

1-1 By: Landgraf (Senate Sponsor - Sparks) H.B. No. 3866
1-2 (In the Senate - Received from the House May 12, 2025;
1-3 May 13, 2025, read first time and referred to Committee on Natural
1-4 Resources; May 23, 2025, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;
1-6 May 23, 2025, sent to printer.)

1-7 COMMITTEE VOTE

| | Yea | Nay | Absent | PNV |
|------|------------------|-----|--------|-----|
| 1-8 | | | | |
| 1-9 | <u>Birdwell</u> | X | | |
| 1-10 | <u>Zaffirini</u> | X | | |
| 1-11 | <u>Alvarado</u> | X | | |
| 1-12 | <u>Blanco</u> | X | | |
| 1-13 | <u>Flores</u> | X | | |
| 1-14 | <u>Hancock</u> | X | | |
| 1-15 | <u>Hughes</u> | X | | |
| 1-16 | <u>Parker</u> | X | | |
| 1-17 | <u>Sparks</u> | X | | |

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 3866 By: Sparks

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to the installation and operation of intermediate bulk
1-22 container recycling facilities; authorizing a fee.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. The heading to Subchapter I, Chapter 26, Water
1-25 Code, is amended to read as follows:

1-26 SUBCHAPTER I. UNDERGROUND AND ABOVEGROUND STORAGE [~~TANKS~~]

1-27 SECTION 2. Section 26.341(b), Water Code, is amended to
1-28 read as follows:

1-29 (b) The legislature declares that it is the policy of this
1-30 state and the purpose of this subchapter to:

1-31 (1) maintain and protect the quality of groundwater
1-32 and surface water resources in the state from certain substances in
1-33 underground and aboveground storage tanks that may pollute
1-34 groundwater and surface water resources;

1-35 (2) require the use of all reasonable methods,
1-36 including risk-based corrective action, to implement this policy;
1-37 [~~and~~]

1-38 (3) promote the safety of storage vessels as defined
1-39 in Section 26.3442, by adopting requirements for the design,
1-40 construction, operation, and maintenance of storage vessels, with
1-41 the objective of protecting groundwater and surface water resources
1-42 in the event of accidents and natural disasters; and

1-43 (4) ensure that intermediate bulk container recycling
1-44 facilities, as defined by Section 26.3445, are not located close to
1-45 private residences.

1-46 SECTION 3. Subchapter I, Chapter 26, Water Code, is amended
1-47 by adding Section 26.3445 to read as follows:

1-48 Sec. 26.3445. LOCATION OF INTERMEDIATE BULK CONTAINER
1-49 RECYCLING FACILITY. (a) In this section:

1-50 (1) "Intermediate bulk container" means a rigid or
1-51 flexible portable packaging, other than a cylinder or portable
1-52 tank, that is designed for mechanical handling, with a volume of at
1-53 least 275 gallons.

1-54 (2) "Intermediate bulk container recycling facility"
1-55 means a site that accepts intermediate bulk containers for purposes
1-56 of reconditioning the containers for reuse or disposal.

1-57 (b) This section applies only to an intermediate bulk
1-58 container regulated by the Pipeline and Hazardous Materials Safety
1-59 Administration.

1-60 (c) A person may not install or operate an intermediate bulk

2-1 container recycling facility within 2,000 feet of a private
2-2 residence.

2-3 (d) An owner of an intermediate bulk container recycling
2-4 facility shall register the facility with the commission not later
2-5 than the 30th day before the date the facility begins receiving
2-6 intermediate bulk containers.

2-7 (e) At least once every three years, the commission shall
2-8 conduct on-site inspections of intermediate bulk container
2-9 recycling facilities registered under this section to determine
2-10 compliance with laws under the jurisdiction of the commission.

2-11 (f) The commission by rule shall impose an annual fee for
2-12 registering an intermediate bulk container recycling facility
2-13 under this section in an amount sufficient to cover the reasonable
2-14 costs of administering the registration program, including costs
2-15 associated with:

2-16 (1) implementing the registration program; and

2-17 (2) inspecting registered facilities.

2-18 (g) A fee received by the commission under this section
2-19 shall be deposited to the general revenue fund to the credit of the
2-20 water resource management account. Fees deposited under this
2-21 section may be appropriated only for purposes of this section.

2-22 (h) A facility is exempt from the application of this
2-23 section if the facility does not stage, store, or process more than
2-24 50 intermediate bulk containers at any time.

2-25 (i) This section does not limit the authority of a
2-26 municipality to adopt an ordinance prohibiting the operation of an
2-27 intermediate bulk container recycling facility within 2,000 feet of
2-28 a private residence.

2-29 SECTION 4. (a) The change in law made by this Act applies
2-30 only to an intermediate bulk container recycling facility, as
2-31 defined by Section 26.3445(a), Water Code, as added by this Act,
2-32 that begins receiving intermediate bulk containers on or after the
2-33 effective date of this Act.

2-34 (b) Subject to Subsection (a) of this section and
2-35 notwithstanding Section 26.3445, Water Code, as added by this Act,
2-36 an owner of an intermediate bulk container recycling facility, as
2-37 defined by Section 26.3445(a), Water Code, as added by this Act,
2-38 that begins receiving intermediate bulk containers before March 1,
2-39 2027, is not required to register the facility before March 31,
2-40 2027.

2-41 SECTION 5. The Texas Commission on Environmental Quality is
2-42 required to implement this Act only if the legislature appropriates
2-43 money specifically for that purpose. If the legislature does not
2-44 appropriate money for that purpose, the commission may, but is not
2-45 required to, implement this Act using other appropriations
2-46 available to the commission for that purpose.

2-47 SECTION 6. This Act takes effect September 1, 2025.

2-48

* * * * *