

April 23, 1999

H 1326. DRY-CLEANING SOLVENT CLEANUP AMENDS (=S 1163). *TO REPEAL THE RELINQUISHMENT THAT OWNERS AND OPERATORS OF DRY-CLEANING FACILITIES ESTABLISH AND MAINTAIN FINANCIAL RESPONSIBILITY FOR LEGAL LIABILITY FOR CONTAMINATION, TO PHASE IN A PRIVILEGE TAX ON DRY-CLEANING AND LAUNDRY BUSINESSES BASED ON GROSS RECEIPTS, TO PHASE OUT STATE AND LOCAL SALES TAXES ON DRY-CLEANING SERVICES, AND TO MAKE OTHER AMENDMENTS TO THE DRY-CLEANING SOLVENT CLEAN-UP ACT OF 1997.* Identical to S 1163, introduced 4/15/99.

Intro. by Gibson.

Ref. to Finance

GS 143, 105

July 7, 1999

H 1326. DRY-CLEANING SOLVENT CLEANUP AMENDS. Intro. 4/23/99. House committee substitute makes the following changes to 1st edition. Changes title of bill to: AN ACT TO EARMARK THE STATE SALES TAX REVENUE FROM DRY-CLEANING AND LAUNDRY SERVICES FOR THE DRY-CLEANING SOLVENT CLEANUP FUND, AND TO AMEND THE DRY-CLEANING SOLVENT CLEANUP ACT OF 1997 TO REPEAL THE REQUIREMENT OF FINANCIAL RESPONSIBILITY FOR DRY-CLEANING FACILITIES AND WHOLESALE DRY-CLEANING SOLVENT DISTRIBUTION FACILITIES, TO ALLOW THE ENVIRONMENTAL MANAGEMENT COMMISSION TO ENTER INTO CONTRACTS WITH PRIVATE CONTRACTORS FOR ASSESSMENT AND REMEDIATION ACTIVITIES AT DRY-CLEANING FACILITIES AND WHOLESALE DRY-CLEANING SOLVENT DISTRIBUTION FACILITIES, TO ESTABLISH A STATE GOAL FOR THE REDUCTION OF THE USE OF PERCHLOROETHYLENE F-1,1,3 BY DRY-CLEANING FACILITIES, TO REQUIRE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO REPORT TO THE ENVIRONMENTAL REVIEW COMMISSION ON THE PROGRESS IN ATTAINING THIS GOAL AND THE COST AND EFFECTIVENESS OF DRY-CLEANING TECHNOLOGIES AND CHEMICALS THAT OFFER AN ALTERNATIVE TO THE USE OF PERCHLOROETHYLENE F-1,1,3 AND TO MAKE OTHER CHANGES IN THE DRY-CLEANING SOLVENT CLEANUP ACT OF 1997. Effective July 1, 2001, adds new GS 105-164.44E, providing for transfer of state sales tax revenues collected from dry-cleaning and laundry services to the Dry-Cleaning Solvent Cleanup Fund in following percentages each quarter: 15% in 2001-02, 30% in 2002-03, and 60% in 2004-05 and thereafter. Removes provisions for phase-in of privilege tax on dry-cleaning and laundry businesses based on gross receipts, and phase-out of local and state sales taxes on those services.

Makes changes to Dry-Cleaning Solvent Cleanup Act. Clarifies that property owners must provide Environmental Management Comm'n or its agents access to property for purpose of conducting assessment or remediation activities. Removes provision of GS 143-215.104G (certification of facilities and abandoned sites) addressing changing of priority rankings of sites. Amends GS 143-215.104H (dry-cleaning solvent assessment agreements) to require petitioners to provide listed information as Comm'n may require. Adds following to list of information: amount of funds expended by petitioner for assessment or remediation. Provides that an assessment agreement shall require that a petitioner be liable to the Fund for an amount equal to the difference, if any, between the applicable amount of financial responsibility established by statute and the amount reasonably paid by the petitioner for assessment or remediation activities of the type specified by statute. Amends GS 143-215.104I(g) to provide that a remediation agreement may provide for the Comm'n to conduct assessment and remediation activities at the site.

Amends SL 1997-392, Sec. 7, to permit Comm'n, by rule, to shorten the period of time during which costs subject to reimbursement under the law may be incurred, and to establish a different cutoff date for assessment and remediation activities covered by the law. Adds new GS 143-215.104V, which describes dry-cleaning solvent (PERC) reduction goals, by percent reduction every five years, reaching 100% reduction in 2019. Amends GS 143-215.104U to add two requirements to annual report that Sec'y of Environment and Natural Resources submits to the

Environmental Review Comm'n: (1) information about the state's progress in attaining PERC reduction, and (2) information about the cost and effectiveness of dry-cleaning technologies and chemicals that are alternatives to the use of PERC.`

May 30, 2000

H 1326. DRY-CLEANING SOLVENT CLEANUP AMENDS. Intro. 4/22/99. Senate committee substitute makes the following changes to 2nd edition. *Funding changes:* (1) Effective April 1, 2003 and expiring June 30, 2010, sets flat 15% rate for transfer of revenue from tax collected under dry cleaner sales tax to the Dry-cleaning Solvent Cleanup Fund (was, a rate moving from 15% in fiscal year 2001-2002 to 60% in 2004-2005 and thereafter); (2) Effective Oct. 1, 2001 and expiring Jan. 1, 2010, increases dry-cleaning solvent privilege and excise tax to \$10 per gallon for chlorine-based solvent (was, \$5.85 per gallon) and \$1.35 per gallon for hydrocarbon-based solvent (was, \$0.80 per gallon); (3) makes technical changes in the application of sales tax under GS 105-164.7; (4) changes deductibles ("financial responsibility requirements") for both dry-cleaning solvent assessment and remediation agreements and for cleanup certification to include a percentage of the costs of assessment and remediation up to one million dollars; (5) changes the amount of cleanup funds that can be used for oversight of response activities to 40% in 2001, 45% in 2002, then back to 20% in 2003 (was, 20% for all periods) of the revenue credited to the Cleanup Fund in a year; (6) prohibits use of funds at sites where past responsible party funding is overdue; (7) limits the total of all payments from the Cleanup Fund in a single fiscal year to 10% of the revenues credited to the Fund in the preceding fiscal year. *Other changes:* (1) Until January 1, 2012, gives a contested case right to any person aggrieved by a decision of the Environmental Management Commission under the Dry Cleaning Solvent Act; (2) prohibits recovery of attorneys' fees by a party seeking to compel cleanup of dry-cleaning solvent contamination beyond what is required in a dry-cleaning solvent remediation agreement; (3) extends the period for temporary rulemaking under the Dry Cleaning Solvent Act, as well as the transition period after which persons can seek reimbursement from the cleanup fund, to June 30, 2001 (was, June 30, 2000); (4) directs the Comm'n on Health Services to adopt a rule requiring the disposal of chlorinated dry cleaning solvent wastes (other than in wastewater from the dry-cleaning process) by permitted hazardous waste facilities; (5) deletes the statutory goals for reduction in use of perchloroethylene F-1,1,3 (PERC); (6) requires Sec'y of Env't and Natural Resources to study alternatives to current dry-cleaning technology and report to the Environmental Mgmt. Comm'n by Nov. 1, 2000 (interim) and Sept. 1, 2001 (final).