# LEGISLATIVE FISCAL OFFICE
## Fiscal Note

Louisiana Legislative Fiscal Office — Fiscal Notes

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

**Date:** April 15, 2026 11:08 AM
**Author:** CATHEY
**Dept./Agy.:** Department of Environmental Quality
**Subject:** Motor Fuels Underground Storage Tank Trust
**Analyst:** Richie Anderson

ENVIRONMENTAL CONTROL EG INCREASE SG EX See Note 

Provides relative to the Motor Fuels Underground Storage Tank Trust Dedicated Fund Account. (8/1/26)

Current law provides that the interest account of the Motor Fuels Underground Storage Tank Trust Dedicated Fund Account (Tank Trust 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 out of the interest account of the Tank Trust Account. Requires the applicant to be the entity that owns the facility where the upgrade and improvements will be performed. Establishes two application periods from July 1st to September 30th and January 1st to March 31st, and requires applicants to complete upgrades or improvements no later than three years from approval. 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 per fiscal year.

| 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. | $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**

Proposed law will increase SGR expenditures out of the interest account of the Motor Fuels Underground Storage Tank Trust Dedicated Fund Account (Tank Trust Account). Proposed law provides that a single grant or loan shall not exceed $300,000, with an annual cap of $6 M of the interest account of the Tank Trust Account and a maximum of 40 grants or loans allowed each year. The Department of Environmental Quality (DEQ) reports that since 2024, they have awarded 35 grants (16 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 and allow a maximum of 40 grants to be issued annually. 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 Tank Trust Account will increase accordingly.

Proposed law will increase the annual cap on annual grants from $3 M to $6 M. To the extent that DEQ provides grants totaling more than $3 M up to the annual cap each year, then expenditures will increase accordingly. DEQ assumes they will issue 20 grants a year. If each grant is for the maximum amount of $300,000, then the department will hit the cap of $6 M annually. The balance of the Tank Trust Fund Interest Account, as of 12/31/25, is $19.3 M and the department estimates approximately $6 M in interest being deposited into the fund annually.

**REVENUE EXPLANATION**

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

Senate — Dual Referral Rules

- [x] 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**
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