

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 247** SLS 24RS 461

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 20, 2024 5:34 PM	Author: CATHEY
Dept./Agy.: Department of Environmental Quality	Analyst: Richie Anderson
Subject: Motor Fuels Underground Storage Tank	

ENVIRONMENTAL CONTROL OR INCREASE SG EX See Note Page 1 of 1
Provides for the Motor Fuels Underground Storage Tank Trust Dedicated Fund Account. (8/1/24)

Proposed law changes the definition of an eligible participant to include owners who have registered their tank as temporarily closed. Additionally, the proposed law broadens the scope of abandonment of a tank by only requiring one of the conditions to declare it abandoned and not all of the conditions. Proposed law allows the secretary to declare a tank abandoned where a release is not eligible for the Tank Trust Account or where action by the Department of Environmental Quality (DEQ) is the most efficient way to address conditions. Present law states that monies expended from the Tank Trust Account shall be spent up to such sums that are necessary to satisfy federal petroleum underground storage tank financial responsibility requirements or \$1.5 M. Proposed law increases this threshold to \$2 M and adds that expenditures may exceed federal requirements where the secretary determines necessary. Proposed law will also remove the provision that the initial assessment has to be within 2 years.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	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	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed law will increase SGR expenditures out of the Motor Fuels Underground Storage Tank Trust Dedicated Fund Account. DEQ estimates that over the next five fiscal years, 19 sites are currently projected to reach the maximum reimbursement. Without the maximum increase these sites may not be fully remediated. The Fund Account had a balance of \$134.9 M at the beginning of FY 24, of which \$127.5 M is not restricted for specific purposes and could be appropriated towards remediation of these tank sites. If all 19 sites utilize the added \$500,000 it could cost as much as \$9.5 M; however, DEQ is unable to estimate the timing or actual amount needed beyond the \$1.5 M limit for these sites.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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