

BILL ANALYSIS

Senate Research Center
85R25395 MTB-D

C.S.S.B. 637
By: Huffines
Transportation
4/26/2017
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 1999, the legislature authorized the creation of regional mobility authorities (RMAs) through Chapter 370, Transportation Code. To date, the Texas Department of Transportation (TxDOT) has pledged loans and grants totaling \$3 billion to the nine RMAs throughout the state. Despite this significant influx of taxpayers' dollars, RMAs have often delivered projects over budget and behind schedule. There have been documented cases in which an RMA has been the subject of intense ethical scrutiny, has required a taxpayer bailout, and has been seized by another political subdivision to avert total program failure. Even one of the most successful RMAs is suffering from extraordinary project delays that relate to poor contracting. In 2016, the Texas A&M Transportation Institute noted that "RMA reporting requirements are minimal and may not capture detailed financial and operating data." RMAs have no standard format when it comes to reporting their financial positions. Uniformity in reporting would help to assess RMAs' progress in project delivery and management in relation to other RMAs.

S.B. 637 would prohibit TxDOT from issuing a grant or a loan to an RMA unless that RMA agrees in writing to allow state audits at any time until the project being financed is completed. These audits could be initiated by the state auditor or a majority vote of the house or senate transportation committees. (Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 637 amends current law relating to audits of a regional mobility authority by the state auditor.

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 G, Chapter 370, Transportation Code, by adding Section 370.318, as follows:

Sec. 370.318. AUDIT REQUIREMENT FOR DEPARTMENT GRANT OR LOAN. Prohibits the Texas Department of Transportation from making a grant or loan to a regional mobility authority (RMA) for a transportation project unless the RMA agrees in writing to allow state audits of the RMA at any time until the completion of the transportation project for which the funds are granted or loaned at the discretion of the legislative audit committee established under Section 321.002 (Legislative Audit Committee), Government Code.

SECTION 2. Amends Chapter 321, Government Code, by adding Section 321.024, as follows:

Sec. 321.024. REGIONAL MOBILITY AUTHORITIES SUBJECT TO AUDIT. Provides that an RMA under Chapter 370 (Regional Mobility Authorities), Transportation Code, is subject to audit under this chapter (State Auditor) as if the authority were a department.

SECTION 3. Makes application of Section 370.318, Transportation Code, as added by this Act, prospective.

SECTION 4. Effective date: September 1, 2017.