

## **BILL ANALYSIS**

S.B. 1353  
By: Carona  
Transportation  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

When private entities enter into agreements, referred to as "comprehensive development agreements" (CDAs), with toll road authorities for the construction of toll roads, the private entity is authorized to agree to pay a concession payment to the toll project entity as an incentive to accept the private entity's bid for the project.

While initially beneficial for the region receiving a concession payment, the payment ultimately costs drivers using the toll road because the money spent for the concession payment will be recouped by the private entity through implementation of higher tolls and the need to enter into longer term contracts.

S.B. 1353 amends current law relating to contract provisions in comprehensive development agreements.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **ANALYSIS**

SECTION 1. Amends Subchapter C, Chapter 371, Transportation Code, as added by Chapter 264 (S.B. 792), Acts of the 80th Legislature, Regular Session, 2007, by adding Section 371.105, as follows:

Sec. 371.105. PROHIBITION AGAINST CONCESSION PAYMENTS; REVENUE SHARING. (a) Defines "concession payment."

(b) Prohibits a toll project entity from accepting a concession payment as part of a comprehensive development agreement.

(c) Authorizes a toll project entity to enter into a revenue sharing agreement with a private participant as part of a comprehensive development agreement.

(d) Sets forth certain projects to which this section does not apply.

SECTION 2. Amends Section 371.151(a), Transportation Code, as added by Chapter 264 (S.B. 792), Acts of the 80th Legislature, Regular Session, 2007, to require a toll project entity, before the entity enters into a contract for the construction of a toll project, to publish in the manner provided by Section 371.152 (Disclosure by Publication) information regarding the terms of any revenue sharing agreement, rather than the projected total amount of concession payments.

SECTION 3. (a) Provides that the changes in law made by Section 371.151, Transportation Code, as amended by this Act, and Section 371.105, Transportation Code, as added by this Act, apply only to a comprehensive development agreement entered into on or after the effective date of this Act.

(b) Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2009.

**EFFECTIVE DATE**

September 1, 2009