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## Accessing the Drycleaner Environmental Response Trust Fund

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As administrator of the Drycleaner Environmental Response Trust (“DERT”) Fund (“the Fund”), the Illinois Environmental Protection Agency (“Illinois EPA”) is responsible for:

- licensing drycleaning facilities in Illinois,
- administering the environmental liability coverage (“insurance”) that drycleaning facilities may obtain under the Fund, and
- reviewing remedial action and insurance claims made against the Fund.

Active drycleaners are required to apply and pay for a license every year ([35 Ill. Admin. Code 1501.200\(a\)](#); [1501.220](#); [415 ILCS 135/60\(a\)](#)). Drycleaners in Illinois are required to submit an annual payment of \$1,500 to \$5,000 depending on the type and gallons of solvent used to the Illinois [Department of Revenue](#) (“Illinois DOR”) for their license.

Purchasing insurance through the Illinois EPA provides owners or operators of an active drycleaner a degree of financial protection from the impacts of a chemical release, which can turn into a costly project. Facilities that have a current DERT insurance policy at the time of the release will be eligible for reimbursements from the DERT Fund of up to \$500,000 for eligible remedial costs. Such costs may include consulting services, soil and groundwater sampling, laboratory analysis, installation of building control technology, and more.

It is estimated that 75% of drycleaners nationwide have “some level of contamination” (Schmidt, et. al., 2001). If a drycleaning facility has a release of drycleaning solvents it must notify the Illinois EPA within 24 hours ([35 Ill. Admin. Code 1501.400\(e\)](#)). Covered owners or operators must conduct remedial action through the Illinois EPA [Site Remediation Program](#) ([35 Ill. Admin. Code 1501.300\(b\)](#) and [1501.400\(c\)](#)).



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Rather than paying thousands of dollars upfront to an environmental consultant for every report submitted to the Site Remediation Program and all investigative or remedial activities, an owner/operator may instead pay a deductible and make annual payments to maintain access to reimbursements from the Fund. If the drycleaner ceases drycleaning operations, they are considered inactive [[415 ILCS 135/5](#)] and become subject to the administrative assessment fee of \$3,000 every year, even if they do not submit a claim ([35 Ill. Admin. Code 1501.130](#) and [1501.360](#)). An “inactive drycleaning facility” means a drycleaning facility that is not being used for drycleaning operations and is not registered under the DERT Fund Act or licensed [[415 ILCS 135/5](#)]. Active drycleaners, on the other hand, must maintain their license and insurance to



maintain eligibility for reimbursements from the Fund. An "active drycleaning facility" means a drycleaning facility actively engage in drycleaning operations and licensed [415 ILCS 135/5]. When the Illinois EPA determines that a site in the Site Remediation Program has completed necessary corrective action, Illinois EPA will issue the owner/operator a No Further Remediation ("NFR") letter for the site.

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## Licensing

- No person may operate a drycleaning facility in Illinois without a license issued by the Illinois EPA (35 Ill. Admin. Code 1501.200(a); 415 ILCS 135/60(a)). Facilities that accept textiles that are then taken to another location for drycleaning are not required to be licensed.
- The drycleaner facility's owner/operator must submit the license application and proof of payment to the Illinois EPA in order to be placed on the licensed drycleaner roster. Solvent vendors must refer to this list before approving orders for drycleaners. The proof of payment will either be a DS-3 form with a green sticker or a printed or electronic receipt from Illinois DOR.
- The annual license fee can be paid by visiting <https://tax.illinois.gov/research/taxinformation/excise/dryclean.html>. Click on the "Illinois e-Pay" hyperlink under "License Fees" and follow the directions. Include a copy of the proof of payment when mailing the application to the Illinois EPA.
- All DERT Fund Program forms, including the license and insurance applications, can be found at <https://epa.illinois.gov/topics/forms/land-forms/drycleaner.html>. To request paper applications, email [epa.drycleanerfund@illinois.gov](mailto:epa.drycleanerfund@illinois.gov).

## Insurance

- Insurance is not required for everyone. Uninsured facilities are not eligible for reimbursement from the Fund for remedial activities.
- Drycleaning facilities that are actively providing drycleaning services and that have received reimbursement from the Fund must maintain continuous environmental liability coverage in the



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amount of at least \$500,000 for that facility until January 1, 2030 (35 Ill. Admin. Code 1501.300(c) and 1501.400(d); 415 ILCS 135/40(j)).

- Inactive facilities that are eligible for reimbursement must pay an annual \$3,000 administrative assessment through 2029 (35 Ill. Admin. Code 1501.360; 415 ILCS 135/40(k)).
- Active drycleaning facilities that have not had a release may apply for a policy through the Illinois EPA to become eligible for reimbursement. Coverage will not be provided for a release that occurred outside the dates of coverage (35 Ill. Admin. Code 1501.430(b); 415 ILCS 135/45(c)).
- Policies cover six- or twelve-month periods, depending on the owner/operator's payment preference. Insurance materials include the insurance renewal application, facility information form, premium payment voucher, and premium payment of \$750 or \$1,500.
- If a site ceases drycleaning operations after being issued the NFR Letter, it is not required to maintain insurance. However, if the site is still operating as a drycleaner after receiving the NFR Letter, it will need to maintain insurance coverage until 2030 (35 Ill. Admin. Code 1501.400(d); 415 ILCS 135/40(j)) and license obligations until it closes.

## Remediation

- Drycleaners must notify the Illinois EPA within 24 hours after a release and submit a Claim Form to the Illinois EPA as soon as possible following the release (35 Ill. Admin. Code 1501.400(e)). The Illinois EPA reviews the claim and issues a determination of eligibility to access the Fund (35 Ill. Admin. Code 1501.450(a)(2)).
- The drycleaner must enroll in the Site Remediation Program (SRP) and conduct remedial action (35 Ill. Admin. Code 1501.300(b) and 1501.400(c); 415 ILCS 135/40(i)). A budget plan must be submitted on Illinois EPA forms along with a corresponding SRP plan or report (35 Ill. Admin. Code 1501.450(b)). SRP plans and reports must be certified by a Licensed Professional Engineer or Geologist, provided by an environmental consultant. After the Illinois EPA approves the Budget Plan, the drycleaner may begin the proposed activities. Costs not approved by the Illinois EPA before starting the work are not eligible for reimbursement (35 Ill. Admin. Code 1501.330(g)(9) and 1501.430(g)(9); 415 ILCS 135/40(f)(7)).
- Upon completion of each stage, the drycleaner submits a Reimbursement Request along with verification that the applicable deductibles have been paid (35 Ill. Admin. Code 1501.420(b); 1501.320 for releases 1997-2006; 415 ILCS 135/40(e)). Upon approval of a Reimbursement Request, Illinois EPA instructs the Illinois Office of the State Comptroller to issue payments to the eligible claimants or consultant.
- Budget Plans and Reimbursement Requests may be submitted for any of the four plans and reports for SRP corrective action projects:
  - Site investigation report
  - Remediation objectives report



- Remedial action plan
- Remedial action completion report
- The drycleaner may submit budgets and reimbursement requests until the appropriate reimbursement limit has been reached (35 Ill. Admin. Code 1501.330(c) or 1501.400; 415 ILCS 135/40(f)) and/or the release has been successfully remediated and Illinois EPA has issued the No Further Remediation Letter.

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For more information on the Drycleaner Environmental Response Trust Fund program:

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<https://epa.illinois.gov/topics/cleanup-programs/drycleaners.html>