

1 S.162

2 Introduced by Senator Champion

3 Referred to Committee on

4 Date:

5 Subject: Commerce and trade; government operations; public-private
6 partnerships; study

7 Statement of purpose of bill as introduced: This bill proposes to create a study
8 committee to design a transparent system that will accept, manage, and
9 distribute funds when a public-private partnership is established.

10 An act relating to creating a system for public-private partnerships

11 It is hereby enacted by the General Assembly of the State of Vermont:

12 Sec. 1. FINDINGS

13 The General Assembly finds:

14 (1) Overview. There are many kinds of public-private partnerships
15 being utilized in the United States for a variety of public projects. In the use of
16 public-private partnerships to achieve public works, there are potential benefits
17 and there are measured risks. Any given public-private partnership will only
18 be as strong and beneficial as the government and private stakeholders who are
19 designing it. Values of transparency, and a clear sense of the public good,
20 must be the driving priority of all involved. Only with careful monitoring and

1 oversight can the public-private partnership model be a benefit to citizens and
2 the State at large.

3 (2) Definition. A public-private partnership is a contractual arrangement
4 whereby the resources, risks, and rewards of both the public agency and private
5 company are combined to provide greater efficiency, better access to capital,
6 and improved compliance with a range of government regulations regarding
7 the environment and workplace.

8 (3) Uses. Public-private partnerships have been in use in the United
9 States for over 200 years, and thousands are operating today. These
10 contractual arrangements between government entities and private companies
11 for the delivery of services or facilities are used for water and wastewater,
12 transportation, urban development, and delivery of social services, to name
13 only a few areas of application. As of 2011, 29 states had legislation allowing
14 public-private partnerships to play a role in the handling of state infrastructure.

15 (4) Cost benefits. Even in the best of times, government at all levels are
16 challenged to keep pace with the demands of their constituencies. During
17 periods of slow growth, government revenues are frequently insufficient to
18 meet spending demands, necessitating painful spending cuts or tax increases.
19 Public-private partnerships can provide a continued or improved level of
20 service at reduced cost.

1 (5) Justification for public oversight.

2 (A) The public's interests are fully assured through provisions in
3 public-private partnership contracts that provide for ongoing monitoring and
4 oversight of the operation of a service or development of a facility. In this way
5 everyone wins—the government entity, the private company, and the general
6 public.

7 (B) The goal of public-private partnerships is efficient project
8 completion at a reduced cost to the public. Potential risks also exist, though
9 these risks may be mitigated by due diligence in crafting public-private
10 partnership enabling legislation as well as carefully considering whether to use
11 the private sector for an infrastructure-related project.

12 (6) Suggested State actions. The State of Vermont should:

13 (A) establish dedicated public-private partnership units to tackle
14 bottlenecks in the public-private partnership process and protect the public
15 interest;

16 (B) adopt legislation and change the procurement culture to a more
17 transparent and outcome-based project selection process; and

18 (C) work with the federal government to address technical assistance
19 gaps in public-private partnerships on an as-needed basis.

1 Sec. 2. PUBLIC-PRIVATE PARTNERSHIP STUDY COMMITTEE;

2 REPORT

3 (a) Creation. There is created a Public-Private Partnership Study
4 Committee to study and design a transparent system that will accept, manage,
5 and distribute funds when a public-private partnership is established.

6 (b) Membership. The Committee shall be composed of the following
7 members:

8 (1) two current members of the House of Representatives, who shall be
9 appointed by the Speaker of the House;

10 (2) two current members of the Senate, who shall be appointed by the
11 Committee on Committees;

12 (3) a person appointed by the Secretary of State; and

13 (4) a person appointed by the Governor.

14 (c) Assistance. For purposes of scheduling meetings and preparing
15 recommended legislation, the Committee shall have the assistance of the Office
16 of Legislative Council and the Joint Fiscal Office.

17 (d) Report. On or before January 15, 2017, the Committee shall report to
18 the General Assembly its findings and any recommendations for legislative
19 action.

1 (e) Meetings.

2 (1) The member of the Committee first named shall serve as chair
3 and shall call the first meeting of the Committee to occur on or before
4 August 1, 2016.

5 (2) A majority of the membership shall constitute a quorum.

6 (3) The Committee shall cease to exist on January 16, 2017.

7 (f) Reimbursement. For attendance at meetings during adjournment of the
8 General Assembly, legislative members of the Committee shall be entitled to
9 per diem compensation and reimbursement of expenses pursuant to 2 V.S.A.
10 § 406.

11 Sec. 3. EFFECTIVE DATE

12 This act shall take effect on passage.