

BILL ANALYSIS

C.S.H.B. 3889
By: Canales
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In recent years, the Texas Department of Transportation (TxDOT) and its partners in the construction industry have experienced increasing inflationary pressures, paired with labor and material supply challenges, which have raised the cost to build Texas highways. Under current law, TxDOT may allow bids on contracts for local highway improvement and maintenance projects with an engineer's estimate of less than \$300,000. This cap has remained unchanged since 1997, and accounting for inflation today that amount would be close to \$1 million. C.S.H.B. 3889 seeks to raise that cap from less than \$300,000 to less than \$1 million. The bill also authorizes the Texas Transportation Commission to allow bids on a contract for construction of a building at less than \$1 million.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Transportation Commission in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 3889 amends the Transportation Code to authorize the Texas Transportation Commission by rule to allow bids on a contract for construction of a building estimated by the Texas Department of Transportation (TxDOT) to involve an amount less than \$1 million to be filed with the director of the division of TxDOT that is responsible for the construction of the building and opened and read at a public meeting held by the division director or the division director's designee. The bill authorizes the Texas Transportation Commission to delegate to the division director or the division director's designee the right to accept or reject bids received and award a contract to the lowest bidder.

C.S.H.B. 3889 increases from less than \$300,000 to less than \$1 million the maximum estimated amount involved in certain highway project contracts for which the Texas Transportation Commission may allow competitive bids. The bill applies only to bids for which the notice of bid is given on or after the bill's effective date.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3889 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes an authorization absent from the introduced for the Texas Transportation Commission to allow bids for construction of a building estimated to involve less than \$1 million to be filed with the director of the division of TxDOT that is responsible for the construction of the building including procedures involving the bids. The substitute includes an authorization absent from the introduced for the commission to delegate to the director of the division of TxDOT that is responsible for the construction or the director's designee the right to accept or reject bids and award a contract.

The substitute includes a provision granting rulemaking authority to the Texas Transportation Commission which was absent from the introduced.