

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 704** HLS 26RS 1269

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 20, 2026 3:27 PM	Author: MCMAKIN
Dept./Agy.: Department of Environmental Quality	Analyst: Richie Anderson
Subject: Tire Buy Back Program	

ENVIRONMENT/WASTE TIRES OR +\$5,100,000 SG RV See Note Page 1 of 1
 Increases the cap on fees collected for the Waste Tire Management Dedicated Fund Account and dedicates additional revenue for a tire buy back program
 Present law authorizes the Department of Environmental Quality (DEQ) to levy fees on tire sales for deposit in the Waste Tire Management Dedicated Fund Account. Present law caps the amount the department can levy on the sale of tires at \$2.25 for passenger vehicles, \$5 for medium sized vehicles, and \$10 for off-road tires. Proposed law increases each of these caps by \$1 to \$3.25, \$6, and \$11 respectively. Proposed law provides that these funds shall be used to fund a tire buy back program, and DEQ shall promulgate rules to create and implement such program.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$5,100,000	\$5,100,000	\$5,100,000	\$5,100,000	\$5,100,000	\$25,500,000
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$5,100,000	\$5,100,000	\$5,100,000	\$5,100,000	\$5,100,000	\$25,500,000

EXPENDITURE EXPLANATION

Proposed law will increase SGR expenditures for the Department of Environmental Quality (DEQ). Proposed law authorizes DEQ to promulgate rules to create and implement a buy back program. The department reports that the cost of creating the new program is unknown at this time, but at a minimum, it would require additional staff and an increase in expenditures for new technology. The LFO assumes that any cost to implement the program will be offset by the increase in revenue pursuant to the proposed law (see revenue explanation).

REVENUE EXPLANATION

Proposed law will increase SGR revenues into the Waste Tire Management Dedicated Fund Account by approximately \$5.1 M annually. Present law caps the amount the department can levy on the sale of tires at \$2.25 for passenger vehicles, \$5 for medium sized vehicles, and \$10 for off-road tires. Proposed law increases each of these caps by \$1 and provides that the increase must be used to fund a tire buy back program. Using FY 25 data, DEQ reports that an increase of \$1 per tire would generate an additional \$5.1 M annually. See the breakdown below for the projected annual revenue.

Tire Type	New Annual Revenue
Passenger	\$4,729,000
Medium sized vehicles	\$336,000
Off-Road	\$35,000
Total:	\$5,100,000

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
Deputy Fiscal Officer