

## **BILL ANALYSIS**

Senate Research Center  
77R4130 DWS-F

S.B. 354  
By: Lindsay  
Intergovernmental Relations  
1/29/2001  
As Filed

### **DIGEST AND PURPOSE**

Prior to 1999, local government corporations, as provided by the Transportation Code, were used primarily for transportation-related purposes and supervised by the Transportation Commission. However, these corporations were removed from the supervision of the Transportation Commission and their authority was broadened to include non-transportation-related functions with the passage of H.B. 2684 during the 76th Legislature. The applicability of state purchasing restrictions and procedures to local government corporations has been questioned, causing confusion and controversy. As proposed, S.B. 354 limits local government corporations to transportation-related purposes and clarifies that they are subject to the applicable procurement restrictions and procedures that apply to the governmental entities that created them.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 431.101(a) and (e), Transportation Code, to authorize a local government corporation to be created to aid and act on behalf of one or more local governments to accomplish any purpose under this chapter. Deletes language regarding local governments. Provides that a local government corporation is subject to all statutes, codes, and other laws related to the design and construction of projects, including the procurement of design and construction services, that apply to the local government that created the corporation. Deletes text regarding property and improvements and contracts awarded by a local government corporation.

SECTION 2. Effective date: upon passage or September 1, 2001.