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## **OLR Bill Analysis**

### **sSB 920**

#### ***AN ACT CONCERNING PUBLIC-PRIVATE PARTNERSHIPS.***

#### **SUMMARY**

This bill reestablishes the governor's authority to approve up to five public-private partnership (P3) project agreements and makes the authority permanent (see BACKGROUND). This authority previously expired on January 1, 2020.

The bill eliminates provisions restricting P3 projects to revenue-generating facilities and limiting the state's share of project costs. Under current law, these provisions (1) require that facilities, in order to be eligible for a P3 project, generate estimated revenue that, together with other identified funding sources, will sufficiently fund the facility's development, maintenance, and operating costs and (2) limit state support of the P3 to 25% of the project's cost.

The bill also establishes the Office of Innovative Finance and Project Delivery within the Department of Transportation (DOT) and requires the DOT commissioner to assign personnel to the office as needed to fulfill the bill's requirements. It charges the office with the following:

1. evaluating opportunities to use innovative financing and risk management to deliver transportation projects,
2. focusing on effective and accelerated delivery of transportation projects to assure the development and maintenance of a safe and efficient transportation system, and
3. recommending P3 opportunities to the commissioner.

EFFECTIVE DATE: Upon passage

#### **BACKGROUND**

***Public Private Partnerships***

Generally, a P3 is an agreement between a state executive branch or quasi-public agency and a private entity to finance, design, construct, develop, operate, or maintain certain “facilities.” The agreement may authorize any combination of these functions for one or more facilities and must be approved by the governor. The governor cannot approve the agreement unless he finds it will create jobs and economic growth.

By law, the following are eligible facilities:

1. educational, health, early childcare, or housing facilities;
2. transportation systems, including ports, transit-oriented development, and related infrastructure; and
3. any other type of facility designated as a P3 by an act of the legislature (CGS § 4-255).

**COMMITTEE ACTION**

Transportation Committee

Joint Favorable Substitute

Yea 34 Nay 1 (03/24/2021)