

Eugene Gilligan

P3 group advocates social infrastructure legislation



The Performance Based Buildings Coalition (PBBC) is aiming to introduce legislation in the US House of Representatives this summer, which the group says will increase activity in social infrastructure P3s.

The group is advocating for the creation of a new category of exempt facility bonds, more commonly known in the P3 industry as Private Activity Bonds, for social infrastructure.

Government facilities

The legislation would allow tax-exempt PABs to be used in P3 projects to finance the construction of government facilities such as courthouses, elementary and secondary schools, educational facilities at state colleges and universities, municipal office buildings, public safety facilities, and hospital, laboratory and research facilities, said Michael Pikiel, partner at Norton Rose Fulbright. According to Pikiel, who drafted the bill, it will not allow the bonds to be used for convention centers or sports stadiums, and will require the facilities to remain government-owned.

The PBBC has also formulated a new strategy to team up on legislation with Transforming Transportation (T2), a transportation advocacy group, said Samara Barend, the group's founder and senior vice president at AECOM. That group is advocating for an increased level of funding for PABs for surface transportation and freight facilities, which was set at USD 15bn in transportation legislation that was passed in 2005.

New legislation

The bill could be introduced as a stand-alone, or could be part of new transportation legislation now being worked on in Congress, to replace MAP-21 transportation legislation that will expire this fall.

The PBBC has met with members of the Ways and Means Committee, as well as with Congress' Joint Committee on Taxation, Barend said.

The PBBC hoped to have a bill ready for introduction to the House of Representatives in 2013, but House Ways and Means Chairman David Camp (R-MI), held up bills in the committee, as it is working on an overhaul of the US tax code. However, bills have started moving again, due to a backlog of legislation in the committee, she said.