

BILL ANALYSIS

S.B. 485
By: Barrientos
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Creation of the Austin-San Antonio Intermunicipal Rail District (district) was authorized by the 75th Texas Legislature in 1997. The four necessary creating jurisdictions (City of Austin, City of San Antonio, Bexar County, and Travis County) have formed the district, which is aggressively seeking available federal funding. However, the district does not have taxing authority, and may be, at least in part, dependent on state and local funding. The rail district needs to conduct all of its activities in the most cost-effective manner possible. Through the passage of S.B. 342 by the 77th Texas Legislature and the recent initiation of work on State Highway 130, the state has recognized that exclusive development agreements, in which design, construction, and maintenance may be combined into a single contract, can be an efficient and financially prudent way to undertake large construction projects. S.B. 485 authorizes a board of directors of a rural rail transportation district to enter into an exclusive development agreement with a private entity.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the board of directors of a rural rail transportation district in SECTION 2 (Article 6550c-1, V.T.C.S) of this bill.

ANALYSIS

SECTION 1. Amends Article 6550c-1, Section 6, V.T.C.S, to exempt an agreement with a private entity under Section 6A from the required bidding process regarding a contract of more than \$15,000 for construction of improvements or purchase of certain items.

SECTION 2. Amends Article 6550c-1, V.T.C.S., by adding Section 6A, as follows:

Sec. 6A. EXCLUSIVE DEVELOPMENT AGREEMENTS. (a) Defines "exclusive development agreement."

(b) Authorizes a board of directors of a rural rail transportation district (board) to enter into an exclusive development agreement with a private entity.

(b) Authorizes the board to adopt rules to govern agreements under this section.

SECTION 3. Effective date: upon passage or September 1, 2003.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.

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