

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 344

**PRINTER'S NO.** 1847

**AMOUNT**

No Fiscal Impact

**FUND**

Motor License Fund

**DATE INTRODUCED**

February 1, 2011

**PRIME SPONSOR**

Senator Rafferty

**HISTORY OF BILL**

Referred to TRANSPORTATION, Feb. 1, 2011  
Reported as amended, Feb. 8, 2011  
First consideration, Feb. 8, 2011  
Laid on the table, March 8, 2011  
Removed from table, March 8, 2011  
Re-committed to TRANSPORTATION, April 27, 2011  
Re-reported as amended, Nov. 15, 2011  
Re-referred to APPROPRIATIONS, Nov. 16, 2011  
Re-reported as amended, Dec. 12, 2011

**DESCRIPTION AND PURPOSE OF BILL**

Senate Bill 344 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;

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- 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 Department and the Board approving all decisions.

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

The legislation establishes the Public-Private Transportation Account (Account) within the Motor License Fund for the deposit of funds owed to the Department where it is the public entity in an agreement. 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 establishing 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.

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 because they would be privately financed and paid for by way of user fees.

The Department assumes that costs associated with projects undertaken through the Public-Private Partnership program will be offset by dedicated revenue or fee streams.