

## PROHIBIT MANUFACTURE, SALE, AND USE OF DRY CLEANING SOLVENTS CONTAINING PERCHLOROETHYLENE

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**House Bill 4083 (H-2) as reported from committee**

**Sponsor: Rep. Julie Rogers**

**Committee: Natural Resources, Environment, Tourism and Outdoor Recreation**

**Complete to 9-1-23**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 4083 would amend the Natural Resources and Environmental Protection Act (NREPA) to add a new Subpart 3 (Perchloroethylene) to Part 147 (Chemical Substances). This new subpart would prohibit the manufacture, sale, and use of dry cleaning solvents that contain perchloroethylene. These prohibitions would go into effect as follows:

- Manufacture: December 1, 2031.
- Sale: June 1, 2032.
- Use: December 1, 2032.

A person violating these prohibitions could be ordered to pay a civil fine of up to \$10,000. A violation could be prosecuted by the attorney general or the county prosecutor for the county where the violation occurred.

The bill also would require the Department of Environment, Great Lakes, and Energy (EGLE) to develop and issue rules to implement a cost-share program to provide grants to dry cleaning facilities to cover the costs of transitioning from products that contain perchloroethylene to alternative products. EGLE would have to make information on the cost-share program available on its website. The rules would also have to establish all of the following:

- Eligibility and selection criteria.
- Application requirements.
- Eligible alternative products, dry cleaning processes, and equipment.
- A buy-back program to ensure safe disposal of existing products that contain perchloroethylene from dry cleaning facilities.

Finally, the bill would create the Perchloroethylene Fund in the state treasury. The state treasurer could receive money or other assets from any source for deposit into the fund and would have to direct the investment of the fund and credit to the fund interest and earnings from those investments. Money in the fund at the close of the fiscal year would remain in the fund and would not lapse to the general fund. The Department of Environment, Great Lakes, and Energy (EGLE) would be the administrator of the fund for auditing purposes. EGLE could expend money from the fund, upon appropriation, to do all of the following:

- Provide grants under the cost-share program described above.
- Provide information and resources regarding the cost-share program.
- Provide information and resources about alternative products, dry cleaning processes, and equipment.

Proposed MCL 324.14731, 324.14733, and 324.14735

## **BRIEF DISCUSSION:**

Perchloroethylene, also known as tetrachloroethylene, is used in several industries, including dry cleaning. According to committee testimony, this chemical is a potential carcinogen and can contaminate groundwater if spilled into the soil.

Supporters of the bill point to research suggesting a connection between exposure to perchloroethylene and significant health issues as reason to restrict its use. They also note that sites of facilities that used the substance have barriers to redevelopment due to the presence of perchloroethylene in the soil. Because perchloroethylene does not break down like other organic compounds, it remains for decades after a facility's closure. Given the substance's traditional role in dry cleaning and the emergence of new technologies that do not use perchloroethylene, supporters argue that its use can be phased out in this industry with minimal disruption to business owners.

Critics say that, while perchloroethylene may be a hazardous substance, the bill unfairly targets just one industry that uses it, and the costs to dry cleaning owners to change processes would be particularly steep for smaller businesses, which could lead to closures.

## **FISCAL IMPACT:**

House Bill 4083 would not affect revenues for EGLE. The bill does not increase or decrease current revenues or provide a new source of revenue. The Perchloroethylene Fund created under the bill is likely to maintain a balance of \$0 unless or until money is credited to the fund. The bill is likely to increase costs for the department by requiring the promulgation of administrative rules and posting information on its website for the cost-share program created under the bill. The bill is unlikely to affect revenues or costs for local units of government.

## **POSITIONS:**

Representatives of the following entities testified in support of the bill (3-9-23):

- Kalamazoo County Planning and Development Department
- Ecology Center

The following entities indicated support for the bill:

- Department of Environment, Great Lakes, and Energy (3-9-23)
- Michigan Environmental Council (3-9-23)
- Michigan League of Conservation Voters (3-9-23)
- Michigan Nurses Association (3-23-23)

The Michigan Cleaners Association indicated a neutral position on the bill. (3-23-23)

A representative of Presidential Cleaners testified in opposition to the bill. (3-9-23)

The National Federation of Independent Business indicated opposition to the bill. (3-9-23)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.