



### ***New P3 Transportation Bill Introduced in Michigan***

A transportation P3 bill recently was introduced in Michigan. HB 4940 would authorize the Department of Transportation (DOT) to enter into public-private partnerships (P3) for public transportation facilities. The P3 agreement would have to establish the amounts of the payment and performance bonds, letters of credit or other security that the concessionaire would have to obtain. The DOT may authorize the concessionaire to post a letter of credit in lieu of the bonds. If the DOT determines that bonds or letters of credit are not “reasonably available in sufficient amounts,” it could accept other forms of commercially reasonable security, including parent corporation guarantees, to supplement the available bonds or letters of credit. The DOT would have to require sufficient security to ensure the fulfilment of the purposes of the bond. The DOT may accept bonds, letters of creditors or other security from entities other than the concessionaire as long as the purposes of the bond are fulfilled. All P3 agreements under this bill are subject to legislative approval.