

Committee: Environment & Transportation

Testimony on: HB 1424 – Public-Private Partnerships – Process and Oversight

Position: Favorable

Hearing Date: March 5, 2020

This bill is designed to ensure that more project information is available to the public before the Board of Public Works can vote to support a Public-Private Partnership (P3) project.

HB 1424 would establish a P3 Oversight Review Board and require state agencies to submit pre-solicitation reports, the environmental impact statement, and other documents related to a proposed P3 exceeding \$500 million to the Review Board and certain budget committees.

If passed, the bill would allow greater oversight on large capital projects, whether highway expansion projects or large transit projects, such as the Purple Line.

The Review Board would be comprised of appointees by Speaker of the House, the President of the Senate, the Governor, the Comptroller, and the Treasurer. It would review public-private partnership pre-solicitation reports and make recommendations to the budget committees and the Board of Public Works regarding the designation of a public infrastructure asset as a P3. If the Board of Public Works designates a project as a P3, the budget committees have one year to review and comment on the designation.

To protect taxpayers, [HB 1424](#) would require independent auditors (or rating agencies) to conduct a rating assessment survey for every contract under a large P3 agreement before the Board of Public Works can vote on it.

Finally, the bill would expand the existing noncompete requirements to ensure local governments can add roads, transit, and other options for commuters that may compete with P3 infrastructure without having to pay a penalty or get the P3 company's permission. (Current law only affects state-funded transportation projects.)

This is an important bill that would go a long way to restoring certainty and public confidence in massive P3 proposals for huge transportation projects.

A favorable report on HB 1424 will provide much more financial accountability for P3 projects.

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