

AGC of TEXAS

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PUBLIC AFFAIRS BULLETIN

In Today's Bulletin:

LEGISLATURE APPROVES TxDOT EXTENSION, GENERAL OBLIGATION BONDS; SAYS "NO" TO CDAs



LEGISLATURE EXTENDS TxDOT ANOTHER TWO YEARS

The 81st Legislature adjourned sine die late Thursday afternoon, after a remarkably brief called session lasting only two days. Two of the three issues called by Governor Perry were approved, with minimal adjustments.

The Texas Department of Transportation has been extended for another two years, meaning they will be required to go through the Sunset process once more during the next legislative session. TxDOT officials announced they will do what they can to implement this year's sunset recommendations, in an attempt to expedite the process for the next legislature.

The General Obligation bonds, approved by voters in 2007 and appropriated for use in the almost unanimously passed appropriations bill, was finally enabled by the legislature in the amount of \$2 billion. The filed bill originally provided for a revolving fund account but was stripped by the House and replaced with the authority to place one of the two billion into the State Infrastructure Bank (SIB), which is very similar in design to a revolving fund.

The SIB can be used to provide loans or security to local organizations in order to provide for transportation financing. The House specified in its amended legislation that none of the revenue in the SIB may be used to convert a non-tolled road into a tolled road.

The final item, a bill to extend the state's authority to execute comprehensive development agreements, did not pass. TxDOT had a

handful of projects they felt may be endangered in the interim before the next legislative session. Legislators were hesitant about taking on such a controversial issue in such a short session and instead preferred to wait until more time could be spent on the issue.

Essentially, the differences between the three filed bills and the bills that passed-the lack of a revolving fund or the extension of CDA authority-will not affect the number of projects that the state has the potential to let before the next legislative session.

The difference between the regular and the special session were dramatic, caused in no small part by the overwhelming participation level of the membership. The Chapter would once again like to thank those of you who called their legislators to stress the importance of the extension of the department, as well as the \$2 billion in funding for 2011.

For any questions about this bulletin or other legislative matters, please contact your Chapter Office at 512.478.4691. Have a wonderful and safe Independence Day.