

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

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 16, 2017**

**TO:** Honorable Geanie W. Morrison, Chair, House Committee on Transportation

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** SB1834 by Buckingham (Relating to the allocation of money associated with delays of transportation projects.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Transportation Code to require the Texas Department of Transportation (TxDOT) to establish a system to track liquidated damages retained by TxDOT for transportation project contract delays. The bill would require TxDOT to determine for each TxDOT district the amount of money retained each year that is attributable to projects located in the district and allocate to each district an amount of money for transportation projects equal to the amount determined for each district.

TxDOT reports that the agency currently assesses penalties for contractor delays as liquidated damages. The dollar amount specified as liquidated damages is deducted from any payments due to the contractor. Based on LBB's analysis of information provided by TxDOT, it is assumed TxDOT would program an amount of funding for highway construction and maintenance projects in the applicable districts in an amount equal to the value of liquidated damages assessed on contracts in those districts in the previous fiscal year. This analysis assumes 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

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