

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-FIRST SESSION**

**S.F. No. 1949**

(SENATE AUTHORS: INGEBRIGTSEN and Tomassoni)

DATE	D-PG	OFFICIAL STATUS
03/04/2019	623	Introduction and first reading
		Referred to Environment and Natural Resources Finance
03/13/2019	814	Comm report: To pass and re-referred to Taxes

1.1 A bill for an act

1.2 relating to environment; modifying fees for dry cleaners; allowing limited transfer

1.3 of sales tax revenues under certain conditions; appropriating money; amending

1.4 Minnesota Statutes 2018, section 115B.49, subdivision 2, by adding subdivisions;

1.5 repealing Minnesota Statutes 2018, section 115B.49, subdivisions 4, 4b.

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

1.7 Section 1. Minnesota Statutes 2018, section 115B.49, subdivision 2, is amended to read:

1.8 Subd. 2. **Revenue sources.** Revenue from the following sources must be deposited in

1.9 the state treasury and credited to the account:

1.10 (1) the proceeds of the fees imposed by subdivision 4 4c;

1.11 (2) interest attributable to investment of money in the account;

1.12 (3) penalties and interest collected under subdivision 4 4c, paragraph ~~(e)~~ (d); ~~and~~

1.13 (4) money received by the commissioner for deposit in the account in the form of gifts,

1.14 grants, and appropriations; and

1.15 (5) transfers from the general fund, as provided for in subdivision 5.

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

1.17 Sec. 2. Minnesota Statutes 2018, section 115B.49, is amended by adding a subdivision to

1.18 read:

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

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

2.1 prescribed by the commissioner of revenue and pay a registration fee for the facility. The  
2.2 amount of the fee is:

2.3 (1) \$1,500 for facilities with a full-time equivalent of fewer than five;

2.4 (2) \$3,250 for facilities with a full-time equivalent of five to ten; and

2.5 (3) \$6,000 for facilities with a full-time equivalent of more than ten.

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

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

2.14 (1) \$43.07 for each gallon of perchloroethylene sold for use by dry cleaning facilities  
2.15 in the state;

2.16 (2) \$22.84 for each gallon of hydrocarbon-based dry cleaning solvent sold for use by  
2.17 dry cleaning facilities in the state; and

2.18 (3) \$10.66 for each gallon of other nonaqueous solvents sold for use by dry cleaning  
2.19 facilities in the state.

2.20 (c) The amounts of the fees in paragraphs (a) and (b) must be adjusted each year as  
2.21 provided in this paragraph. In 2019, the amount of each fee is the amount listed in paragraphs  
2.22 (a) and (b), as applicable, plus the product of those amounts multiplied by the percentage  
2.23 increase in the Consumer Price Index. For the registration fee, the product must be rounded  
2.24 up to the next highest dollar. For the solvent fee, the product must be rounded up to the next  
2.25 highest cent. Each year thereafter, each fee is the amount of the fee paid the previous year  
2.26 plus the product of the previous year's fee multiplied by the increase in the Consumer Price  
2.27 Index. The index used must be the revised Consumer Price Index prepared by the United  
2.28 States Department of Labor for all urban consumers for the St. Paul-Minneapolis metropolitan  
2.29 area from July of the previous year to July of the current year, as determined by the  
2.30 commissioner of revenue.

2.31 (d) The audit, assessment, appeal, collection, enforcement, and administrative provisions  
2.32 of chapters 270C and 289A apply to the fees imposed by this subdivision. To enforce this  
2.33 subdivision, the commissioner of revenue may grant extensions to file returns and pay fees,

3.1 impose penalties and interest on the fees imposed by this subdivision, and abate penalties  
 3.2 and interest in the manner provided in chapters 270C and 289A. The penalties and interest  
 3.3 imposed on taxes under chapter 297A apply to the fees imposed under this subdivision.  
 3.4 Disclosure of data collected by the commissioner of revenue under this subdivision is  
 3.5 governed by chapter 270B.

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

3.7 Sec. 3. Minnesota Statutes 2018, section 115B.49, is amended by adding a subdivision to  
 3.8 read:

3.9 **Subd. 5. Transfer.** Beginning July 1, 2020, the commissioner of the Pollution Control  
 3.10 Agency must notify the commissioner of revenue if the unencumbered balance of the account  
 3.11 created in this section falls below \$1,500,000, and within 30 days of the notice, the  
 3.12 commissioner of revenue must transfer from the revenues deposited in the general fund  
 3.13 under section 297A.94 an amount necessary to maintain an annual income in the account  
 3.14 created in this section of \$1,500,000. The amount transferred may not exceed 30 percent  
 3.15 of the revenues deposited in the general fund under section 297A.94 that the commissioner  
 3.16 of revenue estimates were derived from sales taxes imposed on dry cleaning services in the  
 3.17 previous fiscal year. No more than one transfer per fiscal year may be made under this  
 3.18 subdivision.

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

3.20 Sec. 4. **APPROPRIATION.**

3.21 \$1,800,000 in fiscal year 2020 is appropriated from the revenues deposited in the general  
 3.22 fund under Minnesota Statutes, section 297A.94, to the commissioner of the Pollution  
 3.23 Control Agency to be deposited in the dry cleaner environmental response and reimbursement  
 3.24 account for purposes of Minnesota Statutes, section 115B.49.

3.25 Sec. 5. **REVISOR INSTRUCTION.**

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

3.28	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
3.29	<u>13.7411, subdivision 5</u>	<u>115B.49, subdivision 4</u>	<u>115B.49, subdivision 4c</u>
3.30	<u>115B.491, subdivision 1</u>	<u>115B.49, subdivision 4</u>	<u>115B.49, subdivision 4c</u>
3.31	<u>115B.491, subdivision 2</u>	<u>115B.49, subdivision 4,</u>	<u>115B.49, subdivision 4c,</u>
3.32		<u>paragraph (b)</u>	<u>paragraph (b)</u>

4.1	<u>115B.491, subdivision 2</u>	<u>115B.49, subdivision 4,</u>	<u>115B.49, subdivision 4c,</u>
4.2		<u>paragraph (c)</u>	<u>paragraph (d)</u>
4.3	<u>115B.491, subdivision 3</u>	<u>115B.49, subdivision 4,</u>	<u>115B.49, subdivision 4c,</u>
4.4		<u>paragraph (c)</u>	<u>paragraph (d)</u>
4.5	<u>270B.14, subdivision 15</u>	<u>115B.49, subdivision 4</u>	<u>115B.49, subdivision 4c</u>

4.6 **Sec. 6. REPEALER.**

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

4.8 **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.