defined above, for the period of time that the seller was operating the facility until the new owner took over operations and paid on a quarterly basis, based on the previous quarter's sales.
14. Add language that if the facility transfers ownership and the license is not transferred to the buyer, the seller is responsible for paying 1.8% of the fees from the last quarterly payment until the last day they operated the facility.
15. Change 20.370(6)(eq) to state a continuing appropriation of all monies received.

Explanatory Note:

1. Clarifying property owner and business owner allows property owners where a dry cleaner is operating the ability to use the fund. If landowners are not eligible for the fund they may not lease



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-1482/P1

ISR: King

SOON  
DNote  
environmental

DOA:.....Wong - Dry cleaner response program, exclude lenders from definition of "service provider"

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

CC

Draft  
Ken Cat.

1 AN ACT ...; relating to: excluding financing costs from reimbursable costs under  
2 the dry cleaner environmental response program.

*Analysis by the Legislative Reference Bureau*

**ENVIRONMENT**

**HAZARDOUS SUBSTANCES AND ENVIRONMENTAL CLEANUP**

Under current law, the department of natural resources (DNR) administers the dry cleaner environmental response program which reimburses owners and operators of dry cleaning facilities for the costs of responding to and cleaning up discharges of dry cleaning solvents. Finance costs are reimbursable costs under this program.

This bill excludes finance costs from reimbursable costs under the dry cleaner environmental response program.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

3 SECTION 1. 292.65 (1) (L) of the statutes is amended to read:

1           292.65 (1) (L) "Service provider" means a consultant, testing laboratory,  
 2           monitoring well installer, soil boring contractor, other contractor, lender or any other  
 3           person who provides a product or service for which an application for reimbursement  
 4           has been or will be filed under this section, or a subcontractor of such a person.

5

**SECTION 2.** 292.65(7) (a) <sup>9</sup>16 of the statutes is repealed.

*Repeal 292(7)(b)*

6

**SECTION 3.** 292.65 (7) (c) 6. of the statutes is created to read:

7

292.65 (7) (c) 6. Costs of financing <sup>v</sup>eligible activities.

8

(END)

*SEC. — RP; 292.65 (7)(b)*



**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1482/P1dn

ISR:.....

kmq

January 4, 1999

Manyee Wong:

This draft will affect all applications for reimbursement of finance costs, whether they are received before or after this provision becomes effective. This means that any applications already submitted that contain requests for reimbursement of finance costs will be denied with respect to the finance costs. Is this your intent?

An alternative would be to exclude finance costs from eligible costs in applications received after a specific date. This would allow persons who submit applications for finance costs before a specific date to be reimbursed. Those persons submitting applications after a specific date would not be eligible for reimbursement of finance costs.

Please feel free to contact me if you have any questions about this draft.

Ivy G. Sager-Rosenthal  
Legislative Attorney  
261-4455

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1482/P1dn  
ISR:kmg:lp

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Legislative Attorney  
261-4455

## Sager-Rosenthal, Ivy

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**From:** Wong, Manyee [Manyee.Wong@doa.state.wi.us]  
**Sent:** Tuesday, January 12, 1999 9:21 AM  
**To:** Sager-Rosenthal, Ivy  
**Cc:** Schmiedicke, David  
**Subject:** responses to LRB drafts 1482, 1486, 1490

Hi Ivy,

Here are responses to your notes on the following drafts:

~~Draft 1486 - DNR would like to eliminate line 3 - 6 where the sentence reads "except that if the deductible amount is greater than the value of the property, the department may not waive the requirement that the owner or operator pay the deductible amount. They would also like to change the word "shall" to "may" in line 7. With that they believe the language reflects their intent. I have conveyed to them that this draft may not be necessary since according to you, DNR already has the authority to waive the deductible. I assume DNR wants to clarify certain aspects of the waiver - which I am not sure is really necessary.~~

~~As for the valuing the property before and after cleanup, DNR states that the value of the property will most likely be more than the lien, therefore it is not necessary for them to designate when the property should be valued. I guess I have concerns about their response which could raised conflicts if owners do not agree with DNR's valuation of their property. Do you see any problems with not clarifying when the valuation of the property is to be conducted, as DNR requested? Please call me regarding this draft.~~

Draft 1482 - Yes, please exclude financing costs from eligible costs for all applicants. Current, no applications have been submitted to the Dry Cleaner Response Program.

~~Draft 1490 - Yes, please exempt formal wear from participation in the Dry Cleaner Response Program. They will NOT have to pay any license or inventory fees, but will also NOT be allowed to use funds from the Dry Cleaner Response Program for cleanups.~~

\*Conversation w/ Marjorie Wong 1/12/99

~~There are no applications~~

- Applications have not been submitted  
and she doesn't anticipate any being  
submitted before passage

∴ PI OK



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-1482/P1 1  
ISR:kmg:lp

*soon*  
*NO CHANGE*

*redraft  
make  
new*

DOA:.....Wong - Dry cleaner environmental response program, exclude  
lenders from definition of "service provider"

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

*Don't  
Sen. Cat.*  
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9 (END)



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-1482/1  
ISR:kmg:jf

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