

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 3

PRINTER'S NO. 3769

AMOUNT

No Fiscal Impact

FUND

Motor License Fund

DATE INTRODUCED

February 14, 2011

PRIME SPONSOR

Representative Geist

HISTORY OF BILL

Referred to TRANSPORTATION, Feb. 14, 2011

Reported as amended, March 7, 2011

First consideration, March 7, 2011

Laid on the table, March 7, 2011

Removed from table, April 27, 2011

Laid on the table, May 10, 2011

Removed from table, May 23, 2011

Re-committed to TRANSPORTATION, May 23, 2011

Re-reported as amended, Nov. 15, 2011

Laid on the table, Jan. 17, 2012

Removed from table, Jan. 17, 2012

(Remarks see House Journal Page), Feb. 13, 2012

Second consideration, with amendments, Feb. 15, 2012

Re-committed to APPROPRIATIONS, Feb. 15, 2012

(Remarks see House Journal Page), Feb. 15, 2012

Re-reported as committed, April 4, 2012

Third consideration and final passage, April 4, 2012 (128-66)

(Remarks see House Journal Page), April 4, 2012

In the Senate

Referred to TRANSPORTATION, April 10, 2012

Reported as amended, May 23, 2012

First consideration, May 23, 2012

Second consideration, June 11, 2012

Re-referred to APPROPRIATIONS, June 11, 2012

Re-reported as amended, June 18, 2012

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DESCRIPTION AND PURPOSE OF BILL

House Bill 3 amends Title 74 (Transportation) of the Pennsylvania Consolidated Statutes by creating Chapter 91, entitled "Public-Private Transportation Partnership."

This newly created chapter would provide for public-private transportation partnership agreements, which are contracts for transportation projects that transfer the rights for the use or control, whether in whole or in part, of transportation facilities by public entities to public or private development entities. The development entity entering into a public-private transportation partnership agreement would then be entitled to all or a portion of the revenue generated from the transportation facility in return for providing the transportation related service of the facility.

This legislation also creates the "Public-Private Transportation Partnership Board" (Board), which is charged with evaluating requests or plans for public-private transportation projects. The Board would be composed of seven members as follows:

- 1) The Secretary of Transportation, who shall serve as chair, or a designee who is an employee of the Department of Transportation (Department);
- 2) The Secretary of the Budget or a designee who is an employee of the Office of the Budget;
- 3) One individual appointed by the Governor;
- 4) One individual appointed by the President Pro Tempore of the Senate;
- 5) One individual appointed by the Minority Leader of the Senate;
- 6) One individual appointed by the Speaker of the House of Representatives;
- 7) One individual appointed by the Minority Leader of the House of Representatives.

Gubernatorial and legislative appointees shall serve at the pleasure of their appointing authorities and are required to have expertise or substantial experience in transportation, finance, law, or land use and public planning. Gubernatorial appointees may not hold any other position as an elected official or employee of the Commonwealth.

Essentially, this legislation creates a procurement process for Public-Private Partnerships in transportation with the Board approving projects prior to procurement. The Department will maintain oversight of all projects.

The net proceeds received by a public entity under an agreement shall be used exclusively for transportation funding needs in the Commonwealth.

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In order to deposit funds owed to the Department where it is the public entity in an agreement, the legislation establishes the Public-Private Transportation Account (Account) within the Motor License Fund. Funds in the Account are appropriated to the Department on a continuing basis to pay expenses of the Board incurred in the performance of its duties; pay costs associated with the Department entering into public-private transportation projects and for the maintenance, operation and financing of transportation facilities in the Commonwealth.

Effective Date: Provisions of the legislation (addition of 74 Pa.C.S. §§ 9103, 9104, 9105, 9106 and 9125) establishing, and operations of, the Board and its duties shall take effect immediately. The remainder of the legislation shall take effect 60 days following enactment.

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 Public-Private Transportation Partnership 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 Board starts to receive agreements under the Act.

It must be noted that according to the Department, any personnel and support costs associated with such agreements entered into by the Department would be strictly dictated by the nature and scope of such agreements. Additionally, it would be expected that there would be no cost for the projects themselves because they would be privately financed and paid for by way of user fees.

Additionally, projects undertaken through the Public-Private Partnership program would be expected, by the Department, to be revenue neutral by way of a revenue stream at a level that would sustain the project costs.