

By: Landgraf

H.B. No. 5057

A BILL TO BE ENTITLED

AN ACT

relating to exclusive contracts for municipal solid waste management services.

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. EXCLUSIVE SOLID WASTE MANAGEMENT SERVICE CONTRACTS. (a) In this section, "exclusive contract" means a contract or franchise agreement between a public agency and a privately owned solid waste management service provider that grants to the service provider an exclusive right to provide certain solid waste management services in the public agency's jurisdiction.

(b) A public agency that enters into an exclusive contract, including by renewing or amending an existing contract in a manner that grants a privately owned solid waste management service provider an exclusive right to provide certain additional solid waste services that was not contained in the contract before the renewal or amendment, shall give notice containing:

(1) a summary of the purpose of the contract or amendment;

(2) a description of the change made by the contract or amendment; and

(3) a summary of the effect of the contract or amendment and this section on the operations of a privately owned

solid waste management service provider that is operating in the public agency's jurisdiction and is not a party to the contract.

(c) A public agency required by Subsection (b) to give notice shall:

(1) publish the notice:

(A) in a newspaper of general circulation in the jurisdiction of the public agency; and

(B) on a publicly available Internet website maintained by the public agency; and

(2) if the public agency requires a privately owned solid waste management service provider to register or obtain approval to operate in the public agency's jurisdiction, give notice to each provider registered with or approved by the public agency to operate in the jurisdiction.

(d) A contract or amendment described by Subsection (b) takes effect on publication of the notice required by this section.

(e) A privately owned solid waste management service provider that has an existing contract with a person to provide certain solid waste management services for which a public agency enters into an exclusive contract with another service provider may continue to provide those services in the public agency's jurisdiction until the earlier of:

(1) the date the service provider's existing nonexclusive contract expires; or

(2) the second anniversary of the date the public agency publishes the notice required by Subsection (b).

(f) A privately owned solid waste management service

1 provider that provides solid waste management services to a person
2 in a public agency's jurisdiction and that does not have a contract
3 to provide the services may, if the public agency enters into an
4 exclusive contract with another service provider to provide those
5 services, continue to provide the services in the jurisdiction
6 until the 60th day after the date the public agency publishes the
7 notice required by Subsection (b).

8 (g) This section does not apply to the provision of solid
9 waste management services by a municipality to an annexed area as
10 provided by Section 43.0661, Local Government Code.

11 SECTION 2. Section 363.120, Health and Safety Code, as
12 added by this Act, applies only to a contract or franchise agreement
13 for solid waste management services entered into on or after the
14 effective date of this Act.

15 SECTION 3. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2025.