

Amend CSSB 3 as follows:

On page 49, between lines 16 and 17, insert the following new section and renumber remaining sections accordingly.

SECTION _____. Section 16.344, Water Code, is amended by adding new Subsections (d), (e), (f), (g) and (h) to read as follows:

(d) Notwithstanding Subsection 16.343(g) or Subsection 16.350(a), a political subdivision may temporarily continue to receive funds under Subchapter K, Chapter 17, if the political subdivision submits a request for temporary continuation of funding and the board determines that:

(1) the political subdivision's initial funding application and any amendments for a designated area were reviewed and approved by the board prior to January 1, 2007;

(2) withholding funds would result in an undue hardship for occupants of the property to be served by unreasonably delaying the provision of adequate water or waste water services;

(3) withholding funds would result in inefficient use of local, state, or federal funds under the program;

(4) the political subdivision has committed to take the necessary and appropriate actions to correct any deficiencies in adoption or enforcement of the model rules within the time designated by the board, but not later than 90 days;

(5) the political subdivision has sufficient safeguards in place to prevent the proliferation of colonias; and

(6) after 30 days to consult with the attorney general, secretary of state, and commission, the board has not received an objection to the request for temporary continuation of funding.

(e) In applying Subsection (d) to applications for increased financial assistance, the board shall only consider areas that were included in the initial application, except that the board may reconsider that eligibility of areas that were the subject of a facility plan in the initial application, and which may be determined to be eligible based on criteria effective September 1, 2005.

(f) The political subdivision shall take necessary and appropriate actions to correct any deficiencies in its adoption and

enforcement of the model rules within the time period required by the board, not to exceed 90 days, and provide evidence of compliance to the board. The board shall discontinue funding unless the board makes a determination based on the evidence provided that the political subdivision has demonstrated sufficient compliance to continue funding.

(g) Except as provided in Subsections (d) through (f), if the board determines that a county or city that is required to adopt and enforce the model rules is not enforcing the model rules, the board shall discontinue funding for all projects within the county or city that are funded under Subchapter K, Chapter 17.

(h) Subsections (d), (e), (f), (g) and (h) expire September 1, 2009.

SECTION _____. 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, 2007. The board may not accept or grant applications for temporary funding under Subsection (d), Section 16.344, Water Code, created by this Act, less than 90 days prior to the expiration of this Act.