

HOUSE RESEARCH

Bill Summary

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Subject: Public-private partnership (PPP) pilot program

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Overview

This bill establishes a pilot program for Minnesota Department of Transportation (MnDOT) or the Metropolitan Council to undertake up to three public-private partnership (PPP) projects for transportation infrastructure.

Section

- 1 Public private partnership program.** Establishes the program for up to three pilot projects, allows tolling only on new highway system capacity, authorizes MnDOT discretion in choice of financing mechanisms, directs creation of a cross-agency joint program office for advisory and oversight functions, and defines terms.
- 2 Pilot program restrictions and project selection.** Sets limits for the program, including: advertising in the State Register in some situations, prohibiting certain non-compete agreements, prohibiting permanent transfer of state infrastructure, requiring development under a new project, and identifying possible projects to select.
- 3 Evaluation and selection of private entity and project.** Requires use of a consultant in evaluating PPP proposals, outlines factors in evaluating and selecting projects, and directs the joint program office to review and identify whether projects serve the public interest.
- 4 Public-private agreement.** Outlines both required and allowable provisions in a PPP contract and requires review by the joint program office prior to execution of a contract.
- 5 Funding from federal government.** Authorizes acceptance of federal funds and entering into agreements with federal authorities. Requires the maximization of funds from nonstate sources and permits financing from multiple sources.

Section

- 6** **Reporting.** Mandates an annual legislative report, due each August 1 starting in 2015, on the pilot program.
- 7** **Effective date.** Makes the pilot program go into effect following an appropriation for the joint program office, a consultant, and reporting costs.