

Amend CSHB 3694 as follows:

(1) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS accordingly:

SECTION _____. Subchapter D, Chapter 2303, Government Code, is amended by adding Section 2303.203 to read as follows:

Sec. 2303.203. PARTICIPATION BY NEIGHBORHOOD ENTERPRISE ASSOCIATIONS. Each neighborhood enterprise association organized under Subchapter E should be encouraged to participate in planning and carrying out activities in the enterprise zone.

SECTION _____. Chapter 2303, Government Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. NEIGHBORHOOD ENTERPRISE ASSOCIATIONS

Sec. 2303.301. ORGANIZATION OF NEIGHBORHOOD ENTERPRISE ASSOCIATION. (a) Individuals residing in an enterprise zone may organize a neighborhood enterprise association.

(b) Only one association may exist for a geographic neighborhood area.

(c) The association must:

(1) be a nonprofit corporation formed under the Texas Nonprofit Corporation Law, as described by Section 1.008, Business Organizations Code; and

(2) be eligible for federal tax exemption under Section 501(c) of the Internal Revenue Code of 1986.

(d) The certificate of formation must:

(1) describe the geographic neighborhood area of the association; and

(2) authorize the association to engage in business only in the enterprise zone in which the neighborhood area is located.

(e) The organizers shall publish in a newspaper of general circulation in the area designated as an enterprise zone an explanation of the proposed association and the organizers' rights in the association.

(f) A copy of the association's certificate of formation and its bylaws shall be available for public inspection at the office.

Sec. 2303.302. CERTIFICATION OF ASSOCIATION. (a) After a neighborhood enterprise association is formed, the association's

board of directors must apply to the bank for certification as a neighborhood enterprise association.

(b) The bank may not grant certification unless the association has hired or appointed a suitable chief executive officer.

Sec. 2303.303. MEMBERSHIP; VOTING. (a) The membership of a neighborhood enterprise association may be composed only of residents of the enterprise zone.

(b) An individual is entitled to be a member of a neighborhood enterprise association if the individual is:

(1) a resident of the association's geographic neighborhood area; and

(2) of voting age.

(c) To be entitled to vote, a member of the association must have been a resident of the association's neighborhood area for at least one year.

Sec. 2303.304. POWERS OF NEIGHBORHOOD ENTERPRISE ASSOCIATIONS. (a) A neighborhood enterprise association may purchase or lease publicly or privately owned real property.

(b) A neighborhood enterprise association with the approval of the bank may:

(1) establish crime watch patrols in the association's geographic neighborhood area;

(2) establish volunteer day-care centers;

(3) organize recreational activities for the association's geographic neighborhood area youth;

(4) provide garbage collection;

(5) maintain and improve streets, bridges, and water and sewer lines;

(6) provide energy or water conservation projects;

(7) provide health and clinic services;

(8) provide drug abuse programs;

(9) provide senior citizen assistance programs;

(10) maintain parks;

(11) rehabilitate, renovate, operate, or maintain low or moderate income housing; and

(12) provide other types of public services as

authorized by law or rule.

(c) A service may be provided under Subsection (b) by the association or, if feasible and prudent and after agreement with the bank, by a private firm or organization.

(d) The governmental entity responsible for providing a service in the enterprise zone may contract with a neighborhood enterprise association to provide services in an amount equal to the amount saved by the entity by the provision of the service under the contract.

(e) A neighborhood enterprise association has powers established by other law or rule, including powers available to similar corporations under state law.

(f) A neighborhood enterprise association may enter into a contract and participate in a joint venture with the state or a state agency or institution.

(g) A neighborhood enterprise association may receive money without approval of the bank.

Sec. 2303.305. APPROVED PROJECTS. (a) On approval of the bank, a neighborhood enterprise association may carry out projects other than those under Section 2303.304(b). The association must submit to the bank an application that describes the nature and benefit of the project and that specifically states:

(1) how the project will contribute to the self-help efforts of the residents of the association's geographic neighborhood area;

(2) how the residents of the geographic neighborhood area will be involved in the planning and implementation of the project;

(3) whether there are sufficient resources to complete the project and whether the association will be fiscally responsible for the project; and

(4) whether the project will enhance the enterprise zone by:

(A) creating permanent jobs;

(B) physically improving the housing stock;

(C) stimulating neighborhood business activity;

or

(D) preventing crime.

(b) If the bank does not disapprove an application submitted under Subsection (a) before the 45th day after the day of receipt of the application, the application is considered to be approved.

(c) If the bank disapproves an application submitted under Subsection (a), the bank shall notify the association of the specific reasons for the decision and shall allow the association to amend the application on or before the 60th day after the date of the notification.

(d) The association shall furnish to the bank:

(1) an annual statement of the programmatic and financial status of each approved project; and

(2) an audited financial statement of the project.

(2) On page 5, line 16, strike "Sections 2303.405(a) and (b), Government Code," and substitute "Sections 2303.405(a), (b), and (c), Government Code,".

(3) On page 7, between lines 2 and 3, insert the following:

(c) For the purposes of this section, local effort to develop and revitalize a municipality or county is:

(1) the willingness of public entities in the municipality or county to provide services, incentives, and regulatory relief authorized by this chapter and to negotiate with the qualified business for which application is made and with neighborhood enterprise associations and other local groups or businesses to achieve the public purposes of this chapter; and

(2) the effort of the qualified business and other affected entities to cooperate in achieving those public purposes.