

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 25, 2005

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB573 by Brimer (Relating to the award of certain highway maintenance contracts by the Texas Department of Transportation.), **As Passed 2nd House**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Transportation Code to require the Texas Transportation Commission to certify annually certain counties as economically disadvantaged and to make a determination as to whether the local matching fund requirement for political subdivision should be adjusted at the time a political subdivision within an economically disadvantaged county submits a proposal to construct, maintain, or extend a highway project.

The bill would allow the Texas Transportation Commission to award a maintenance contract of less than \$300,000 to the second lowest bidder, if the lowest bidder withdraws its bid prior to contract award or fails to execute the contract. The second lowest bidder has to agree to perform the work at the lowest bidder's prices. The current statute applies to maintenance contracts of less than \$100,000.

Based on the analysis of the Texas Department of Transportation, the provisions of the bill would not have a significant fiscal impact to the state.

The bill would take effect on September 1, 2005.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 601 Department of Transportation

LBB Staff: JOB, SR, MW, TG