

BILL ANALYSIS

H.B. 2574
By: Phillips
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Regional mobility authorities (RMAs) currently have authority to enter into a comprehensive development agreement (CDA) that provides for the design and construction of a project, but this authority will soon expire. A project developed through a design/build CDA is designed and constructed by a developer selected by the RMA through a competitive process but is financed, operated, and maintained by the RMA.

H.B. 2574 continues the authority of an RMA to use a design/build CDA and authorizes the use of a design/build/finance CDA for transportation projects. Similar to a design/build CDA, a design/build/finance CDA allows an RMA to seek some financing in connection with the design/build CDA competitive procurement process as a way to cover the difference between what can be financed through the bond market and the cost of the project. The bill removes the authority of an RMA to enter into a CDA with a private entity to construct, maintain, repair, operate, extend, or expand a transportation project.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2574 amends the Transportation Code to authorize a regional mobility authority to enter into a comprehensive development agreement with a private entity for the design and construction of a transportation project and authorizes the agreement to also provide for financing of a project. The bill prohibits an authority, unless specifically authorized by the legislature, from entering into a comprehensive development agreement with a private entity for the design and construction of a transportation project if the agreement entitles the private entity to an ownership or leasehold interest in the transportation project or to the right to operate or retain revenue from the transportation project. The bill removes a provision authorizing a regional mobility authority to use a comprehensive development agreement with a private entity to construct, maintain, repair, operate, extend, or expand a transportation project. The bill repeals provisions relating to the expired or expiring authority of a regional mobility authority to enter into certain comprehensive development agreements.

H.B. 2574 repeals Section 370.305 (d), (e), and (f), Transportation Code.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, August 29, 2011.