

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 244** SLS 15RS 524
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 30, 2015 3:54 PM	Author: ADLEY
Dept./Agy.: Environmental Quality	Analyst: Charley Rome
Subject: Increases Underground Tank Amount from \$1M to \$3M	

FUNDS/FUNDING OR +\$900,000 SD EX See Note Page 1 of 1

Increases the available monies expended from the Motor Fuel Underground Storage Tank Trust Fund from one million dollars to three million dollars. (8/1/15)

Present law provides that monies expended from the Motor Fuel Underground Storage Tank Trust Fund for certain approved costs will be spent only up to such sums as necessary to satisfy certain federal requirements or one million dollars per accidental release (spill), whichever is greater.

Proposed law changes the sum from one million dollars per site to three million dollars per accidental release (spill).

Effective August 1, 2015.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$900,000	\$1,800,000	\$2,700,000	\$3,600,000	\$4,500,000	\$13,500,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$900,000	\$1,800,000	\$2,700,000	\$3,600,000	\$4,500,000	\$13,500,000

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	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 bill will allow increased expenditures from the Motor Fuel Underground Storage Tank Trust Fund (MFTF) by the following estimated amounts per year: FY16 \$900,000, FY17 \$1,800,000, FY18 \$2,700,000, FY19 \$3,600,000, and FY20 \$4,500,000. The MFTF helps underground storage tank (UST) owners, operators, or responsible parties (owners) meet the financial costs incurred during the rehabilitation and remediation of affected soils, groundwater and surface waters at motor fuel contaminated UST sites. The Louisiana Department of Environmental Quality (LDEQ) anticipates that UST owners will utilize some of the additional funds to expedite the remediation activities at some sites by using more expensive technologies to reduce the time to clean up sites. The highest potential for these enhanced (higher cost) technologies are Groundwater 1 (GW1) classifications having the most stringent remediation cleanup criteria. LDEQ estimates that there are 65 GW1 groundwater classification sites statewide, and these enhanced technologies could potentially increase the average annual cost by approximately \$50,000 per GW1 site over the next five years. LDEQ projects that 20% of GW1 sites in the state each year (13 new sites each year) would adopt the enhanced technology with the following costs per year: FY16 \$650,000 for 13 sites, FY17 \$1.3M for 26 sites, FY18 \$1.95M for 39 sites, FY19 \$2.6M for 52 sites, and FY20 \$3.25M for 65 sites.

Additionally, there are 27 sites within \$250,000 of the current \$1,000,000 maximum, that could potentially exceed the current \$1M limit per the proposed legislation. LDEQ projects that 5 of these sites per year will exceed the \$1M limit by \$50,000 per site over the next five years, resulting in the following costs per year: FY16 \$250,000 for 5 sites, FY17 \$500,000 for 10 sites, FY18 \$750,000 for 15 sites, FY19 \$1M for 20 sites, and FY20 \$1.25M for 25 sites.

REVENUE EXPLANATION

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

Senate	<u>Dual Referral Rules</u>	House	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	 Gregory V. Albrecht Chief Economist
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {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}		