

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 9, 2007

TO: Honorable Bill Callegari, Chair, House Committee on Government Reform

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

IN RE: HB1886 by Callegari (Relating to the procurement methods of certain political subdivisions and certain other entities for the construction, rehabilitation, alteration, or repair of certain projects.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would add Subchapter J to Chapter 271, Local Government Code, to authorize a municipality, county, a special district, or authority to utilize design-build procedures for certain civil works projects. The bill would apply to different population-sized entities, starting with the largest prior to September 1, 2009 and eventually applying to all municipalities, counties, special districts, and authorities on or after September 1, 2013. Procedures and other requirements for using this method of procurement are included in the proposed statute. The local government entity would assume all risks and costs associated with scope changes and modifications; unknown or differing site conditions; regulatory permitting; and natural disasters and other force majeure events, and costs associated with property acquisition.

The bill would take effect September 1, 2007, and would apply only to a contract for which a request for proposals or a request for qualification is first published or distributed on or after that date.

Local Government Impact

Based on responses from various sized local government entities and the Texas Association of Counties, no significant fiscal impact is anticipated for those local government entities to whom the provisions of the bill would apply in the first five years after the effective date, and there would be no fiscal impact in that initial five-year period to the entities to whom the provisions would not apply until on or after September 1, 2013.

Source Agencies:

LBB Staff: JOB, MN, DB