

Amend CSSB 3 (house committee printing) as follows:

(1) In SECTION 2A.01 of the bill, in the recital to the section (page 53, line 27), strike "Subchapter L" and substitute "Subchapters L and M".

(2) In SECTION 2A.01 of the bill, after added Section 11.601, Water Code (page 54, between lines 12 and 13), insert the following:

SUBCHAPTER M. ROYALTY FEE ON SALE OR LEASE OF IMPOUNDED SURFACE

WATER

Sec. 11.651. ACQUISITION OF PROPERTY IN RESERVOIR SITE IN EXCHANGE FOR ROYALTY FEE. The holder of a permit to impound surface water in a reservoir may, with the agreement of the owner of real property in the site of the reservoir, acquire the property in exchange for a royalty fee as provided by this subchapter.

Sec. 11.652. PROVISION OF INFORMATION AND PAYMENT OF ROYALTY FEE TO COMMISSION. The holder of a permit to impound surface water in a reservoir annually shall:

(1) notify the commission of the name and address of each person whose property the permit holder acquired to construct the reservoir under an agreement under Section 11.651 and the number of acres of real property acquired from the person under the agreement; and

(2) pay to the commission a royalty fee in an amount equal to 10 percent of the total revenue received by the permit holder for the wholesale or retail sale or lease of the water authorized to be impounded under the permit multiplied by a fraction the numerator of which is the total number of acres of real property acquired from all persons who entered into agreements under Section 11.651 and the denominator of which is the total number of acres of real property in the reservoir site acquired from all property owners voluntarily, including under an agreement under Section 11.651, or through the exercise of the power of eminent domain.

Sec. 11.653. ALLOCATION OF ROYALTY FEE BY COMMISSION. Not later than the 90th day after the date the royalty fee is submitted under Section 11.652(2), the commission shall allocate the fee to each person included in the notification under Section 11.652(1) in

the proportion that the number of acres of real property acquired from the person under an agreement under Section 11.651 bears to the total number of acres of real property acquired from all persons under agreements under Section 11.651.

Sec. 11.654. ASSESSMENT OF FEE ON PERMIT HOLDER. The commission may assess a holder of a permit to impound surface water in a reservoir a fee in an amount necessary to administer this subchapter.

(3) In SECTION 2A.02 of the bill, strike added Section 16.145(a), Water Code (page 55, line 18, through page 56, line 6), and substitute the following:

(a) A former owner of real property that was acquired, voluntarily or through the exercise of the power of eminent domain, for a reservoir is entitled to lease the property from the person who acquired the property under terms that allow the former owner to continue to use the property for its existing use until physical construction of the reservoir begins.

(4) In SECTION 2A.02 of the bill, added Section 16.145(b), Water Code (page 56, line 8), between "for" and "the property's", insert "not more than".

(5) In SECTION 2A.02 of the bill, strike added Section 16.146(a), Water Code (page 56, lines 10 through 20), and substitute the following:

(a) If a person constructing a reservoir is required to mitigate the past, present, or future adverse environmental effects arising from the construction or operation of the reservoir or its related facilities, the person shall, if authorized by the applicable regulatory authority, attempt to mitigate those effects by offering to contract with and pay an amount of money to an owner of real property to maintain, control, hold, restore, enhance, develop, or redevelop the property instead of acquiring or managing property for that purpose.