

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



Fiscal Note On: **SB 505** SLS 26RS 1546  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 10, 2026	10:51 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 Trust		

ENVIRONMENTAL CONTROL OR INCREASE SG EX See Note Page 1 of 1  
 Provides relative to the Motor Fuels Underground Storage Tank Trust Dedicated Fund Account. (8/1/26)

Current law provides that the Motor Fuels Underground Storage Tank Trust Dedicated Fund Account shall be used to grant or loan funds for upgrades and improvements to storage tank sites. Current law provides that a single grant or loan shall not exceed \$150,000, and the annual total shall not exceed \$3 M.

Proposed law provides that a single grant or loan shall not exceed \$300,000, and the annual total shall not exceed \$6 M. Requires the applicant to be the entity that owns the facility where the upgrade and improvements will be performed. Establishes two application periods from January 1st to March 31st and July 1st to September 30th, and requires applicants to complete upgrades or improvements no later than three fiscal years after receiving the award. Allows the Motor Fuel Underground Storage Tank Trust Fund Advisory Board (Board) to establish caps on the total number of grants which are not to exceed 15 per period and 40 annually.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	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	2026-27	2027-28	2028-29	2029-30	2030-31	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**

Proposed law will increase SGR expenditures out of the Motor Fuels Underground Storage Tank Trust Dedicated Fund Account (MFUST). Proposed law provides that a single grant or loan shall not exceed \$300,000, with an annual cap of \$6 M and a maximum of 40 grants or loans allowed each year. The Department of Environmental Quality (DEQ) reports that since 2024, they have awarded 36 grants (17 in 2024 and 19 in 2025). Entities that receive awards must complete upgrades on their underground storage tank before being reimbursed by DEQ. DEQ reports that as of March 31, 2026, they have reimbursed seven (6 in 2024 and 1 in 2025) of these projects for \$150,000 each, totaling \$1.1 M.

Proposed law will increase the reimbursement threshold to \$300,000 for each underground storage tank project. To the extent that more underground storage tank owners apply or entities request more than the current maximum of \$150,000, the expenditures out of the MFUST will increase accordingly. For informational purposes, the MFUST has a balance of \$151,680,057 as of 4/09/26. Below is a breakdown of the revenues and expenditures since FY 21.

**Motor Fuel Underground Storage Tank Trust Dedicated Fund Account**

	Revenues	Expenditures
FY 25	\$28,457,795	\$15,016,929
FY 24	\$22,134,569	\$14,081,622
FY 23	\$22,098,869	\$15,743,002
FY 22	\$25,670,283	\$16,575,780
FY 21	\$22,470,016	\$15,299,698

Note: The Motor Fuel Underground Storage Tank Trust Dedicated Fund Account generates a majority of its revenues through an annual tank registration fee of \$60 per tank.

**REVENUE EXPLANATION**

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

Senate	Dual Referral Rules	House
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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