

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 24, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB1834** by Buckingham (Relating to the allocation of revenue from certain penalties for transportation project delays.), **As Introduced**

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 track penalties assessed by TxDOT on contractors for construction project delays by county. The bill would require TxDOT to allocate to each county an amount of money for transportation projects equal to the amount of penalties collected in the previous fiscal year for project delays in those counties.

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 counties in an amount equal to the value of liquidated damages assessed on contracts in those counties 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

LBB Staff: UP, AG, TG