

Amend CSHB 2020 as follows:

(1) Strike page 3, lines 19-26, and substitute the following:

(5) a nonrefundable annual fee equal to seven ~~[12-1/2]~~ percent of the bond that otherwise would be required.

(2) Strike page 4, lines 6-8, and substitute the following:

(d) This subsection does not apply to the operation of bay or offshore wells or the storage, handling, treatment, reclamation, or disposal of oil and gas waste. A person who engages in more than one activity or operation for which a bond or alternate form of financial security is required under this subchapter is not required to file a separate bond or alternate form of financial security for each activity or operation in which the person is engaged. The person is required to file a bond or alternate form of financial security only in the amount required for the activity or operation in which the person engages for which a bond or alternate form of financial security in the greatest amount is required. The bond or alternate form of financial security filed covers all of the activities and operations for which a bond or alternate form of financial security is required under this subchapter.

(3) On page 4, line 9, strike "January 1, 2006" and substitute "September 1, 2004".

(4) On page 4, line 22, following the semicolon, add "or".

(5) Strike page 4, line 23, through page 6, line 2, and substitute the following:

(4) a nonrefundable annual fee ~~[of \$1,000, if:~~

~~[(A) the commission determines that individual and blanket bonds as specified by Subdivisions (1) and (2) are not obtainable at reasonable prices; and~~

~~[(B) the person can demonstrate to the commission an acceptable record of compliance with all commission rules, orders, licenses, permits, or certificates that relate to safety or the prevention or control of pollution for the previous 48 months and the person and, if a firm, partnership, joint stock association, corporation, or other organization, its officers, directors, general partners, or owners of more than 25 percent ownership interest or any trustee.~~

~~[(i) has no outstanding violations of such commission rules, orders, licenses, permits, or certificates,~~

~~[(ii) has paid all administrative, civil, and criminal penalties, if any, relating to any violation of such commission rules, orders, licenses, permits, or certificates; and~~

~~[(iii) has paid all reimbursements of any costs and expenses incurred by the commission in relation to any violation of such commission rules, orders, licenses, permits, or certificates; or~~

~~[(5) a nonrefundable annual fee] equal to:~~

(A) eight [12-1/2] percent of the bond that otherwise would be required if the financial security is required to be filed before September 1, 2005;

(B) nine percent of the bond that otherwise would be required if the financial security is required to be filed on or after September 1, 2005, and before September 1, 2006; and

(C) 10 percent of the bond that otherwise would be required if the financial security is required to be filed on or after September 1, 2006.

(6) Strike page 6, lines 9-11, and substitute the following:

(d) This subsection does not apply to the operation of bay or offshore wells or the storage, handling, treatment, reclamation, or disposal of oil and gas waste. A person who engages in more than one activity or operation for which a bond or alternate form of financial security is required under this subchapter is not required to file a separate bond or alternate form of financial security for each activity or operation in which the person is engaged. The person is required to file a bond or alternate form of financial security only in the amount required for the activity or operation in which the person engages for which a bond or alternate form of financial security in the greatest amount is required. The bond or alternate form of financial security filed covers all of the activities and operations for which a bond or alternate form of financial security is required under this subchapter.

(7) On page 6, at the end of line 15, insert "who operates wells".

(8) On page 6, lines 19 and 20, strike "10 or fewer wells or

performs other operations" and substitute "at least one well but not more than 10 wells [~~10 or fewer wells or performs other operations~~]".

(9) Strike page 7, line 8, through page 9, line 17.

(10) Strike page 9, lines 23-26, and substitute the following:

"shall require the party acquiring the well to provide financial security by means of a [~~file a new~~] bond, letter of credit, or cash deposit in an appropriate amount as provided by Section 91.104(b)(1), (2), or (3), and the financial security of the prior".

(11) On page 10, line 2, strike "the new" and substitute "a [~~the new~~]".

(12) Strike page 10, line 11.

(13) On page 10, line 12, strike "(b)" and substitute "SECTION 8."

(14) On page 10, at the end of the bill, add a new SECTION to read as follows:

SECTION 9. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

(15) Renumber SECTIONS of the bill as appropriate.