

BILL ANALYSIS

C.S.H.B. 4163
By: Coper
Transportation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties have noted several instances where the methods by which the money from certain fees and damages for transportation project delays were allocated did not adequately reflect the impact of the delays on Texas Department of Transportation districts. C.S.H.B. 4163 seeks to address this issue by adjusting how this money is allocated.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4163 amends the Transportation Code to require 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. The bill requires the system to allow TxDOT to correlate the fees and liquidated damages with the project that was the subject of the fees or damages and with each TxDOT district in which the project that was the subject of the fees or damages is located. The bill requires TxDOT to determine each year for each TxDOT district the amount of money collected from such fees or retained from such damages in the previous year that is attributable to projects located in the district and to allocate each year to each TxDOT district, in addition to other amounts, an amount of money equal to the amount so determined to be used for transportation projects located in that district. The bill authorizes TxDOT, if a transportation project that was the subject of fees or damages is located in more than one TxDOT district, to reasonably allocate the penalty revenue from that project between the districts in which the project is located.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4163 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subchapter A, Chapter 222, Transportation Code, is amended by adding Section 222.007 to read as follows:

Sec. 222.007. ALLOCATION OF REVENUE FROM CERTAIN PENALTIES FOR TRANSPORTATION PROJECT DELAYS. (a) The department shall establish a system to track penalties for delays in transportation projects assessed by the department on contractors hired by the department.

The system must allow the department to correlate a penalty with:

- (1) the project that was the subject of the penalty; and
- (2) each county in which the project that was the subject of the penalty is located.

(b) Each year, the department shall:

- (1) for each county, determine the amount of money collected from penalties described by Subsection (a) in the previous year that is attributable to projects located in the county; and
- (2) in addition to other amounts, allocate to each county an amount of money equal to the amount determined for the county under Subdivision (1) to be used for transportation projects located in that county.

(c) If a transportation project that was the subject of a penalty is located in more than one county, the department may reasonably allocate the penalty revenue from that project between the counties in which the project is located.

SECTION 2. This Act takes effect September 1, 2017.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subchapter A, Chapter 222, Transportation Code, is amended by adding Section 222.007 to read as follows:

Sec. 222.007. ALLOCATION OF MONEY FROM TRANSPORTATION PROJECT DELAYS.

(a) The department shall establish a system to track:

- (1) fees for delays in transportation projects collected by the department from contractors hired by the department; and
- (2) liquidated damages retained by the department associated with delayed transportation project contracts.

(b) The system must allow the department to correlate the fees and liquidated damages with:

- (1) the project that was the subject of the fees or damages; and
- (2) each department district in which the project that was the subject of the fees or damages is located.

(c) Each year, the department shall:

- (1) for each department 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 department 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) If a transportation project that was the subject of fees or liquidated damages is located in more than one department district, the department may reasonably allocate the penalty revenue from that project between the districts in which the project is located.

SECTION 2. Same as introduced version.