

**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: **traderc**

May Contact:

Alt. Drafters:

Subject: **Environment - env. cleanup**

Extra Copies:

**Topic:**

DOA:.....Wong - Dry cleancr rspnsc program, environmental fund reimbursement

**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>
/P1	traderc 01/24/99	chanaman 01/25/99	lpaasch 01/25/99	_____	lrb_docadmin 01/25/99		

FE Sent For:

<END>

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### 3. Eligible Participants

- Expand eligibility to include property owners of operating dry cleaning facilities and owners or operators of a closed dry cleaning facility that ceased operation before September 1, 1998. Owners and operators of a closed dry cleaning facility that ceased operation **after** September 1, 1998 will not be eligible.

### 4. License and Solvent Fee Payment Structure for Closed Facilities

- Require closed facilities to pay a 30-year license and solvent fee prior to receiving reimbursement. The amount of each fee is determined by multiplying previous year's respective fee average by 30 years. These fees and the required deductible must be applied to the total cleanup cost before reimbursements are made.
- Repeal section 292.65(6)(b) because it is no longer necessary due to above changes.

### 5. Lien on Property

- Require the value of a property be greater than the deductible waived.

### 6. Closed Facility Deductible

- Change the deductible structure for a closed facility to be the same as an active facility.
- Revise the required deductible for a closed facility to include the 30-year license and solvent fees.

### 7. Environmental Fund Reimbursement

- Require the Dry Cleaner Response Program to reimburse the Environmental Fund for all cleanup costs at a dry cleaning facility originally paid out of the Environmental Fund.
- Reimbursement of deductibles and fees assessed in the cleanup of a dry cleaning facility from the Environmental Fund is prohibited.

### 8. Insurance Claims

- Require applicants to notify DNR when they file insurance claims for any cleanup costs. This ensures DNR the opportunity to participate in private suits if it so chooses.

### 9. Formal Wear Rental Firms

- Exempt these firms from the license fee and reimbursement program

### 10. Fraud Protection

- A penalty of not less than \$10 and no more than \$10,000 will be assessed on fraudulent claims.

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-1487/P1

RCT:.....

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DOA:.....Wong - Dry cleaner response program, environmental fund reimbursement

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

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1 AN ACT ...; relating to: the budget.

*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 provides reimbursement for a portion of the costs of responding to discharges of dry cleaning solvents. The dry cleaner environmental response program is funded from the dry cleaner environmental response fund, a segregated fund. Also under current law, DNR is authorized to fund cleanups of hazardous substance discharges from the environmental fund, another segregated fund.

Under this bill, if DNR funds a cleanup of a discharge of dry cleaning solvent from the environmental fund, DNR must transfer from the dry cleaner environmental response fund to the environmental fund an amount equal to the amount expended from the environmental fund for the cleanup. DNR must make the transfer when it determines that sufficient funds available.

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

1 SECTION 1. 20.370 (6) (eq) of the statutes is amended to read:

2 20.370 (6) (eq) Environmental aids — dry cleaner environmental response.

3 From the dry cleaner environmental response fund, the amounts in the schedule for  
4 financial assistance under ss. 292.65 and 292.66 and to make transfers required  
5 under s. 292.65 (11).

History: 1971 c. 40, 95; 1971 c. 125 ss. 101 to 121, 522 (1); 1971 c. 211, 215, 277, 330, 336; 1973 c. 12 s. 37; 1973 c. 90, 100; 1973 c. 243 s. 82; 1973 c. 296, 298, 301, 318, 333, 336; 1975 c. 8, 39, 51, 91, 198; 1975 c. 224 ss. 7d, 7f, 7m, 17 to 19p; 1977 c. 29 ss. 181 to 234, 1657 (34); 1977 c. 274, 370, 374, 376, 377; 1977 c. 418 ss. 95 to 110, 929 (37); 1977 c. 421, 432; 1977 c. 447 ss. 42 to 44, 210; 1979 c. 34 ss. 199 to 322, 2102 (39) (a); 1979 c. 221; 1979 c. 361 s. 113; 1981 c. 1, 20, 86, 95, 131, 294, 330; 1981 c. 374 ss. 6, 7, 148, 150; 1983 a. 27 ss. 216m to 269, 2202 (23); 1983 a. 75, 181, 243, 397; 1983 a. 410 ss. 5m to 11, 2202 (38); 1983 a. 413; 1983 a. 416 ss. 1, 19; 1983 a. 426; 1985 a. 16, 22; 1985 a. 29 ss. 282d to 356, 3202 (26) (a), (39) (a), (c), (dm), (i); 1985 a. 46, 60, 65, 120, 202, 296; 1987 a. 27, 98, 110, 290, 295, 298, 305; 1987 a. 312 s. 17; 1987 a. 384, 397, 399, 403, 418; 1989 a. 31, 128, 284, 288, 326; 1989 a. 335 ss. 22nn to 30g, 89; 1989 a. 336, 350, 359, 366; 1991 a. 32; 1991 a. 39 ss. 326b to 394, 594c; 1991 a. 254, 269, 300, 309, 315; 1993 a. 16, 75, 166, 213, 343, 349, 415, 421, 453, 464; 1993 a. 490 ss. 18, 271; 1995 a. 27, 201, 225, 227, 296, 378, 459; 1997 a. 27, 35; 1997 a. 237 ss. 33 to 38d, 727g; 1997 a. 248.

6 SECTION 2. 25.46 (12) of the statutes is created to read:

7 25.46 (12) The funds transferred under s. 292.65 (11).

8 SECTION 3. 292.65 (11) of the statutes is created to read:

9 292.65 (11) ENVIRONMENTAL FUND REIMBURSEMENT. If the department expends  
10 funds from the environmental fund under s. 292.11 (7) (a) or 292.31 (3) (b) because  
11 of a discharge of dry cleaning solvent at a dry cleaning facility, the department shall  
12 transfer from the appropriation account under s. 20.370 (6) (eq) to the environmental  
13 fund an amount equal to the amount expended under s. 292.11 (7) (a) or 292.31 (3)  
14 (b). The department shall make transfers under this subsection when the  
15 department determines that sufficient funds are available in the appropriation  
16 account under s. 20.370 (6) (eq).

(END)  
D-note  
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**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1487/P1dn

RCT:.....

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This is in response to DNR's proposal concerning reimbursement of the environmental fund for cleanups at dry cleaning facilities. It may not contain everything that DNR wants, but I think that it is about as much as we can do considering the short time remaining to complete budget drafts and the number of redrafts still to be done.

Rebecca C. Tradewell  
Managing Attorney  
266-7290

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

LRB-1487/P1dn  
RCT:cmh&jlg:lp

January 25, 1999

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State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-1487/P1  
RCT:cmh&jlg:lp

DOA:.....Wong - Dry cleaner response program, environmental fund reimbursement

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

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*Analysis by the Legislative Reference Bureau*

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



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**NOTE TO DRAFTING FILE for LRB-1487:**

Per the drafter, this draft has been redrafted to a “/1” as no problems remain in the draft that require resolution before introduction of the budget bill. There are no changes between the “/PX” and the “/1.”

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