

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO.

Senate Bill 693

PRINTER'S NO.

772

AMOUNT

Minimal Fiscal Impact

FUNDPennsylvania Transportation
Development Trust Fund**DATE INTRODUCED**

March 27, 2009

PRIME SPONSOR

Senator Rafferty

HISTORY OF BILL

Referred to TRANSPORTATION, March 27, 2009
Reported as committed, June 16, 2009
First consideration, June 16, 2009
Re-referred to APPROPRIATIONS, June 30, 2009
Re-reported as committed, July 14, 2009

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 693 amends Pa.C.S. Title 74 (Transportation) by adding a few chapter entitled "Partnership and Development." This legislation authorizes the Commonwealth and local transportation authorities to enter into Public Private Partnerships (PPP or P3) to design, construct, manage or maintain new or expanded transportation options and to assist in the financing and development of transportation infrastructure and improve transportation management. Provisions in the bill allow for the use of PPP's in all areas of transportation infrastructure including highways, ports, rail freight, airports and mass transit.

Specifically, this legislation provides for the following:

- The bill authorizes a transportation entity to enter into agreements with private enterprises for any portion of their operations or facilities with additional requirements for lease or sale agreements where state funded properties are involved.

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- In the case of a lease/sale agreement involving state funded properties, the approval of the State Transportation Commission is required.
- The Transportation Commission is authorized to solicit specific proposals and to receive and consider unsolicited proposals as well.
- The Commission is responsible for adopting regulations covering the review and adoption of solicited and unsolicited proposals.
- Authorized project activities include planning, design, development, construction, reconstruction, improvement, extension, expansion, operation, repair, maintenance, management, revenue collection or financing of a transportation facility.
- Prior to the Commonwealth seeking a lease or sale of a public asset the governing body of the asset must approve the action being sought.
- The lease or sale of the Pennsylvania Turnpike shall be excluded from consideration without the passage of separate legislation enacted by the General Assembly.
- Funds derived in excess of those approved by the agreement or otherwise made available to the Commonwealth as a result of a P3 agreement shall be used exclusively for transportation purposes approved by the State Transportation Commission and shall not be diverted from this purpose for any reason.
- For design build projects only, the requirements of the Separations Act shall not apply.
- Notice of P3 projects shall be made to affected counties and municipalities.

Restriction on Leasing of the Pennsylvania Turnpike:

- The bill specifically restricts the sale or leasing of the Pennsylvania Turnpike unless a separate act of the General Assembly is enacted.
- The bill does not, however restrict the Pennsylvania Turnpike Commission or the state Transportation Commission from consideration and approval Partnership agreements which do not require the transfer of operational oversight from the Turnpike Commission.

Establishment of Pennsylvania Transportation Development Trust Fund:

- The bill establishes a dedicated transportation trust fund, known as the Pennsylvania Transportation Development Trust Fund, for

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- the deposit of any revenues generated for the Commonwealth as the result of agreements developed under this chapter. This fund is separate and distinct from the General Fund.
- The Fund is administered by the State Transportation Commission for the purpose of financing transportation projects and is not subject to General Assembly approval.
 - The fund consists of revenues derived from agreements under this chapter, excess earnings over the maximum rate of return, from the developer, surcharges or service fees or user fees which may be imposed or levied by the Commonwealth on passenger or commercial travel or any appropriations made by the General Assembly.

FISCAL IMPACT:

Enactment of this legislation would result in a minimal fiscal impact to the Department of Transportation. The Department would incur minimal first-year startup costs for the implementation phase of the PPP program along with recurring administrative costs. It is estimated that costs could be absorbed by existing fiscal resources. Future costs cannot be quantified until the program is in existence and the State Transportation Commission starts to receive agreements under the Act.