

By: Landgraf

H.B. No. 3866

A BILL TO BE ENTITLED

AN ACT

relating to the installation and ownership of certain outdoor storage containers; authorizing a fee.

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

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

SUBCHAPTER I. UNDERGROUND AND ABOVEGROUND STORAGE [~~TANKS~~]

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

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

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

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

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

(4) ensure that outdoor storage containers, as defined

1 by Section 26.3445, are not located close to private residences.

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

4 Sec. 26.3445. LOCATION OF OUTDOOR STORAGE CONTAINERS. (a)  
5 In this section, "outdoor storage container" means a nonvehicular  
6 device that is:

- 7 (1) made of nonearthen materials;  
8 (2) located on or above the surface of the ground and  
9 not inside a structure;  
10 (3) located at, or is a part of, a commercial facility,  
11 including a for-hire storage terminal; and  
12 (4) designed to contain a regulated substance.

13 (b) A person may not install or operate an outdoor storage  
14 container in a location 2,000 feet or less from a private residence.

15 (c) An owner of an outdoor storage container shall register  
16 the container with the commission not later than the 30th day after  
17 the date the container is installed or the date the owner acquires  
18 an installed container from a previous owner. An owner of an  
19 outdoor storage container that was installed before September 1,  
20 2025, shall register the container with the commission not later  
21 than March 1, 2026. An owner of an outdoor storage container  
22 required to register the container as an aboveground storage tank  
23 or a storage vessel under this subchapter is not required to  
24 register the container under this section.

25 (d) The commission shall conduct annual on-site inspections  
26 of outdoor storage containers registered under this subchapter to  
27 determine compliance with this section. This subsection does not

limit the commission's ability to inspect a container under other state or federal law.

(e) The commission by rule shall impose a fee for registering an outdoor storage container under this section in an amount sufficient to recover the reasonable costs of:

(1) implementing the registration program; and

(2) inspecting registered facilities.

(f) An outdoor storage container is exempt from the application of this section if the container is:

(1) a farm or residential tank with a capacity of 1,100 gallons or less used for storing motor fuel for noncommercial purposes;

(2) used for storing heating oil for consumptive use on the premises where stored;

(3) a septic tank;

(4) a surface impoundment, pit, pond, or lagoon;

(5) a storm water or waste water collection system;

(6) a flow-through process tank;

(7) a tank, liquid trap, gathering line, or other facility used in connection with an activity associated with the exploration, development, or production of oil, gas, or geothermal resources, or any other activity regulated by the Railroad Commission of Texas under Section 91.101, Natural Resources Code; or

(8) a transformer or other electrical equipment that contains a regulated substance and that is used in the transmission of electricity, to the extent that such a transformer or equipment

1 is exempted by the United States Environmental Protection Agency  
2 under 40 C.F.R. Part 280.

3 (g) This section does not limit the authority of a  
4 municipality to adopt an ordinance prohibiting the installation or  
5 operation of an outdoor storage container in a location more than  
6 2,000 feet from a private residence.

7 SECTION 4. Notwithstanding Section 26.3445, Water Code, as  
8 added by this Act, an owner of an outdoor storage container, as  
9 defined by Section 26.3445(a), Water Code, as added by this Act, is  
10 not required to register the container before March 1, 2026.

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