

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4083-02
Bill No.: HCS for HB 1380
Subject: Roads and Highways; Transportation; Transportation Dept.
Type: Original
Date: February 17, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** assume no fiscal impact to their agency.

Officials from the **Office of Administration - Division of Budget and Planning** assume the proposal should not result in additional or savings. It is not known at this time whether the proposal will have an impact on Total State Revenue or the General Revenue budget.

Officials from the **Department of Transportation (MoDOT)** assume this proposal would provide MoDOT with an alternative method to fund and build a new Mississippi River bridge that is much needed. There would be no fiscal impact on MoDOT from this proposal until MoDOT decides to pursue the Missouri Public-Private Partnership.

Officials from the **Secretary of State's Office** assume many bill considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's office for Administrative rules is less than \$1,500 dollars. The Secretary of State's office recognizes that this is a small amount and does not expect

ASSUMPTION (continued)

that additional funding would be required to meet these costs. However, we also recognize that man such bills may be passed by the General Assembly in a give year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing packets and sections of the State Manual related to this proposal. If multiple bills pass which require the printing and distribution of packets at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **State Treasurer's Office** assume the proposal establishes the "Missouri Public-Private Partnerships Transportation Act" which allows a private partner to finance, develop, and/or operate a toll bridge between Missouri and Illinois in St. Louis.

Missouri Highway and Transportation Commission will use a competitive procurement process to establish the partnership.

Private partner may issue corporate bonds, private activity bonds, refunding bonds, and other obligations for the project. The partner will be exclusively responsible for the repayment, and do not constitute a debt or liability of the commission or the state. Any private partner bonds issued, and the interest thereon, will be exempt from taxation within the state except for the state estate tax. The private partner may also contract with the commission for the commission to issue state road bonds for the project and to loan the proceeds to the partner.

The commission may condemn necessary land for the project, and the partner will pay for the land.

The private partner will be responsible for collecting and enforcing user fees.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2007
(10 Mo.)

FY 2008

FY 2009

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill establishes the Missouri Public-Private Partnerships Transportation Act and authorizes the Highways and Transportation Commission to form a public-private partnership to use private sector innovation and investments to build a new Mississippi River bridge in St. Louis.

Potential private partners may submit to the commission an unsolicited request for approval of a project to finance, develop, and/or operate the bridge. The commission is required to issue a request for proposals to compete with any unsolicited request for approval.

The commission must establish a process to accept and review requests and may approve the project if it determines the bridge will improve the state highway system and is a needed addition. The commission is not required to select a proposal for the lowest price but may consider price, design, financing plan, and other factors like the qualifications, industry experience, and financial capacity of the potential private partner to determine the best value for the state.

Prior to granting approval to finance, develop, and/or operate the bridge, the commission may execute an interim agreement with the tentatively approved private partner to begin specific compensable activities to further the development of the project. The commission, as a condition for final approval, must execute a comprehensive agreement with the private partner. The agreement requirements are specified in the bill.

The commission may terminate negotiations with a potential private partner during the interim or comprehensive agreement phase as well as reject any and all requests for approval.

Any information submitted to the commission by potential private partners in requests for approval or responses to a request is a closed record under the state's Sunshine Law. After a comprehensive agreement is executed by a private partner and the commission, the agreement and other materials submitted to the commission by the private partner will be open records.

DESCRIPTION (continued)

Private partners will have the power:

- (1) To contract with any public or private entity;
- (2) To lease or operate the project for any term as provided in the comprehensive agreement; and
- (3) To collect and enforce user fees.

A private partner will be required to provide:

- (1) Securities and warranties satisfactory to the commission;
- (2) Audited financial statements in a form acceptable to the commission;
- (3) Evidence of sufficient commercial general liability insurance and workers' compensation insurance; and
- (4) Performance and payment bonds acceptable to the commission.

The commission may:

- (1) Delegate necessary powers of the commission to carry out the provisions of the bill;
- (2) Promulgate rules;
- (3) Make all final decisions concerning the performance and the acceptance of the work;
- (4) Impose a user fee;
- (5) Take any action to obtain federal, state, or local government or private sector assistance for a project and enter into contracts required for the assistance;
- (6) Lease the project and any interest it has in real property to the private partner; and
- (7) Exercise the powers of condemnation to acquire any real property required for the project.

The bill also contains language dealing with methods for collecting and enforcing user fees and tolls, tort liability caps, disadvantaged business enterprise participation plan requirements for a

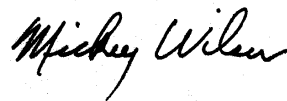
DESCRIPTION (continued)

private partner, material defaults, and the commission's submission of the status report of any comprehensive agreement to the Joint Committee on Transportation Oversight, Governor, and General Assembly.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation
Secretary of State's Office
Department of Revenue
Office of Administration
Division of Budget and Planning
State Treasurer's Office



Mickey Wilson, CPA
Director
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