

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

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

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

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

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

(1) implementing the registration program; and

(2) inspecting registered facilities.

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

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

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

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

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

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

SECTION 6. This Act takes effect September 1, 2025.

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