

2026 Regular Session

SENATE BILL NO. 505

BY SENATOR CATHEY

ENVIRONMENTAL CONTROL. Provides relative to the Motor Fuels Underground Storage Tank Trust Dedicated Fund Account. (7/1/26)

1 AN ACT

2 To amend and reenact R.S. 30:2195.2(A)(5) and (6)(a)(ii), (b), (c), (d), and (e), and to enact
3 R.S. 30:2195.2 (A)(6)(f) and (g), relative to the Motor Fuels Underground Storage
4 Tank Trust Dedicated Fund Account; to provide for time limits; to provide for single
5 and total grant amounts; to provide for minimum account balances; to provide for
6 limitations; to provide for eligible applicants; to provide for ownership disclosure;
7 to provide for application periods; to provide for applicability; to provide for an
8 effective date; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 30:2195.2(A)(5) and (6)(a)(ii), (b), (c), (d), and (e) are hereby
11 amended and reenacted, and R.S. 30:2195.2(A)(6)(f) and (g) are hereby enacted to read as
12 follows:

13 §2195.2. Uses of the Tank Trust Account

14 A. The department shall administer the Tank Trust Account and shall make
15 disbursements from the account for all necessary and appropriate expenditures.
16 Pursuant to the authorization in R.S. 30:2195, the secretary of the Department of
17 Environmental Quality shall use the Tank Trust Account as follows:

* * *

(5) The Tank Trust Account may be used to make payments to a third party who brings a third-party claim against the secretary of the department and any owner of a motor fuel underground storage tank because of damages sustained by a release into the groundwater, surface waters, or soils and who obtains a final judgment in said action enforceable in this state against the owner and the secretary if and only if it has been satisfactorily demonstrated that the owner was an eligible participant at the time that the release occurred as defined in R.S. 30:2194(B)(3). The ~~indemnification~~ limit of the trust with respect to satisfaction of third-party claims shall be that which is necessary to satisfy federal petroleum underground storage tank financial responsibility requirements.

(6) * * *

(a) A grant or loan may only be made pursuant to this Paragraph if all of the following apply:

* * *

(ii) ~~The site is registered with the department as a single wall underground storage tank system~~ **was installed prior to December 20, 2008.**

* * *

(b) Grants provided pursuant to this Paragraph shall only be made in the form of reimbursement for completed upgrades and improvements after inspection and approval by the department. **Applicants shall complete the upgrade or improvement no later than three years from approval for participation in the program.**

(c) ~~No grant or loan shall exceed one hundred fifty thousand dollars, and the total amount of grants per year shall not exceed three million dollars~~ **The board annually shall limit the maximum amount of funds to be awarded for a single grant or loan, not to exceed three hundred thousand dollars.**

(d) **The board annually shall limit the total amount of funds to be awarded for grants and loans in an amount not to exceed seventy-five percent**

1 of the unobligated balance of the interest account of the Tank Trust Account.

2 (e) Eligible applicants may only apply for one grant or loan each year. The
3 department shall establish rules to ensure that an owner may participate in the
4 program no more than once per fiscal year. For purposes of this Subparagraph,
5 an owner shall be the natural person or juridical entity that owns the
6 underground storage tank project facility where the grant will be applied.
7 Applicants to the program shall be required to disclose the ownership structure
8 of the underground storage tank project facility.

9 (e)(f) The maximum number of grants and loans awarded per
10 application period and per fiscal year shall be set by the board, not to exceed
11 twenty per application period and forty per fiscal year. The application periods
12 for grants and loans shall be as follows:

13 (i) First quarter, from July 1 to September 30.

14 (ii) Third quarter, from January 1 to March 31.

15 (g) The secretary shall promulgate rules and regulations to implement this
16 Paragraph, including the application process, procedures the applicant shall follow
17 prior to making upgrades or improvements to the site, inspection and approval of
18 upgrades or improvements by the department, and procedures the applicant shall
19 follow after completing the work to either claim reimbursement or begin making
20 repayments.

21 * * *

22 Section 2. The provisions of this Act shall apply to sites that receive approval on or
23 after July 1, 2026.

24 Section 3. This Act shall become effective on July 1, 2026; if vetoed by the governor
25 and subsequently approved by the legislature, this Act shall become effective on the day
26 following such approval by the legislature or July 1, 2026, whichever is later.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

DIGEST

SB 505 Reengrossed

2026 Regular Session

CATHEY

Present law creates the Motor Fuels Underground Storage Tank Trust Dedicated Fund Account and provides for grants and loans to fund upgrades and improvements to storage tank sites.

Proposed law retains present law and requires that upgrades and improvements be completed within three years from approval.

Present law provides that a grant or loan may only be made if all of the following apply:

- (1) The applicant is domiciled in Louisiana.
- (2) The site is registered with the department as a single wall underground storage tank system.
- (3) The applicant is in compliance with and has paid all fees assessed by applicable state law.

Proposed law limits a grant or loan to underground storage tank systems installed prior to Dec. 20, 2008 and otherwise retains present law.

Present law provides that a single grant or loan shall not exceed \$150,000, and the annual total of grants and loans shall not exceed \$3 million.

Proposed law provides that the single award and total award amounts shall be set by the board and shall not exceed \$300,000 per award and 75% of the unobligated balance of the interest account of the Tank Trust Account.

Present law limits applicants to one grant or loan per year.

Proposed law repeals present law and requires the department to establish rules to ensure that an owner may participate in the program no more than once per fiscal year.

Proposed law requires that an owner be the entity that owns the facility where the grant or loan project will be performed. Requires disclosure of applicant ownership structure.

Proposed law provides that the board shall set the total number of grants or loans, not to exceed 20 per application period and 40 per fiscal year. Further provides for two application periods, July 1 to Sept. 30 and Jan. 1 to March 31.

Proposed law is applicable to sites that receive approval on or after July 1, 2026.

Effective July 1, 2026.

(Amends R.S. 30:2195.2(A)(5) and (6)(a)(ii), (b), (c), (d), and (e); adds R.S. 30:2195.2(A)(6)(f) and (g))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Requires that upgrades and improvements be completed within three years from approval.
2. Limits grants or loans to underground storage tank systems installed prior to Dec. 20, 2008.
3. Changes the total award amount set by the board from \$6 million to 75% of the unobligated balance of the interest account of the Tank Trust Account.
4. Requires the department to establish rules to ensure that an owner may participate in the program no more than once per fiscal year.
5. Clarifies that an owner means the entity that owns the facility where the grant or loan project will be performed.
6. Increases the allowable number of grants or loans per application period set by the board from 15 to 20.
7. Clarifies the order of the application periods.
8. Adds provision that proposed law is applicable to sites that receive approval on or after July 1, 2026.
9. Changes effective date from August 1, 2026 to July 1, 2026.
10. Make technical changes.