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Louisiana Amends P3 Legislation Granting Authority to DOTD.

The State of Louisiana has passed a public-private partnership (P3) law to help alleviate a \$12.7 billion backlog in highway and bridge maintenance and construction needs across the state. The law authorizes the Louisiana Department of Transportation and Development (DOTD) to utilize P3s to finance projects for qualifying transportation facilities.

While a similar law exists for the Louisiana Transportation Authority (LTA), a public corporation placed within the DOTD, the enactment of the P3 law streamlines the process by eliminating the need for the DOTD to seek LTA authorization prior to solicitation of proposals for P3 projects.

In addition to the P3 law, Governor John Bel Edwards recently created a transportation infrastructure investment task force, an 18-member panel charged with identifying and making specific actionable recommendations to address transportation issues. In addition to P3 projects, the State is also considering a hike in the gas tax and tolls, and permitting local communities to finance transportation projects in their respective jurisdictions.

The P3 law, along with the creation of the task force, demonstrates the State's desire to develop a comprehensive funding program that will allow Louisiana to finance transportation infrastructure projects which have long been in demand and under-funded.

With the approval of the State's House and Senate, the P3 law permits the DOTD transportation, highways, and public works committees to solicit proposals for P3 projects for highway, limited access facility, ferry, airport, mass transit, rail or port facility, or similar facilities within the State. All proposals and contracts executed in connection therewith are subject to State law governing the solicitation and approval process of P3 projects by the LTA. In an effort to expedite the procurement process, proposals are exempt from public bidding laws and projects may be constructed utilizing design-build or other innovative project delivery methods.

Unsolicited proposals are specifically prohibited for DOTD P3 projects although they are allowed for the LTA, and at least 25 percent of the P3 projects must be located outside the boundaries of a metropolitan planning area.

Attorneys in Ballard Spahr's P3/Infrastructure and Public Finance Groups will continue to monitor and report on new developments in public-private partnerships in Louisiana and other states. The Groups are recognized leaders in representing government and private sector developers, investors, and lenders in innovative public-private projects.

by the Ballard Spahr P3/Infrastructure Group

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