

One Hundred Sixth Congress
of the
United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday,
the twenty-fourth day of January, two thousand*

An Act

Providing for conveyance of the Palmetto Bend project to the State of Texas.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “Palmetto Bend Conveyance Act”.

SEC. 2. DEFINITIONS.

In this Act:

(1) **PROJECT.**—the term “Project” means the Palmetto Bend Reclamation Project in the State of Texas authorized under Public Law 90–562 (82 Stat. 999).

(2) **SECRETARY.**—The term “Secretary” means the Secretary of the Interior.

(3) **STATE.**—The term “State” means the State of Texas, acting through the Texas Water Development Board or the Lavaca-Navidad River Authority or both.

SEC. 3. CONVEYANCE.

(a) **IN GENERAL.**—The Secretary shall, as soon as practicable after the date of enactment of this Act and in accordance with all applicable law, and subject to the conditions set forth in sections 4 and 5, convey to the State all right, title and interest (excluding the mineral estate) in and to the Project held by the United States.

(b) **REPORT.**—If the conveyance under section 3 has not been completed within 1 year and 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report that describes—

- (1) the status of the conveyance;
- (2) any obstacles to completion of the conveyance; and
- (3) the anticipated date for completion of the conveyance.

SEC. 4. PAYMENT.

(a) **IN GENERAL.**—As a condition of the conveyance, the State shall pay the Secretary the adjusted net present value of current repayment obligations on the Project, calculated 30 days prior to closing using a discount rate equal to the average interest rate on 30-year United States Treasury notes during the preceding calendar month, which following application of the State’s August 1, 1999 payment, was, as of October 1999, calculated to be \$45,082,675 using a discount rate of 6.070 percent. The State shall

also pay interest on the adjusted net present value of current repayment obligations from the date of the State's most recent annual payment until closing at the interest rate for constant maturity United States Treasury notes of an equivalent term.

(b) OBLIGATION EXTINGUISHED.—Upon payment by the State under subsection (a), the obligation of the State and the Bureau of Reclamation under the Bureau of Reclamation Contract No. 14-06-500-1880, as amended shall be extinguished. After completion of conveyance provided for in section 3, the State shall assume full responsibility for all aspects of operation, maintenance and replacement of the Project.

(c) ADDITIONAL COSTS.—The State shall bear the cost of all boundary surveys, title searches, appraisals, and other transaction costs for the conveyance.

(d) RECLAMATION FUND.—All funds paid by the State to the Secretary under this section shall be credited to the Reclamation Fund in the Treasury of the United States.

SEC. 5. FUTURE MANAGEMENT.

(a) IN GENERAL.—As a condition of the conveyance under section 3, the State shall agree that the lands, water, and facilities of the Project shall continue to be managed and operated for the purposes for which the Project was originally authorized; that is, to provide a dependable municipal and industrial water supply, to conserve and develop fish and wildlife resources, and to enhance recreational opportunities. In future management of the Project, the State shall, consistent with other project purposes and the provision of dependable municipal and industrial water supply—

(1) provide full public access to the Project's lands, subject to reasonable restrictions for purposes of Project security, public safety, and natural resource protection;

(2) not sell or otherwise dispose of the lands conveyed under section 3;

(3) prohibit private or exclusive uses of lands conveyed under section 3;

(4) maintain and manage the Project's fish and wildlife resource and habitat for the benefit and enhancement of those resources;

(5) maintain and manage the Project's existing recreational facilities and assets, including open space, for the benefit of the general public;

(6) not charge the public recreational use fees that are more than is customary and reasonable.

(b) FISH, WILDLIFE, AND RECREATION MANAGEMENT.—As a condition of conveyance under section 3, management decisions and actions affecting the public aspects of the Project (namely, fish, wildlife, and recreation resources) shall be conducted according to a management agreement between all recipients of title to the Project and the Texas Parks and Wildlife Department that has been approved by the Secretary and shall extend for the useful life of the Project.

(c) EXISTING OBLIGATIONS.—The United States shall assign to the State and the State shall accept all surface use obligations of the United States associated with the Project existing on the date of the conveyance including contracts, easements, and any permits or license agreements.

SEC. 6. MANAGEMENT OF MINERAL ESTATE.

All mineral interests in the Project retained by the United States shall be managed consistent with Federal law and in a manner that will not interfere with the purposes for which the Project was authorized.

SEC. 7. LIABILITY.

(a) **IN GENERAL.**—Effective on the date of conveyance of the Project, the United States shall not be liable for damages of any kind arising out of any act, omission, or occurrence relating to the Project, except for damages caused by acts of negligence committed prior to the date of conveyance by—

(1) the United States; or

(2) an employee, agent, or contractor of the United States.

(b) **NO INCREASE IN LIABILITY.**—Nothing in this Act increases the liability of the United States beyond that provided for in the Federal Tort Claims Act (28 U.S.C. 2671 et seq.).

SEC. 8. FUTURE BENEFITS.

(a) **DEAUTHORIZATION.**—Effective on the date of conveyance of the Project, the Project conveyed under this Act shall be deauthorized.

(b) **NO RECLAMATION BENEFITS.**—After deauthorization of the Project under subsection (a), the State shall not be entitled to receive any benefits for the Project under Federal reclamation law (the Act of June 17, 1902 (32 Stat. 388, chapter 1093)), and Acts supplemental to and amendatory of that Act (43 U.S.C. 371 et seq.).

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*