

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 30, 2003

TO: Honorable Steve Ogden, Chair, Senate Committee on Infrastructure Development and Security

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1580 by Wentworth (Relating to bond requirements for privatized maintenance contracts.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Transportation Code to require a private sector contractor to post a performance bond for certain projects undertaken for the Texas Department of Transportation (TxDOT) annually in an amount equal to the amount to be paid to the contractor divided by the number of years of the contract.

TxDOT indicates it could absorb the costs of implementing the bill within its current resources.

The bill would take effect immediately upon receiving a two-thirds majority vote in both houses; otherwise, the bill would take effect September 1, 2003. The bill would also require that a maintenance contract entered into by TxDOT before September 1, 2003, would be governed for the remaining term of the contract under current law.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation

LBB Staff: JK, RR, RT, MW, KG