

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 10, 2011**

**TO:** Honorable Larry Phillips, Chair, House Committee on Transportation

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

**IN RE: SB1138** by Watson (Relating to design-build contracts and comprehensive development agreements of regional mobility authorities.), **As Engrossed**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend the Transportation Code to relating to design-build contracts and comprehensive development agreements of regional mobility authorities (RMA). The bill would provide that a comprehensive development agreement is an agreement with a private entity that provides for the design and construction of a transportation project that may provide for the financing, acquisition, maintenance, or operation of a transportation project and that entitles a private entity to a leasehold interest or the right to operate or retain revenue from the project.

The bill would add Subchapter G-1 to Chapter 370 to include the definitions for "design-build contractor" and "design-build method" and would authorize a regional mobility authority to use the design-build method for a transportation project. A design-build contract under this subchapter would not grant to a private entity, a leasehold interest or the right to operate or retain revenue from the project. The bill would outline procedures for the use of the design-build method including the scope and limitations on contracts; request for qualifications and proposals; contract negotiations; and performance or payment bonds.

The bill would repeal Section 370.314 of the Transportation Code.

**Local Government Impact**

It is assumed that an RMA would enter into a comprehensive development agreement or use the design-build method authorized by the provisions of the bill only if sufficient funds were available.

The Alamo Regional Mobility Authority reported there would be no fiscal impact to implement the provisions of the bill.

The Central Texas Regional Mobility Authority reported there could be a positive fiscal impact because it would increase the possibility that an RMA could build a transportation project due to greater financing flexibility.

**Source Agencies:**

**LBB Staff:** JOB, KJG, TP