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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 4180

03/05/2020

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The bill was read for the first time and referred to the Environment and Natural Resources Finance Division

1.1 A bill for an act

1.2 relating to environment; modifying fees for dry cleaners; modifying a report to

1.3 the legislature; amending Minnesota Statutes 2018, section 115B.49, by adding a

1.4 subdivision; Laws 2019, First Special Session chapter 4, article 1, section 2,

1.5 subdivision 10; repealing Minnesota Statutes 2018, section 115B.49, subdivisions

1.6 4, 4b.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2018, section 115B.49, is amended by adding a subdivision

1.9 to read:

1.10 Subd. 4c. Registration; fees. (a) The owner or operator of a dry cleaning facility must

1.11 register on or before October 1 of each year with the commissioner of revenue in a manner

1.12 prescribed by the commissioner of revenue and pay a registration fee for the facility. The

1.13 fee is:

1.14 (1) \$3,886 for facilities with a full-time equivalent of fewer than five;

1.15 (2) \$8,386 for facilities with a full-time equivalent of five to ten; and

1.16 (3) \$15,442 for facilities with a full-time equivalent of more than ten.

1.17 (b) The registration fee must be paid on or before October 18, or the owner or operator

1.18 of a dry cleaning facility may elect to pay the fee in equal installments. Installment payments

1.19 must be paid on or before October 18, on or before January 18, on or before April 18, and

1.20 on or before June 18. All payments made after October 18 bear interest at the rate specified

1.21 in section 270C.40.

2.1 (c) A person who sells dry cleaning solvents for use by dry cleaning facilities in the state
 2.2 must collect and remit to the commissioner of revenue, in the same manner prescribed by
 2.3 the commissioner of revenue for the taxes imposed under chapter 297A, a fee of:

2.4 (1) \$46.73 for each gallon of perchloroethylene sold for use by dry cleaning facilities
 2.5 in the state;

2.6 (2) \$24.78 for each gallon of hydrocarbon-based dry cleaning solvent sold for use by
 2.7 dry cleaning facilities in the state; and

2.8 (3) \$11.57 for each gallon of other nonaqueous solvents sold for use by dry cleaning
 2.9 facilities in the state.

2.10 (d) The audit, assessment, appeal, collection, enforcement, and administrative provisions
 2.11 of chapters 270C and 289A apply to the fees imposed under this subdivision. To enforce
 2.12 this subdivision, the commissioner of revenue may grant extensions to file returns and pay
 2.13 fees, impose penalties and interest on the fees imposed by this subdivision, and abate
 2.14 penalties and interest in the manner provided in chapters 270C and 289A. The penalties and
 2.15 interest imposed on taxes under chapter 297A apply to the fees imposed under this
 2.16 subdivision. Disclosure of data collected by the commissioner of revenue under this
 2.17 subdivision is governed by chapter 270B.

2.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.19 Sec. 2. Laws 2019, First Special Session chapter 4, article 1, section 2, subdivision 10, is
 2.20 amended to read:

2.21 **Subd. 10. Transfers**

2.22 (a) The commissioner must transfer up to
 2.23 \$44,000,000 from the environmental fund to
 2.24 the remediation fund for purposes of the
 2.25 remediation fund under Minnesota Statutes,
 2.26 section 116.155, subdivision 2.

2.27 (b) \$600,000 the first year is transferred from
 2.28 the remediation fund to the dry cleaner
 2.29 environmental response and reimbursement
 2.30 account for purposes of Minnesota Statutes,
 2.31 section 115B.49, with reimbursement
 2.32 prioritized to persons who meet the definition
 2.33 in Minnesota Statutes, section 115B.48,

3.1 subdivision 10, clause (2), and who have made
3.2 a request to the commissioner, as required
3.3 under Minnesota Statutes, section 115B.50,
3.4 subdivision 2.

3.5 (c) Notwithstanding Minnesota Statutes,
3.6 section 115B.49, subdivision 3, paragraph (a),
3.7 \$600,000 the first year is transferred from the
3.8 remediation fund to the dry cleaner
3.9 environmental response and reimbursement
3.10 account for the commissioner for preparing to
3.11 prepare a report to the chairs and ranking
3.12 minority members of the legislative
3.13 committees and divisions with jurisdiction
3.14 over environment and natural resources
3.15 finance that includes an assessment of the
3.16 possibility of recovering environmental
3.17 response costs from insurance held by dry
3.18 cleaning facilities and an analysis of the
3.19 long-term expected revenues and expenditures
3.20 that would be incurred by the account under
3.21 current law. The report must also include
3.22 recommendations for other possible revenue
3.23 sources for the account that would cover the
3.24 ongoing and future environmental response
3.25 costs related to dry cleaning facilities. The
3.26 commissioner must work with owners and
3.27 operators of dry cleaning facilities and
3.28 representative associations in preparing the
3.29 report. The report must be submitted by
3.30 January 15, 2021.

3.31 (d) \$600,000 the second year is transferred
3.32 from the remediation fund to the dry cleaner
3.33 environmental response and reimbursement
3.34 account for purposes of Minnesota Statutes,
3.35 section 115B.49, ~~if legislation is enacted in~~

4.1 ~~the 2020 legislative session to address the~~
 4.2 ~~insolvency of the dry cleaner environmental~~
 4.3 ~~response and reimbursement account with~~
 4.4 ~~reimbursement prioritized to persons who meet~~
 4.5 ~~the definition in Minnesota Statutes, section~~
 4.6 ~~115B.48, subdivision 10, clause (2), and who~~
 4.7 ~~have made a request to the commissioner, as~~
 4.8 ~~required under Minnesota Statutes, section~~
 4.9 ~~115B.50, subdivision 2.~~

4.10 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2019.

4.11 Sec. 3. **REVISOR INSTRUCTION.**

4.12 In each section of Minnesota Statutes referred to in column A, the revisor of statutes
 4.13 must delete the reference in column B and insert the reference in column C.

4.14	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
4.15	<u>13.7411, subdivision 5</u>	<u>115B.49, subdivision 4</u>	<u>115B.49, subdivision 4c</u>
4.16		<u>115B.49, subdivision 4,</u>	<u>115B.49, subdivision 4c,</u>
4.17	<u>115B.491, subdivision 1</u>	<u>paragraph (b)</u>	<u>paragraph (c)</u>
4.18	<u>115B.491, subdivision 2</u>	<u>115B.49, subdivision 4,</u>	<u>115B.49, subdivision 4c,</u>
4.19		<u>paragraph (b)</u>	<u>paragraph (c)</u>
4.20	<u>115B.491, subdivision 2</u>	<u>115B.49, subdivision 4,</u>	<u>115B.49, subdivision 4c,</u>
4.21		<u>paragraph (c)</u>	<u>paragraph (d)</u>
4.22	<u>115B.491, subdivision 3</u>	<u>115B.49, subdivision 4,</u>	<u>115B.49, subdivision 4c,</u>
4.23		<u>paragraph (c)</u>	<u>paragraph (d)</u>
4.24	<u>270B.14, subdivision 15</u>	<u>115B.49, subdivision 4</u>	<u>115B.49, subdivision 4c</u>

4.25 Sec. 4. **REPEALER.**

4.26 Minnesota Statutes 2018, section 115B.49, subdivisions 4 and 4b, are repealed.

4.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

115B.49 DRY CLEANER ENVIRONMENTAL RESPONSE AND REIMBURSEMENT ACCOUNT.

Subd. 4. **Registration; fees.** (a) The owner or operator of a dry cleaning facility shall register on or before October 1 of each year with the commissioner of revenue in a manner prescribed by the commissioner of revenue and pay a registration fee for the facility. The amount of the fee is:

- (1) \$500, for facilities with a full-time equivalence of fewer than five;
- (2) \$1,000, for facilities with a full-time equivalence of five to ten; and
- (3) \$1,500, for facilities with a full-time equivalence of more than ten.

The registration fee must be paid on or before October 18 or the owner or operator of a dry cleaning facility may elect to pay the fee in equal installments. Installment payments must be paid on or before October 18, on or before January 18, on or before April 18, and on or before June 18. All payments made after October 18 bear interest at the rate specified in section 270C.40.

(b) A person who sells dry cleaning solvents for use by dry cleaning facilities in the state shall collect and remit to the commissioner of revenue in the same manner prescribed by the commissioner of revenue, for the taxes imposed under chapter 297A, a fee of:

- (1) \$3.50 for each gallon of perchloroethylene sold for use by dry cleaning facilities in the state;
- (2) 70 cents for each gallon of hydrocarbon-based dry cleaning solvent sold for use by dry cleaning facilities in the state; and
- (3) 35 cents for each gallon of other nonaqueous solvents sold for use by dry cleaning facilities in the state.

(c) The audit, assessment, appeal, collection, enforcement, and administrative provisions of chapters 270C and 289A apply to the fee imposed by this subdivision. To enforce this subdivision, the commissioner of revenue may grant extensions to file returns and pay fees, impose penalties and interest on the annual registration fee under paragraph (a) and the monthly fee under paragraph (b), and abate penalties and interest in the manner provided in chapters 270C and 289A. The penalties and interest imposed on taxes under chapter 297A apply to the fees imposed under this subdivision. Disclosure of data collected by the commissioner of revenue under this subdivision is governed by chapter 270B.

Subd. 4b. **Fee adjustment.** Notwithstanding section 16A.1285, each fiscal year the commissioner shall adjust the fees in subdivision 4 as necessary to maintain an annual income to the account of \$650,000.