

## Department of Planning and Budget 2003 Fiscal Impact Statement

1. **Bill Number** SB1229

**House of Origin**    ☐ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☒ Enrolled

2. **Patron** Williams

3. **Committee** Passed Both Houses

4. **Title** Public-Private Transportation Act of 1995 (PPTA).

**5. Summary/Purpose:**

SB1229 amends §56 -560 of the *Code of Virginia*. The bill provides that a responsible public entity shall not charge a fee to cover the costs of processing, reviewing, and evaluating proposals received in response to such requests for proposals for the construction of a transportation facility under the Public - Private Transportation Act of 1995.

6. **Fiscal Impact Estimates are:** Final, see Item 8.

7. **Budget amendment necessary:** No.

**8. Fiscal implications:**

There could be a fiscal impact as the result of SB1229. However, the amount cannot be determined since it would depend on the number of proposals submitted.

The Public -Private Transportation Act of 1995 is the legislative framework that authorizes responsible public entities (the governmental unit responsible for the transportation improvements) to enter into agreements with private entities to acquire, construct, improve, maintain, and/or operate qualifying transportation facilities. This bill would only permit the responsible public entity to charge such fees for unsolicited proposals. Proposals received at the request of the responsible public entity will not be assessed a charge.

The review fees currently offset the costs of processing and reviewing PPTA proposals. For projects estimated at greater than \$50 million, the review fee is \$50,000 (if actual review cost exceeds this amount, the Secretary may assess an additional fee amount). For projects estimated at \$50 million or less, the fee is \$25,000. PPTA proposals are usually much more complicated than other highway construction projects, especially given the financial analysis required. Waving the fees imposed for solicited proposals means that the costs for review would have to be absorbed within the agency.

9. **Specific agency or political subdivisions affected:** The Department of Transportation

10. **Technical amendment necessary:** No.

11. **Other comments:** None.

**Date:** 03/05/03/jlm

**Document:** (DPB G:\Leg03 \SB1229ER.DOC)

cc: Secretary of Transportation