

Amend CSSB 3 by striking SECTION 2.42, Subchapter D, Chapter 36, Water Code (committee printing, page 35, lines 10-60) and substituting the following:

Sec. 36.125. APPEAL OF DISTRICT ACTION TO DISPUTE RESOLUTION PANEL. (a) If a dispute arises between a district and a person affected by an action taken by the district under this subchapter, either the district or the affected person may file a petition with the commission requesting the appointment of a dispute resolution panel to assist the parties in reaching resolution of the dispute. Any party may within 10 days of the filing of the petition submit to the commission a written objection to the appointment of a panel.

(b) A petition filed under this section must include:

(1) the name of and contact information for each party;

(2) a brief summary of the dispute along with a copy of any relevant document, including a permit, an application, a timeline, the district's enabling statute, a rule, a groundwater management plan, or the groundwater management area plan; and

(3) other information required by the commission.

(c) Not later than the 60th day after the date the petition is filed, the commission shall review the petition and:

(1) dismiss it if the commission finds that the petition is baseless, frivolous, fails to present an issue that is appropriate for panel review, or that there is reasonable basis for the objection filed under subsection (a); or

(2) select a panel as provided by Subsection (e).

(d) If the petition is dismissed, the commission shall provide the reasons for the dismissal in writing to the district and the affected person.

(e) If the petition is not dismissed, the commission shall, in accordance with an interagency contract, request the Center for Public Policy Dispute Resolution to select a three-member dispute resolution panel. The panel shall be selected within 30 days of the commission's request. All panel members must be individuals who are not involved or affected by the matter in dispute and whose expertise and knowledge may be useful in resolving the dispute. The

chair of the panel must also be qualified as an impartial third party under Chapter 154 of the Texas Civil Practice and Remedies Code, have expertise in resolving public policy disputes, and have knowledge of groundwater law in Texas. The panel members' costs shall be shared equally among the parties, unless agreed to otherwise. The commission shall compensate the Center for its costs related to this subsection.

(f) Not later than the 45th day after the date the panel is selected, the panel shall review the petition and any information relevant to the petition and begin holding meetings with the parties to assist them in resolving the dispute. The panel may consolidate multiple parties, appoint a person to represent multiple parties, invite additional parties, or dismiss parties as the panel considers, appropriate. The Texas Water Development Board and the commission shall provide technical and legal assistance as requested by the panel.

(g) Not later than the 90th day after the panel's first meeting with the parties, the panel shall report to the commission whether the parties have reached a settlement. If

no settlement has been reached, the commission shall dissolve the panel, and the parties may proceed with any other available remedy, including those provided under Subchapter H of this chapter.

(h) A court of this state shall take judicial notice of a dispute resolution panel under this section and may stay an affected judicial proceeding pending a settlement of the dispute or the dissolution of the panel.