

## **BILL ANALYSIS**

Senate Research Center  
86R5783 JXC-D

S.B. 282  
By: Buckingham  
Transportation  
2/25/2019  
As Filed

### **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 are currently not guaranteed to experience any relief or direct benefit from any funds recovered by TxDOT for delayed projects in their communities.

S.B. 282 directs TxDOT to establish a system to track penalties for delays in transportation projects assessed by TxDOT on contractors hired by TxDOT.

TxDOT would also be required correlate these penalties with:

- projects that are the subject of the penalties; and
- each transportation district 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 transportation district where the delay was located. Note that TxDOT has 25 transportation districts in Texas.

Currently, penalties received by TxDOT for a late project in Central Texas could be used by TxDOT for other actions or used to fund projects in other parts of the state. S.B. 282 supports communities impacted by transportation delays by preventing the redistribution of received financial penalties to unrelated projects in transportation districts elsewhere in Texas.

As proposed, S.B. 282 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 liquidated damages, including road user costs, retained by TxDOT associated with delayed transportation project contracts.

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

(c) Requires TxDOT each year to:

(1) for each district, determine the amount of money described by Subsection (a) 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 to reasonably allocate the amount of the liquidated damages from the project among the districts in which the project is located if a transportation project that was the subject of liquidated damages is located in more than one district.

SECTION 2. Effective date: September 1, 2019.