



House of Representatives

File No. 641

General Assembly

February Session, 2010

(Reprint of File No. 269)

Substitute House Bill No. 5119
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 26, 2010

***AN ACT CONCERNING THE REMEDIATION ACCOUNT FOR DRY
CLEANING ESTABLISHMENTS AND REGULATED ACTIVITY ON
CERTAIN SITES UNDERGOING REMEDIAL ACTION.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Section 12-263m of the 2010 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective from passage*):

4 (a) As used in this section: (1) "Eligible dry cleaning establishment"
5 means any place of business engaged in the cleaning of clothing or
6 other fabrics using tetrachlorethylene, Stoddard solvent or other
7 chemicals or any place of business that accepts clothing or other fabrics
8 to be cleaned by another establishment using such chemicals, (2) "gross
9 receipts at retail" means the total amount accruing from dry cleaning
10 services at retail, valued in money, without any deduction for the cost
11 of the materials used, labor or service cost or any other expense, and
12 (3) "eligible applicant" means (A) a business owner or operator of an
13 eligible dry cleaning establishment, or (B) an owner of property that is
14 or that was occupied by an eligible dry cleaning establishment.

15 (b) There shall be paid to the Commissioner of Revenue Services by
16 each dry cleaning establishment a surcharge of one per cent of its gross
17 receipts at retail for any dry cleaning service performed on or after
18 January 1, 1995. Each such establishment shall register with the
19 Commissioner of Revenue Services on forms prescribed by him. Each
20 such establishment shall submit a return quarterly to the
21 Commissioner of Revenue Services, applicable with respect to the
22 calendar quarter beginning January 1, 1995, and each calendar quarter
23 thereafter, on or before the last day of the month immediately
24 following the end of each such calendar quarter, on a form prescribed
25 by the commissioner, together with payment of the quarterly
26 surcharge determined and payable in accordance with the provisions
27 of this section. Whenever such surcharge is not paid when due, a
28 penalty of ten per cent of the amount due or fifty dollars, whichever is
29 greater, shall be imposed, and such surcharge shall bear interest at the
30 rate of one per cent per month or fraction thereof until the same is
31 paid. The Commissioner of Revenue Services shall cause copies of a
32 form prescribed for submitting returns as required under this section
33 to be distributed to persons subject to the surcharge. Failure to receive
34 such form shall not be construed to relieve anyone subject to the
35 surcharge under this section from the obligations of submitting a
36 return, together with payment of such surcharge within the time
37 required. The provisions of sections 12-548 to 12-554, inclusive, and
38 sections 12-555a and 12-555b shall apply to the provisions of this
39 section in the same manner and with the same force and effect as if the
40 language of said sections 12-548 to 12-554, inclusive, and sections
41 12-555a and 12-555b had been incorporated in full into this section and
42 had expressly referred to the surcharge imposed under this section,
43 except to the extent that any such provision is inconsistent with a
44 provision of this section and except that the term "tax" shall be read as
45 "dry cleaning establishment surcharge". Any moneys received by the
46 state pursuant to this section shall be deposited into the account
47 established pursuant to subsection (c) of this section.

48 (c) There is established an account within the General Fund to be

49 known as the "dry cleaning establishment remediation account". Said
50 account shall contain any moneys required by law to be deposited in
51 the account. Any balance remaining in the account at the end of any
52 fiscal year shall be carried forward in the account for the fiscal year
53 next succeeding. The account shall be used by the Department of
54 Economic and Community Development for grants made to owners or
55 operators of eligible dry cleaning establishments or owners of property
56 on which an eligible dry cleaning establishment has been in operation
57 for at least a year prior to the approval of the application or was
58 previously operated for at least a year prior to such approval.

59 (d) The state, acting through the Commissioner of Economic and
60 Community Development, shall use the dry cleaning establishment
61 remediation account to provide grants to applicants for the purposes
62 of the containment and removal or mitigation of environmental
63 pollution resulting from the discharge, spillage, uncontrolled loss,
64 seepage or filtration of chemical liquids or solid, liquid or gaseous
65 products or hazardous wastes on or at the site of an eligible dry
66 cleaning establishment or for measures undertaken to prevent such
67 pollution which are approved by the Commissioner of Environmental
68 Protection. In order to qualify for a grant under the provisions of this
69 section an eligible applicant must demonstrate to the satisfaction of the
70 Commissioner of Economic and Community Development that (1) the
71 eligible dry cleaning establishment is using or [has] previously used,
72 tetrachlorethylene or Stoddard solvent or other chemicals for the
73 purpose of cleaning clothes or other fabrics, (2) the eligible dry
74 cleaning establishment has been doing business or did business at the
75 site for a period of at least one year prior to the submission date or
76 approval date of the application for assistance under this section, (3)
77 the eligible dry cleaning establishment or owner of property is not in
78 arrears with regard to any tax levied by the state or any political
79 subdivision of the state and the dry cleaning surcharge imposed by
80 subsection (b) of this section, and (4) the eligible applicant is not in
81 arrears with regard to any tax levied by the state or any political
82 subdivision of the state. Any funds disbursed as a grant under this

83 section shall not be subject to attachment in the satisfaction of any
84 judgment against the recipient of such grant in any civil action.

85 (e) Notwithstanding the terms of any grant made under this section,
86 an eligible applicant shall bear all the costs of such pollution that are
87 less than ten thousand dollars. The Commissioner of Economic and
88 Community Development may provide a grant of up to three hundred
89 thousand dollars to the eligible applicant where the eligible applicant
90 has provided said commissioner with documentation satisfactory to
91 said commissioner that the services for which payment is sought have
92 been or will be completed. No eligible applicant shall receive more
93 than three hundred thousand dollars per eligible dry cleaning
94 establishment. There shall be allocated to the Department of Economic
95 and Community Development annually from the account, for
96 administrative costs, an amount equal to five per cent of the maximum
97 balance of the account in the preceding year or one hundred thousand
98 dollars, whichever is greater. In addition the account may be used (1)
99 to provide grants to the Department of Environmental Protection for
100 expenditures made investigating dry cleaning establishments, (2) to
101 provide potable water whenever necessary, and (3) to conduct
102 environmental site assessments.

103 (f) Requests for grants shall be made to the Commissioner of
104 Economic and Community Development. Any eligible applicant
105 seeking a grant shall provide documentation supporting the need for
106 the grant.

107 (g) Any dry cleaning establishment which unlawfully or
108 intentionally discharges or spills any chemical liquids or solid, liquid
109 or gaseous products or hazardous wastes shall not be eligible for a
110 grant from the account.

111 (h) The Commissioner of Economic and Community Development
112 shall establish procedures for distribution of the grants and shall adopt
113 criteria to carry out the provisions of this section. Such criteria shall
114 specify (1) who may apply for grants; (2) how establishments, whether

115 owned or leased, will be determined to be eligible for grants; (3) the
116 costs for which grants may be made; and (4) a method for ensuring
117 timely payment of funds to grant recipients.

118 (i) The Commissioner of Economic and Community Development
119 shall include in the report required pursuant to section 32-1m an
120 annual report that shall include information as to the number of
121 applications received, and the number and amounts of grants made,
122 since the inception of the program, the names of the applicants, the
123 time period between submission of an application and the decision to
124 approve or deny the grant, which applications were approved and
125 which applications were denied and the reasons for denial. Such report
126 shall further include a recommendation as to whether the surcharge
127 and the grant program established under this section should continue.

128 Sec. 2. (NEW) (*Effective from passage*) Regulated activity, as defined
129 in section 22a-354h of the general statutes, shall not be prohibited in
130 aquifer protection areas on any site undergoing remedial action
131 pursuant to 40 CFR 271 at the time the applicable aquifer protection
132 area is designated on a municipal zoning district map or inland
133 wetland map, provided: (1) No such regulated activity substantially
134 commenced or was in active operation for the five-year period
135 preceding the date that the applicable aquifer protection area is
136 designated on a municipal zoning district map or inland wetland map,
137 and (2) any person who engages in such regulated activity for the ten-
138 year period commencing on the date that such applicable aquifer
139 protection area is designated on a municipal zoning district map or
140 inland wetland map registers such regulated activity on a form
141 prescribed by the Commissioner of Environmental Protection and in
142 accordance with the provisions of section 22a-354i-7 of the regulations
143 of Connecticut state agencies.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-263m

Sec. 2	<i>from passage</i>	New section
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The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 11 \$	FY 12 \$
Department of Economic & Community Development	SF - Cost	See Below	See Below

Note: SF=Special Fund (Non-appropriated)

Municipal Impact: None

Explanation

The bill as amended will result in increased costs to the Dry Cleaning Remediation Account to the extent owners of a site formerly occupied by a dry cleaning establishment are issued grants from the account. The additional cost is estimated to result in an increased rate of depletion of the account balance. Once the account balance is depleted the account will be limited to expenditures equal to revenue.

The table below provides a summary of the activity in the Dry Cleaning Remediation Account in FY 09.

Account	FY 09
Beginning Balance	2,301,814
Revenue	764,934
Grants	(1,516,400)
Administration	(115,090)
Ending Balance	1,435,258

House "A" has no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would

continue into the future subject to inflation.

Sources: Core-CT Financial Accounting System

OLR Bill Analysis**sHB 5119 (as amended by House "A") ******AN ACT CONCERNING THE REMEDIATION ACCOUNT FOR DRY CLEANING ESTABLISHMENTS.*****SUMMARY:**

This bill allows a regulated activity (see BACKGROUND) to be conducted in an aquifer protection area where hazardous waste is being cleaned up at the time the particular aquifer protection area is designated on a municipal zoning district or inland wetland map, as long as (1) the regulated activity did not substantially begin, or was actively operating for five years, before the area was designated on such a map and (2) anyone conducting the regulated activity for 10 years, starting on the date of the designation, registers the activity on a Department of Environmental Protection (DEP) form according to DEP regulations.

It also makes the owner of a site formerly occupied by a dry cleaning establishment eligible for grants from the dry cleaning establishment remediation account. The bill applies to former dry cleaning establishment sites the criteria that, under current law, eligible grant applicants must demonstrate to the economic and community development commissioner. The criteria include demonstrating that the establishment (1) used or accepted clothing to be cleaned by another establishment using tetrachlorethylene, Stoddard solvent, or other chemicals; (2) did business at the site for at least one year before the application submission or approval date; and (3) is not in arrears on any state or local tax or the dry cleaning surcharge.

The bill also makes technical and conforming changes.

*House Amendment "A" adds the provision on regulated activity in aquifer protection areas and eliminates a provision allowing dry cleaning remediation grants to be used to update machinery and equipment for environmental compliance.

EFFECTIVE DATE: Upon passage

BACKGROUND

Regulated Activity

By law, a regulated activity is any action, process, or condition that the DEP commissioner determines involves the production, handling, use, storage, or disposal of material that may pose a threat to groundwater in an aquifer protection area, including structures and appurtenances used in conjunction with this activity (CGS § 22a-354h).

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 30 Nay 0 (03/17/2010)

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 52 Nay 0 (04/14/2010)