

**BILL ANALYSIS**

H.B. 1227  
By: Gates  
Environmental Regulation  
Committee Report (Unamended)

**BACKGROUND AND PURPOSE**

The bill author has informed the committee that high franchise fees charged by municipalities to solid waste management service providers may be passed on by landlords to property renters or tenants in the form of a trash fee or other similar charges, hurting renters and limiting economic options for landlords when choosing waste management services. H.B. 1227 seeks to address this issue by capping these charges at two percent, benefiting consumers and granting both commercial and residential landlords more choices when selecting solid waste management services.

**CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

**RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

**ANALYSIS**

H.B. 1227 amends the Health and Safety Code to prohibit a municipality from charging a person granted a franchise to provide solid waste management services in the municipality franchise fees of more than two percent of the gross receipts of the franchisee for the sale of services in the municipality. This prohibition applies only to a contract for solid waste management services entered into on or after the bill's effective date.

H.B. 1227 also prohibits a municipality from restricting the right of an entity to contract with a person other than the municipality or an exclusive franchisee of the municipality for solid waste management services for commercial, industrial, or multifamily residential waste.

**EFFECTIVE DATE**

September 1, 2025.