

By: Walle

H.B. No. 4839

Substitute the following for H.B. No. 4839:

By: Landgraf

C.S.H.B. No. 4839

A BILL TO BE ENTITLED

AN ACT

relating to the development, promotion, and funding of certain recycling projects.

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

SECTION 1. Section 361.0152(a), Health and Safety Code, is amended by adding Subdivision (2-a) to read as follows:

(2-a) "Program" means the recycling market development program established by Section 361.442.

SECTION 2. Sections 361.0152(c), (d), (f), (g), and (h), Health and Safety Code, are amended to read as follows:

(c) In cooperation with the Texas Economic Development and Tourism Office and in consultation with the recycling market advisory council established under Section 361.443, the program administrator ~~[commission]~~ shall produce for the commission a plan with recommendations to stimulate the use of recyclable materials as feedstock in processing and manufacturing.

(d) The plan must:

(1) identify the quantity and type of recyclable materials that are being recycled from municipal and industrial sources;

(2) identify and estimate the quantity and type of recyclable materials that are generated but not being recycled;

(3) identify and estimate the current economic benefits of recycling materials and the potential economic benefits

1 to be gained by recycling materials identified under Subdivision  
2 (2);

3 (4) identify the location, processing capacity, and  
4 consumption capacity of existing principal processors and  
5 manufacturers;

6 (5) identify the barriers to increasing the use of  
7 recyclable materials as feedstock for principal processors and  
8 manufacturers and means to eliminate those barriers;

9 (6) identify and estimate the need and type of  
10 principal processing and manufacturing facilities necessary to  
11 consume the existing and potential volumes of recyclable materials;  
12 ~~[and]~~

13 (7) consider health effects related to recycled  
14 materials and recycling technologies;

15 ~~[(7)]~~ (8) recommend institutional, financial,  
16 administrative, and physical methods, means, and processes that  
17 could be applied by this state and by local governments to:

18 (A) increase the use of recyclable materials;

19 (B) stimulate the use of recyclable materials by  
20 principal processors and manufacturers; and

21 (C) encourage the expansion of existing  
22 principal processors and manufacturers and the development of new  
23 principal processors and manufacturers that use recyclable  
24 materials;

25 (8) include a report on the progress and results of  
26 research conducted by the program under Section 361.442(b);

27 (9) include a report on the status of grants and loans

1 provided through the program; and

2 (10) provide legislative and policy recommendations  
3 to the commission regarding the purposes of the program.

4 (f) To the extent practicable in preparing the plan, the  
5 program administrator [~~commission~~] shall use methodologies and  
6 information derived from other recycling economic studies already  
7 performed.

8 (g) The program administrator [~~commission~~] shall update the  
9 plan not later than December 1 of each even-numbered year [~~every~~  
10 ~~four years~~], and in a year in which the plan is updated, the plan  
11 shall be included in the annual summary of municipal solid waste  
12 management produced by the municipal solid waste permits section of  
13 the commission and delivered to the governor and legislature.

14 (h) In cooperation with other state agencies, including the  
15 governor's office, the commission shall develop an education  
16 program intended for the public that must include:

17 (1) the economic benefits of recycling, including job  
18 creation, economic impact, percent of total municipal and  
19 industrial solid waste recycled, weight and volume of municipal and  
20 industrial solid waste recycled, and taxes and fees paid by the  
21 recycling industry;

22 (2) a spotlight of collectors and processors of  
23 recyclable materials and manufacturers based in this state that are  
24 using recyclable materials as feedstock; [~~and~~]

25 (3) the detrimental effects of contamination in the  
26 recyclable materials stream and the need to reduce those effects;  
27 and

1           (4) educational materials developed under Section  
2 361.0202, as appropriate.

3           SECTION 3. Chapter 361, Health and Safety Code, is amended  
4 by adding Subchapter N-1 to read as follows:

5           SUBCHAPTER N-1. RECYCLING INNOVATION AND MARKET DEVELOPMENT

6           Sec. 361.441. DEFINITIONS. In this subchapter:

7           (1) "Fund" means the Texas Recycling Fund established  
8 by Section 361.444.

9           (2) "Program" means the recycling market development  
10 program established by Section 361.442.

11           Sec. 361.442. RECYCLING MARKET DEVELOPMENT PROGRAM. (a)  
12 The commission shall establish a recycling market development  
13 program to:

14           (1) facilitate the realization of economic benefits to  
15 this state that may result from the expanded use of recycled  
16 material as feedstock in manufacturing and processing;

17           (2) promote the development of recycling  
18 infrastructure and technology in this state; and

19           (3) make policy recommendations to the commission.

20           (b) The program administrator shall:

21           (1) conduct research on:

22           (A) techniques to improve the recycling  
23 collection process and increase recycling rates in this state;

24           (B) processes to improve the access of  
25 manufacturers in this state to collected recyclable materials;

26           (C) the relationship between the supply of  
27 recyclable material and the demand for recycled material feedstock

1 for manufacturing and end use; and

2 (D) potential improvements to technology  
3 currently used at recycling facilities in this state;

4 (2) oversee and coordinate initiatives conducted by  
5 the commission, the comptroller, and other state agencies under the  
6 recycling market development implementation program established by  
7 Section 361.423;

8 (3) make recommendations to the commission on  
9 potential financial incentives and policy changes to improve  
10 recycling infrastructure in this state;

11 (4) identify and apply for federal funding  
12 opportunities related to recycling; and

13 (5) implement and manage financial incentives for the  
14 development of recycling infrastructure and technology in this  
15 state, including by:

16 (A) awarding grants or making loans under this  
17 subchapter; or

18 (B) facilitating the application by eligible  
19 recipients for tax credits available under state or federal law.

20 Sec. 361.443. RECYCLING MARKET ADVISORY COUNCIL. (a) The  
21 commission shall appoint an advisory council to advise the program  
22 administrator on the implementation of Section 361.0152 and this  
23 subchapter.

24 (b) The commission shall appoint a person to the advisory  
25 council or fill a vacancy on the advisory council following review  
26 and recommendation of an applicant by the executive director.

27 (c) The advisory council is composed of the following 13

members:

(1) one representative from a regional council of governments;

(2) one representative from the paper and pulp industry in this state;

(3) one representative from the organics recycling industry in this state;

(4) one representative from the plastic manufacturing industry in this state;

(5) one representative from the advanced recycling industry in this state;

(6) one representative from the mechanical recycling industry in this state;

(7) one representative from the materials recovery and sorting facilities industry in this state;

(8) one representative from the aluminum industry in this state;

(9) one representative from the glass industry in this state;

(10) one representative from the alcoholic beverage or soft drink industry in this state;

(11) one representative from the packaging supply or packaging conversion industry in this state;

(12) one representative from the packaged retail goods industry in this state; and

~~(13) one representative from the State of Texas Alliance for Recycling;~~

1           (13) one representative from an environmental  
2 education or advocacy organization working on recycling.

3           (d) The executive director shall designate the presiding  
4 officer of the advisory council.

5           (e) A member of the advisory council serves a five-year  
6 term.

7           (f) The advisory council shall convene at the call of the  
8 presiding officer at least twice a year.

9           (g) Section 2110.008, Government Code, does not apply to the  
10 council.

11           Sec. 361.444. TEXAS RECYCLING FUND. (a) The Texas  
12 Recycling Fund is established as a dedicated account in the general  
13 revenue fund to be administered by the executive director.

14           (b) The fund consists of:

15                   (1) money appropriated to the credit of the fund;

16                   (2) principal and interest payments on all loans from  
17 the fund; and

18                   (3) gifts, grants, or donations received for the fund.

19           (c) Money in the fund may be used only as provided by this  
20 subchapter.

21           (d) The commission may not:

22                   (1) adopt or impose a fee or penalty that is to be paid  
23 by a private entity and deposited to the credit of the fund;

24                   (2) direct money collected by the commission from a  
25 fee or penalty authorized by law or commission rule to be deposited  
26 to the credit of the fund; or

27                   (3) authorize a private organization or entity to

impose a fee or penalty that is to be paid by a private entity and deposited to the credit of the fund.

Sec. 361.445. USE OF FUND. The commission may use money in the fund:

(1) for the administration of the program;

(2) to award grants or provide loans to business entities operating in this state that provide a public benefit to this state by encouraging economic development related to recycling projects, as provided by Sections 361.446 and 361.447;

(3) to award grants to a public institution of higher education in this state to conduct research that provides a public benefit to this state by facilitating the development of recycling technology and infrastructure in this state;

(4) to conduct recycling research pilot projects, including pilot projects conducted in partnership with other state agencies or business entities; or

(5) to support the implementation of the public education program described by Section [361.0152\(h\)](#).

Sec. 361.446. RECYCLING INNOVATION GRANT PROGRAM. (a) The commission by rule shall establish a recycling innovation grant program to allow the program administrator to use money from the fund to make grants to entities that provide a public benefit to this state by:

(1) conducting research on or investing in new recycling technologies and processes in this state;

(2) enhancing the availability of recycled material for use in manufacturing or packaging of products; or



1           (3) investing in technology that reduces recycling  
2 costs or increases recycling efficiency of recyclable material.

3           (b) Projects that may be considered for a grant under this  
4 section include:

5                 (1) expanding recycling and sorting infrastructure,  
6 including pilot projects;

7                 (2) expanding or upgrading recycling equipment;

8                 (3) promoting development and improving services in  
9 rural communities in this state;

10                (4) addressing contamination of recyclable material;

11                (5) investing in processes or technology that make  
12 recycling more economically viable;

13                (6) offsetting an entity's documented operating costs  
14 for producing manufacturing feedstock from recycled material; or

15                (7) enhancing the marketability of recycled material.

16           (c) The amount of a grant awarded under this section may not  
17 exceed 50 percent of the amount of actual eligible costs incurred by  
18 the grant recipient within a time period prescribed by the  
19 commission.

20           (d) In awarding a grant under this section, the program  
21 administrator shall ensure that:

22                 (1) the grant provides a public benefit to this state  
23 as described by Subsection (a);

24                 (2) the commission retains sufficient control over the  
25 grant to ensure the state receives a public benefit; and

26                 (3) the grant complies with the eligibility  
27 requirements under Section 361.448 and applicable rules.

1       Sec. 361.447. RECYCLING LOAN PROGRAM. (a) The commission  
2 by rule shall establish a loan program to allow the program  
3 administrator to use money from the fund to provide financial  
4 assistance to business entities for projects that provide a public  
5 benefit to this state by improving recycling outcomes in this  
6 state.

7       (b) In making a loan under this section, the program  
8 administrator shall ensure:

9               (1) the loan provides a public benefit to this state by  
10 encouraging the development of recycling technology and  
11 infrastructure in this state;

12              (2) the commission retains sufficient control over the  
13 loan to ensure the state receives a public benefit; and

14              (3) the loan complies with the eligibility  
15 requirements under Section 361.448 and applicable rules.

16       Sec. 361.448. ELIGIBILITY CRITERIA AND REQUIREMENTS FOR  
17 RECYCLING GRANTS AND LOANS. (a) The commission by rule shall  
18 establish eligibility criteria and requirements for a grant or loan  
19 made under this subchapter.

20       (b) Eligibility criteria established by the commission must  
21 require an entity receiving a grant or loan to:

22              (1) be in good standing under the laws of this state;

23              (2) not owe delinquent taxes to a taxing unit of this  
24 state;

25              (3) have fully repaid any previous loan made under  
26 Section 361.447 that is past the loan's maturity date;

27              (4) maintain sufficient financial assurance in

1 accordance with commission rules for a recycling facility;

2 (5) agree that the recipient may not use funds from a  
3 grant or loan made under this subchapter for financial assurance;

4 (6) demonstrate that a facility at which grant or loan  
5 funds may be used will comply with commission requirements for the  
6 containment of odors or liquids; and

7 (7) demonstrate that the recipient holds any necessary  
8 facility permit or authorization under state or federal law by the  
9 time a grant or loan is made.

10 (c) Requirements adopted under this section must specify  
11 time limits for the storage and processing of material by a facility  
12 operated by an entity receiving a grant or loan.

13 (d) A recipient may use a grant or loan made under this  
14 subchapter only for a recycling purpose approved under this  
15 subchapter or commission rule.

16 Sec. 361.449. ADMINISTRATIVE SUPPORT. The commission shall  
17 provide to the program administrative support, staff, and  
18 facilities as necessary for the program to implement this  
19 subchapter.

20 Sec. 361.450. RULEMAKING. The commission shall adopt rules  
21 as necessary to implement this subchapter.

22 SECTION 4. This Act takes effect immediately if it receives  
23 a vote of two-thirds of all the members elected to each house, as  
24 provided by Section 39, Article III, Texas Constitution. If this  
25 Act does not receive the vote necessary for immediate effect, this  
26 Act takes effect September 1, 2025.