

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 25, 2011

TO: Honorable Tommy Williams, Chair, Senate Committee on Transportation & Homeland Security

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.), **Committee Report 1st House, Substituted**

<p>No fiscal implication to the State is anticipated.</p>
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The bill would amend the Transportation Code to prohibit a regional mobility authority (RMA) from entering into a comprehensive development agreement that would entitle a private entity ownership or leasehold interest in the transportation project or the right to operate or retain revenue from the project unless explicitly authorized by the Texas Legislature.

The bill also would 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. 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 bidding requirements and negotiations; and performance or payment bonds.

The bill would repeal Sections 370.305(d) and (e), and Section 370.314 of the Transportation Code to remove the expiration provision for the ability to enter into a comprehensive development agreement.

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