

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** H. Transportation

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

5. Summary/Purpose:

Provides that whenever a responsible public entity solicits proposals for the construction of a transportation facility under the Public -Private Transportation Act of 1995, the responsible public entity shall waive any and all application or submission fees for proposals it receives in response to such solicitation.

6. **Fiscal Impact Estimates are:** Preliminary, 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: 02/13/03/jlm

Document: (DPB G\ Leg03 \SB1229S1.DOC)

cc: Secretary of Transportation