

BILL ANALYSIS

Senate Research Center
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S.B. 149
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Transportation & Homeland Security
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law permits certain entities to enter into contracts for toll project development with the private sector. These contracts may have stipulations that would limit the state's ability to maintain or build roads that compete with the contracted toll project. These agreements are termed "non-compete clauses" or "competing facilities agreements." The state's ability to expand and maintain the current road network is limited by these clauses. Agreements which limit the ability of the state to build or maintain roads that compete with tolled highways are detrimental to the overall highway system.

As proposed, S.B. 149 prohibits non-compete clauses from future toll project contractual agreements. This legislation does not affect contracts already in place.

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 Subtitle G, Title 6, Transportation Code, by adding Chapter 371, as follows:

CHAPTER 371. PROVISIONS APPLICABLE TO MORE THAN
ONE TYPE OF TOLL PROJECT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 371.001. DEFINITIONS. Defines "toll project" and "toll project entity."

[Reserves Sections 371.002-371.050 for expansion.]

SUBCHAPTER B. CONTRACT PROVISIONS

Sec. 371.051. NONCOMPETITION PROVISIONS. Prohibits certain contracts from containing provisions that limit ability of a toll project entity or another entity to acquire, design, construct, finance, maintain, or operate transportation infrastructure or requires a toll project entity or another entity to compensate a contracting party for a decline or loss in revenue that is a result of the acquisition, design, construction, financing, maintenance, or operation of transportation infrastructure.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2007.