

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



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

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 16, 2024	8:56 AM	<b>Author:</b> CATHEY
<b>Dept./Agy.:</b> Department of Environmental Quality		<b>Analyst:</b> Richie Anderson
<b>Subject:</b> Motor Fuels Underground Storage Tank		

ENVIRONMENTAL CONTROL

RE INCREASE SG EX See Note

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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. All unexpended and unencumbered funds in the account at the end of the fiscal year shall remain in the account and be available for expenditure in future fiscal years.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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

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}

**Patrice Thomas**  
**Deputy Fiscal Officer**