



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #500

Dry Cleaner Environmental Response Program (DNR -- Air, Waste, and Contaminated Land)

CURRENT LAW

The dry cleaner environmental response program (DERP) was created in 1997 Act 27 to provide reimbursement for a portion of the costs of cleaning up discharges of dry cleaning solvents. The program is funded from: (a) a dry cleaning license fee; (b) a dry cleaning solvents fee; and (c) a loan of up to \$6.2 million from the land recycling loan program within the environmental improvement fund.

GOVERNOR

Maintain base level funding of \$763,600 SEG annually for dry cleaner environmental response program awards, to provide \$1,527,200 for claims during the 2011-13 biennium.

MODIFICATION

Provide an additional \$1,472,800 SEG in 2011-12 for dry cleaner environmental response awards, to provide \$3,000,000 for payment of claims during the 2011-13 biennium.

Explanation: DNR anticipates the program will receive claims of up to \$1.5 million in each of 2011-12 and 2012-13. Under the bill, there would be sufficient revenues to pay anticipated claims, but there would be insufficient expenditure authority to pay those claims. Increasing the appropriation in the first year of the biennial appropriation would allow the Legislature to reevaluate program demand and available funding in 2013-15 biennial budget deliberations.

Change to Bill Funding	
SEG	\$1,472,800

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