

By: Gates

H.B. No. 1227

A BILL TO BE ENTITLED

AN ACT

relating to municipal solid waste management services contracts;
limiting the amount of a fee.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter F, Chapter 363, Health and Safety Code, is amended by adding Section 363.120 to read as follows:

Sec. 363.120. MUNICIPAL FRANCHISE FEES. A municipality may not charge 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.

SECTION 2. Section 364.034(f), Health and Safety Code, is amended to read as follows:

(f) Notwithstanding the other provisions of this section:

(1) [7] a political subdivision, including a county or a municipality, may not restrict the right of an entity to contract with a licensed waste hauler for the collection and removal of domestic septage or of grease trap waste, grit trap waste, lint trap waste, or sand trap waste; and

(2) a municipality may not restrict 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.

H.B. No. 1227

1 SECTION 3. Section 363.120, Health and Safety Code, as
2 added by this Act, applies only to a contract for solid waste
3 management services entered into on or after the effective date of
4 this Act.

5 SECTION 4. This Act takes effect September 1, 2025.