

SUBJECT: Redirecting liquidated damages to their original transportation districts

COMMITTEE: Transportation — favorable, without amendment

VOTE: *After recommitted:*
8 ayes — Morrison, Martinez, Y. Davis, Israel, Minjarez, Pickett, E. Thompson, Wray

3 nays — Burkett, Goldman, Simmons

2 absent — Phillips, S. Thompson

SENATE VOTE: On final passage, May 3 — 31-0

WITNESSES: None

BACKGROUND: The Texas Department of Transportation (TxDOT) oversees 25 districts, each of which oversees a specific geographical area across the state. TxDOT deducts liquidated damages from payments on some contracts which are not delivered on time, and some have suggested that those savings should be redirected to affected districts for their use.

DIGEST: SB 1834 would require the Texas Department of Transportation (TxDOT) to establish a system to track liquidated damages assessed on delayed construction contracts.

TxDOT also would be required to determine the amount of money received in liquidated damages from each of TxDOT's 25 districts with this system and correspondingly return those damages back to the district in which the contract originated.

This bill would take effect September 1, 2017.