

Senate Environment and Natural Resources Committee
Testimony by State Senator Neal Kedzie
Senate Bill 324, Drycleaner Environmental Response Fund
January 8, 2004 – 10:00 a.m.

Good morning Mr./Madam Chair and members of the committee.
Thank you for your review of Senate Bill 324, which I have authored.

This bill is before you today at the request of the Wisconsin Fabricare Institute (the drycleaners) and through the concerted efforts of staff from the Department of Revenue and Department of Natural Resources, all of which you may hear from today.

The Dry Cleaner Environmental Response Fund (DERF) Program was established to help dry cleaners pay the cost of investigating and cleaning up contamination caused by the release of dry cleaning solvents.

Working with dry-cleaning owners, the DOR and the DNR, SB 324 will make many clarifying and simplifying revisions to the DERF program in an effort to streamline the administration of the program, which will result in expedited clean up of contaminated sites.

The DERF program was created in 1997 and is funded through a license fee for dry cleaners and a solvent fee on the sale of dry cleaning solvents. The DOR collects those fees on a quarterly basis and the DNR administers the reimbursement program.

The current fee remains the same under this bill of 1.8 percent of gross receipts from the previous three months.

Since 1997, DOR has collected about \$1 million each year from drycleaners. About half of those monies collected each year are reimbursed to remediation and clean up sites.

The industry, DNR and DOR all recognize that DERF is an ever-evolving program. Over the last few years, statutory changes have been made and adopted by the Legislature in an effort to make the program more responsive, effective and accountable for all.

Senate Bill 324 is the continuation of those mutual efforts by the industry and the agencies to make a good program even better.

I would like to defer any technical questions or issues to the industry or appropriate agency, but in general, the bill makes the following technical statutory changes:

- ✓ **Creates a definition of "gross receipts" similar to that used for other sales and use tax purposes. Currently, there is no definition of "gross receipts" with respect to dry cleaning license fees.**
- ✓ **Fees are not changed, but the statutes are changed in order to streamline the license fee process by the DOR.**
- ✓ **Prohibitions on awarding DERF grants are expanded to include owners who are delinquent in paying interest and penalties to the DOR. DNR would only award grants to those that have paid those monies or entered into agreements with the DOR for repayment.**
- ✓ **Any monies or other reimbursement funds from other sources are included to reduce grant awards.**
- ✓ **The bill eliminates specific application deadlines and replaces it with a cut off date of August 30, 2008 for filing potential claims.**

Again, thank you for your review of Senate Bill 324 and I ask the committee to grant favorable consideration.

Johnson, Dan (Legislature)

From: Johnson, Dan (Legislature)
Sent: Friday, February 20, 2004 2:12 PM
To: Amber Meyer; Bob Wirch; Cathy Stepp; David Zien; Fred Risser; John Stolzenberg; Leslie Travis; Neal Kedzie; Pat Erickson; Peter Hanson; Rachel Letzing; Sarah Briganti; Scott Manley
Subject: 2/23/04 Senate Enviro/NR committee materials

Importance: High

TO: Environment and Natural Resource committee members,

You should by now have received appointment materials for Monday's public hearing. Attached to this e-mail is an amendment to **Senate Bill 324** (Kedzie Drycleaner Response Fund bill) and **Senate Bill 394** (Schultz Stewardship Signage bill). The amendment to SB 394 was discussed at great length at the 2/19/04 hearing. More than likely, we will move to adopt the amendment to the bill.

The amendment to SB 324 is rather new, and has been agreed upon by the drycleaners and the DNR. Basically, the amendment authorizes DNR to make an award (no more than \$15,000) for third-party party costs without regard to whether the eligible owner or operator has reimbursed the third party for the costs. Currently, the program makes awards only to reimburse an owner or operator for costs the owner or operator has already incurred. The amendment requires a person, other than an owner or operator, who prepares a statement of third-party costs for submission to DNR to pay DNR an amount equal to 50% of the amount of costs on the statement that DNR determines are ineligible.

Again, it is more than likely we will move to adopt the amendment to SB 324. If you have any questions, please feel free to contact our office.

Thank you.

Dan Johnson

Clerk, Senate Environment and Natural Resources Committee

State Senator Neal Kedzie, Chair

11th Senate District



SA 1 to SB 324.pdf



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Vote Record

Committee on Environment and Natural Resources

Date: 2/23/04

Moved by: ZIEN

Seconded by: KEDZIE

AB _____ SB BRATT 324 Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 AR _____ SR _____ Other _____

A/S Amdt ^{LRB} 2303

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

- Be recommended for:
- Passage
 - Adoption
 - Confirmation
 - Concurrence
 - Indefinite Postponement
 - Introduction
 - Rejection
 - Tabling
 - Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator Neal Kedzie, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Cathy Stepp	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator David Zien	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Fred Risser	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Robert Wirch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: 4 _____ _____ _____