

BILL ANALYSIS

Senate Research Center
85R402 MTB-D

S.B. 637
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Transportation
4/24/2017
As Filed

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.

As proposed, S.B. 637 amends current law relating to state audits of a regional mobility authority that receives a grant or loan from the Texas Department of Transportation.

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 direction of the state auditor's office or on a majority vote of a standing legislative committee with primary jurisdiction over transportation.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2017.