

BILL ANALYSIS

Senate Research Center
85R22819 JXC-D

C.S.S.B. 1834
By: Buckingham
Transportation
4/26/2017
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Department of Transportation (TxDOT) has mechanisms for holding contractors accountable through financial penalties when projects are delayed. However, the communities affected by such delays currently experience no relief or direct benefit from any funds recovered by TxDOT for delayed projects.

S.B. 1834 directs TxDOT to establish a system to track penalties for delays in transportation projects assessed by TxDOT on contractors hired by the department.

TxDOT would also be required correlate these penalties with:

- Projects that are the subject of the penalties.
- Each county in which projects subject to penalties are located.

To provide actual relief to the communities impacted by delays, TxDOT would be required to allocate any financial penalties received to additional projects in the county where the delay was located.

Currently, a fine received by TxDOT for a late project in Central Texas could be used by the department for other actions or used to fund projects in other parts of the state. S.B. 1834 supports communities impacted by transportation delays by preventing the redistribution of received financial penalties to unrelated projects in counties elsewhere in Texas. (Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 1834 amends current law relating to the allocation of money associated with delays of transportation projects.

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 Subchapter A, Chapter 222, Transportation Code, by adding Section 222.007, as follows:

Sec. 222.007. ALLOCATION OF MONEY FROM TRANSPORTATION PROJECT DELAYS. (a) Requires the Texas Department of Transportation (TxDOT) to establish a system to track fees for delays in transportation projects collected by TxDOT from contractors hired by TxDOT and liquidated damages retained by TxDOT associated with delayed transportation project contracts.

(b) Requires that the system allow TxDOT to correlate the fees and liquidated damages with the project that was the subject of the fees or damages and each TxDOT district (district) in which the project that was the subject of the fees or damages is located.

(c) Requires TxDOT, each year, to:

(1) for each district, determine the amount of money described by Subsection (a) collected or retained in the previous year that is attributable to projects located in the district; and

(2) in addition to other amounts, allocate to each district an amount of money equal to the amount determined for the district under Subdivision (1) to be used for transportation projects located in that district.

(d) Authorizes TxDOT, if a transportation project that was the subject of fees or liquidated damages is located in more than one district, to reasonably allocate the penalty revenue from that project between the districts in which the project is located.

SECTION 2. Effective date: September 1, 2017.