

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 160** SLS 17RS 357

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|--|---------|---------------------------------|
| Date: May 8, 2017 | 2:01 PM | Author: WALSWORTH |
| Dept./Agy.: Louisiana Department of Environmental Quality | | Analyst: Colleen McCrory |
| Subject: Motor Fuels Underground Storage Tank Trust Fund | | |

ENVIRONMENTAL QUALITY

OR SEE FISC NOTE SD EX

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Provides relative to the Motor Fuels Underground Storage Tank Trust Fund. (8/1/17)

Proposed law requires that all monies, including any interest incurred, in the fund at the end of the fiscal year to remain the fund. Proposed law provides that monies in the fund may be used to reimburse the administrative and personnel expenses incurred by the department in the maintenance or administration or implementation of the program. Further provides that such reimbursements will not exceed \$2,500,000. Proposed law requires any state agency or political subdivision seeking an appropriation from the fund or proposing expenditures utilizing money from the fund to notify the advisory board in writing before submitting the appropriation to the legislature.

| EXPENDITURES | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | SEE BELOW | |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Annual Total | | | | | | |

| REVENUES | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | SEE BELOW | |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION

There may be a reduction in administrative expenditures by the Louisiana Department of Environmental Quality (LDEQ) due to the cap of \$2.5 M on the reimbursable amount from the tank trust fund to the extent funding is not approved by the advisory board. However, these revenues will now be available for other allowable expenses of the Tank Trust Fund as provided by law.

Proposed law would require approval from the advisory board of certain expenditures. However, if the board does not approve the expenditures, LDEQ may not receive the monies and may face issues with meeting obligations or performing the work necessary to administer the program. Proposed law also places a cap of \$2.5 M on the reimbursable amount from the Tank Trust Fund for administrative and personnel expenses incurred by the department. Typically, the department transfers \$5 M annually from the Tank Trust Fund to the Environmental Trust Fund to pay for the administrative and personnel expenses for work in the program. To the extent there is no money from other funding sources to offset this potential reduction, LDEQ may not be able to fund all program activities. However, per the 2017 annual report required by R.S. 30:2195(E) pending claims eligible for reimbursement out of the Tank Trust Fund totaled \$2.4 M in FY 16 and application of these available funds could increase annual reimbursement payments.

REVENUE EXPLANATION

While there is no anticipated reduction of revenues to the Tank Trust Fund there will be a reduction in the transfer of funds from the Tank Trust Fund to the Environmental Trust Fund which are currently used to offset administrative expenses. These revenues will now be available for other allowable expenses of the Tank Trust Fund as provided by law.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Staff Director