

**Local Government Committee 1**

**Amendment No. 1 to HB2214**

**Hill M  
Signature of Sponsor**

**AMEND Senate Bill No. 1860\***

**House Bill No. 2214**

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 48, Chapter 101, is amended by adding the following language as a new, appropriately designated part:

48-101-901. This part shall be known and may be cited as the "Neighborhood Preservation Nonprofit Corporation Act".

48-101-902. As used in this part:

(1) "Bylaws" means the code or codes of rules, other than the charter, adopted pursuant to chapters 51-68 of this title for the regulation or management of the affairs of the corporation irrespective of the name or names by which such rules are designated;

(2) "Corporation" means a public benefit or mutual benefit corporation which is not a foreign corporation, incorporated under or subject to chapters 51-68 of this title, and is recognized as exempt under § 501(c)(3) of the Internal Revenue Code, codified in 26 U.S.C. § 501(c)(3), or any successor section;

(3) "Foreign corporation" means a nonprofit corporation incorporated under a law other than the law of this state, which would be a nonprofit corporation if formed under the laws of this state;

(4) "Mutual benefit corporation" means a domestic corporation which becomes by operation of law a mutual benefit corporation pursuant to § 48-68-104 or is formed as a mutual benefit corporation pursuant to chapter 52 of this title; and

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(5) "Public benefit corporation" means a domestic corporation which becomes by operation of law a public benefit corporation pursuant to § 48-68-104 or is formed as a public benefit corporation pursuant to chapter 52 of this title.

48-101-903.

(a) A corporation seeking designation as a neighborhood preservation nonprofit corporation under this part shall register with the secretary of state by requesting the designation of neighborhood preservation nonprofit corporation in its charter.

(b) In addition to any other fee for registering the corporation pursuant to applicable law, the secretary of state may also require a fee for acquiring the designation as a neighborhood preservation nonprofit corporation.

(c) Prior to registering with the secretary of state as set forth in subsection (a), a corporation shall file in the office of the register of deeds in the county that the real property is located a plat that shows the real property that the corporation shall apply its assets towards to preserve and protect from blight, crime, and other purposes.

48-101-904.

In order to qualify for the designation as a neighborhood preservation nonprofit corporation under this part, a corporation shall first include in its bylaws:

(1) That all members shall be owners of real property located within the area designated in the plat described in § 48-101-903(c);

(2) That decisions of the corporation involving the protection or preservation of real property within the area designated in the plat described in § 48-101-903(c) shall be made by a two-thirds (2/3) vote of its members;

(3) That each member shall pay a minimum monthly amount in dues of twenty-five dollars (\$25.00) to the corporation and agree, prior to membership, to pay any outstanding dues prior to selling the member's real property located within the area designated in the plat described in § 48-101-903(c);

(4) That all assets of the corporation, minus those needed for administrative purposes, shall be applied towards preserving and protecting the real property designated in the plat described in § 48-101-903(c);

(5) That an itemized financial accounting of assets used for administrative purposes shall be made available to members upon request; and

(6) That copies of the bylaws shall be provided to members upon becoming members and at any time that the bylaws are changed.

48-101-905.

(a) Notwithstanding any law to the contrary, a corporation that receives a designation as a neighborhood preservation nonprofit corporation shall be eligible to apply for and receive housing trust fund competitive grants and any other applicable grants from the Tennessee housing development agency; provided, the corporation meets all requirements for the grants.

(b) Upon request from a neighborhood preservation nonprofit corporation, the Tennessee housing development agency shall provide assistance in making an application for the grants described in subsection (a) in the same manner in which the Tennessee housing development agency assists other qualifying entities, including, at a minimum, providing a list of all grants that the entity qualifies for and the steps necessary to apply for the listed grants.

48-101-906.

Notwithstanding any law to the contrary, an individual member of a neighborhood preservation nonprofit corporation may report suspected suspicious activity to the local law enforcement entity responsible for the area designated in the plat described in § 48-101-903(a). The local law enforcement entity is encouraged to investigate the reported activity and may provide a report upon request; provided, it does not impede an ongoing investigation.

48-101-907.

This part shall be interpreted so as to be fully consistent with applicable federal law.

SECTION 2. Tennessee Code Annotated, Section 5-1-115(g)(1)(A), is amended by deleting the language “, or community support group” and substituting instead the language “, neighborhood preservation nonprofit corporation, or community support group”.

SECTION 3. Tennessee Code Annotated, Section 6-54-113(g)(1)(A), is amended by deleting the language “, or community support group” and substituting instead the language “, neighborhood preservation nonprofit corporation, or community support group”.

SECTION 4. Tennessee Code Annotated, Section 13-21-204(a)(1), is amended by deleting the language “, or community support group” and substituting instead the language “, neighborhood preservation nonprofit corporation, or community support group”.

SECTION 5. The secretary of state is authorized to promulgate rules to effectuate the purposes of this act. All such rules shall be promulgated in accordance with Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 6. For the purpose of promulgating rules and making necessary provisions for the implementation of this act, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect January 1, 2015, the public welfare requiring it.