

New public-private partnership bill for infrastructure projects signed into law

April 10, 2013 By [Len Lazarick](#) - Becca Heller Maryland Reporter

A House bill refining guidelines for public-private partnerships (P3s) was signed into law by Gov. Martin O'Malley Tuesday after finally passing the House and Senate in the closing days of the session.

The idea is to leverage private financing and construction contracting to build infrastructure projects the state wants more efficiently without adding to bond debt.

The [law, HB560](#), tweaks the current public-private partnership process. It gives the Board of Public Works a more prominent role and seeks to encourage innovation by providing room for businesses to pitch ideas for projects without following the usual procurement procedure.

Bill drew criticism

HB 560 drew criticism from legislators who feared that the new bill stripped protections from the process that would allow more room for favoritism in government procurements.

"In the past we've made great strides...to develop fairness and integrity in the procurement process," said Del. Luiz Simmons, D-Montgomery, during a debate on the House floor. "What's wrong with the P3 bill is that it eliminates all of these protections."

Lt. Gov. Anthony Brown, who led the O'Malley administration's effort to pass the bill, dismissed these criticisms. He told reporters Monday that the new process is focused on expanding accountability and improving the relationships between the private sector and the Board of Public Works, the three-member board that includes the governor, the comptroller and the treasurer.

"If you can have a process that is transparent and accountable, then you're going to reduce litigation," Brown said. He was referring to a lawsuit that derailed a major project in Baltimore called State Center that had private developers replacing aging state office buildings in exchange for mixed-use buildings on state-owned land.

Brown explained that the new bill will bring the Board of Public Works to the forefront, allowing more communication and a clear delineation of what projects are best for the public.

"We now have the Board of Public Works right there up front taking a part in the decisions as to who will be designated as a P3," said Brown, who occasionally chairs the board when O'Malley can't. "We think that that's going to instill a lot more confidence -- both in terms of the legislature and the private sector."

The Greater Baltimore Committee made the bill a top priority. In its legislative wrap-up, the GBC said "the law is expected to be a key option for the state to leverage private-sector funding for transportation assets and other infrastructure projects."

"Under P3 agreements," GBC explained, "a private entity performs functions normally undertaken by the government, but the state agency remains ultimately accountable for the public infrastructure asset and its public function."