

SUBJECT: Temporarily suspending review of public-private partnerships

COMMITTEE: Government Efficiency and Reform — favorable, without amendment

VOTE: 6 ayes — Harper-Brown, Perry, Capriglione, Stephenson, Scott Turner,
Vo

0 nays

1 absent — Taylor

WITNESSES: None

BACKGROUND: In 2011, the 82nd Legislature passed the Public and Private Facilities and Infrastructure Act, which allowed governmental entities to enter into comprehensive agreements with private parties. As part of the act, Government Code, sec. 2267.053 enables private industry to submit proposals for development on government-owned land.

DIGEST: HB 3436 would amend Government Code, ch. 2267 to prevent a government entity from taking any formal action on a public-private partnership proposal prior to September 1, 2013. This provision would expire on September 2, 2013.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect on the 91st day after the end of the legislative session.

SUPPORTERS SAY: The bill would give the Legislature the opportunity to assess the use of public-private partnerships in Texas and make necessary changes to the so-called P3 Act and address the Texas Facilities Commission's role. The TFC would not be required to end its P3 program but would be provided with sufficient time to implement a successful program.

In Sunset Commission hearings, questions arose regarding P3 proposals for the Capitol complex and the importance of the Legislature taking this property seriously. Projects at the complex should be done with the aim of standing the test of time. Putting a Sunset recommendation in statute

makes the policy mandatory, rather than a permissive management recommendation. The bill would temporarily slow the P3 program and allow it to resume in the future.

**OPPONENTS
SAY:**

The bill would have the same effect as the approach already being taken by the TFC. In response to the Sunset Commission's management recommendation, TFC has stopped the review of public-private partnership proposals until after September 1, 2013. The effect of this has been to delay the review of P3s, such as the proposed Texas Science and Technology Museum.