

## Highlights of House Bill (HB) 1366: Frequently Asked Questions for Solvent Distributors

- Q1:** Who is required to register as a solvent distributor?  
**A1:** You are required to register if your business sells, delivers, or otherwise distributes dry cleaning solvent to dry cleaning facilities or drop stations doing business in the state of Texas. For a complete definition, please refer to the website listed in the letter.
- Q2:** When am I required to begin collecting fees? When is my first batch of fee collections due?  
**A2:** You must begin collecting fees on January 1, 2004. Your first batch of fee collections is due to the TCEQ on March 20, 2004. For the initial report, you will only be remitting two months (January 1 to February 28) of fee collections to the TCEQ instead of the normal three months. All subsequent reports will include three months of fee collections, per the schedule in Q/A 8.
- Q3:** What fees am I required to collect?  
**A3:** You are required to collect \$15 per gallon for perchloroethylene ("perc") and \$5 per gallon for all other solvents (except carbon dioxide). In the case of a fraction of a gallon, the fee imposed is the amount computed by multiplying that fraction by the amount of the fee imposed on a whole gallon. There is no fee on the sale of the solvent carbon dioxide.
- Q4:** Can I sell solvent after January 1, 2004 to a dry cleaning facility in Texas that doesn't have a registration number?  
**A4:** No. After January 1, 2004, for each sale you must record the registration number of the purchasing dry cleaning facility; you cannot sell, deliver, or otherwise distribute solvent to any dry cleaning facility in Texas without a registration number after this date. All dry cleaning facilities and drop stations operating in Texas must register with the TCEQ to obtain a registration number.
- Q5:** Can a customer pre-pay for solvent before January 1, 2004, and take delivery after that date to avoid the solvent fees?  
**A5:** No. The fee is triggered when the solvent is delivered OR when it is paid for in full, whichever occurs first. Therefore, both full payment and delivery would need to occur before January 1, 2004, to avoid the solvent fees.
- Q6:** What if I deliver solvent to a customer on net terms who goes out of business before paying for it?  
**A6:** If you have already delivered the solvent, it is considered sold, and at that point you are responsible for the solvent fees even if you haven't received payment for the actual solvent. For this reason, you may wish to consider collecting solvent fees upon delivery to customers with net terms.
- Q7:** Will any of my customers be exempt from the solvent fees?  
**A7:** Yes, some dry cleaning facilities will have special registrations that exempt them from the solvent fees you are normally required to collect. We will provide you more information about these facilities at a later date.
- Q8:** When do I send the fees I have collected to the TCEQ?  
**A8:** Fee collections are due to the TCEQ on a quarterly basis, according to the following schedule:

Reporting Period #	Reporting Period	Report Due
1	September 1 - November 30	December 20
2	December 1 - February 28/29	March 20
3	March 1 - May 31	June 20
4	June 1 - August 31	Sept 20