

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 7, 2015

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB1294** by Nichols (Relating to certain limitations on design-build contracts for transportation infrastructure projects.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Section 223.242 of the Transportation Code to specify that the Texas Department of Transportation (TxDOT) may enter into a design-build contract for a highway project with a construction cost estimate of \$250 million or more to the department rather than \$50 million or more under current law. The bill would repeal the August 31, 2015, expiration date on the provision that prohibits TxDOT from entering into more than three design-build contracts in a fiscal year. The bill would prohibit a design-build contract from requiring a contractor to maintain a project for a term of longer than five years, but would allow for agreements for additional terms of maintenance through a contract renewal or extension. Certain provisions of the bill would only apply to a design-build contract entered into on or after the effective date of the bill.

Based on the information provided by TxDOT, it is assumed the bill would not result in a direct fiscal impact to the state and any costs or duties associated with implementing the provisions of the bill could be absorbed within the agency's existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 601 Department of Transportation

LBB Staff: UP, AG, NV, TG