

2026 Regular Session

HOUSE BILL NO. 901

BY REPRESENTATIVE BOURRIAQUE

TRANSPORTATION DEPT: Provides for funding to certain entities for infrastructure related projects within the Department of Transportation and Development

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AN ACT

To amend and reenact R.S. 36:4(B)(1)(m) and to enact R.S. 48:77.3 and Subpart B of Part V of Chapter 1 of Title 48 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 48:81 through 90.2, relative to providing funds to certain entities for infrastructure related projects; to create the Louisiana State Infrastructure Bank within the division of administration; to provide for a board of directors; to provide for membership, duties, and authority of the board; to provide for technical support coordination with the Department of Transportation and Development, Louisiana Department of Environmental Quality, Louisiana Department of Conservation and Energy, and Louisiana Economic Development; to provide for adoption of bylaws, rules, and regulations by the board; to create the Louisiana State Infrastructure Fund; to provide for receipt, administration, and expenditure of monies allotted for the fund; to provide for investment and disposition of monies of the fund; to authorize the bank to incur debt and issue bonds, notes, or other evidences of indebtedness and to guarantee the debt of other entities; to authorize loans and other financial assistance from the fund to certain entities, including private entities participating in public infrastructure projects as permitted by federal law; to provide procedures to enter into such indebtedness; to exempt evidence of indebtedness from taxation; to exempt any debt of or obligation entered into by the bank from being used in the

1 calculation of net state tax supported debt; to provide for definitions; provides for an
2 effective date; and to provide for related matters.

3 Be it enacted by the Legislature of Louisiana:

4 Section 1. R.S. 36:4(B)(1)(m) is hereby enacted to read as follows:

5 §4. Structure of executive branch of state government

6 * * *

7 B. The office of the governor shall be in the executive branch of state
8 government. The governor may allocate within his office the powers, duties, funds,
9 functions, appropriations, responsibilities, and personnel of the agencies within his
10 office and provide for the administration thereof and for the organization of his
11 office. The following agencies and their powers, duties, functions, and
12 responsibilities are hereby transferred to the office of the governor:

13 (1) Division of administration (including but not limited to Subtitle I of Title
14 39 of the Louisiana Revised Statutes of 1950 generally). The following agencies are
15 placed within the division of administration:

16 * * *

17 (m) The Louisiana State Infrastructure Bank (R.S. 48:81 et seq.). The
18 division shall perform and exercise its powers, duties, functions, and responsibilities
19 in the manner provided for by law.

20 * * *

21 Section 2. R.S. 48:77.3 and Subpart B of Part V of Chapter 1 of Title 48 of the
22 Louisiana Revised Statutes of 1950, to be comprised of R.S. 48:81 through 90.2 are hereby
23 enacted to read as follows:

24 §77.3 Transportation Trust Fund; dedication and uses of certain monies to the
25 Louisiana State Infrastructure Fund

26 A. Federal funds, to the extent authorized and awarded under federal law,
27 that are made available to the state under the Federal Highway Trust Fund, or any
28 successor federal transportation trust fund, for the purpose of capitalizing a state
29 infrastructure bank or providing credit assistance, and subject to all applicable

1 federal requirements, may be deposited into the Louisiana State Infrastructure Fund
2 pursuant to R.S. 48:86.

3 SUBPART B. LOUISIANA STATE INFRASTRUCTURE BANK

4 §81. Definitions

5 For purposes of this Subpart, the following terms have the meaning ascribed
6 to them as follows:

7 (1) "Bank" means the Louisiana State Infrastructure Bank.

8 (2) "Board" means the board of directors of the bank.

9 (3) "Division" means the division of administration

10 (4) "Eligible costs" means the following:

11 (a) For an eligible infrastructure project to be financed from a federal
12 account, the costs permitted under applicable federal laws, requirements, procedures,
13 and guidelines governing the relevant federal funds or credit programs.

14 (b) For an eligible infrastructure project financed from a state or local
15 account, the costs of preliminary engineering, planning, environmental studies,
16 permitting, right-of-way or property acquisition, legal and financial services, design,
17 construction, construction management, equipment, facilities, resilience upgrades,
18 and other costs necessary for the eligible infrastructure projects.

19 (5) "Eligible infrastructure project" means any infrastructure facility
20 approved by the applicable technical agency pursuant to R.S. 48:87 and selected by
21 the bank to receive a loan or other financial assistance to defray an eligible cost,
22 including but not limited to:

23 (a) Transportation related projects, including public roads, highways,
24 bridges, ports, airports, ferries, transit, rail, intermodal, and safety improvements.

25 (b) Water related projects, including drinking water, wastewater, storm
26 water, drainage, levees, flood mitigation, and coastal protection.

27 (c) Energy related projects, including grid modernization, transmission and
28 distribution resilience, public energy infrastructure, and eligible clean energy and
29 efficiency infrastructure serving public purposes.

1 (d) Resilience and hazard mitigation related projects, including infrastructure
2 upgrades that reduce disaster risk, improve recovery, and protect critical services.

3 (e) Other public infrastructure categories as authorized by law and adopted
4 by board rule, including projects that enhance economic development, public safety,
5 and quality of life.

6 (6) "Financing agreement" means any agreement entered into between the
7 bank and a qualified borrower pertaining to a loan or other financial assistance,
8 including without limitation a loan agreement, trust indenture, security agreement,
9 reimbursement agreement, guarantee agreement, bond or note, ordinance or
10 resolution, or similar instrument.

11 (7) "Governmental unit" means a parish, municipality, political subdivision,
12 special district, authority, public board, commission, publicly operated port, harbor,
13 terminal district, airport, ferry, transit system, or other public entity as authorized by
14 law.

15 (8) "Qualified borrower" means:

16 (a) Any governmental unit authorized by the board to construct, operate, or
17 own an eligible infrastructure project.

18 (b) Any private entity, including a concessionaire or special purpose entity,
19 participating in a public infrastructure project pursuant to a public-private
20 partnership, concession, design-build-finance, or similar delivery method, to the
21 extent permitted by applicable federal law and state law, provided that the board
22 determines that the assistance is for a public purpose and is adequately secured
23 pursuant to R.S. 48:88.

24 (9) "Loan" means an obligation subject to repayment provided by the bank
25 to a qualified borrower for all or part of the eligible costs of an eligible infrastructure
26 project and may be disbursed in anticipation of reimbursement or as direct payment.

27 (10) "Other financial assistance" means, but is not limited to credit
28 enhancement; capital or debt reserves; interest rate subsidies; letters of credit; loan
29 guarantees; subordinate or contingent loans; bond or other debt security; purchase

1 of loan obligations; revolving lines of credit; and other lawful forms of financing and
2 methods of leveraging funds approved by the board, and, in the case of federal funds,
3 as allowed by federal law or regulation.

4 (1) "Project revenues" means all rates, rents, fees, assessments, charges,
5 grants, appropriations, availability payments, pledged taxes, dedicated revenues, user
6 charges, resilience or insurance-related proceeds, and other receipts derived or to be
7 derived from an eligible infrastructure project or made available from a special
8 source, including revenues of any system of which the project is a part, as provided
9 in an applicable financing agreement.

10 §82. Louisiana State Infrastructure Bank; legislative findings; creation; purposes

11 A. The legislature finds the following:

12 (1) There is a critical need to increase investment in the development and
13 maintenance of Louisiana's physical infrastructure, including facilities related to
14 transportation, water, energy, resilience, and hazard mitigation in order to grow the
15 economy and sustain the state's vital infrastructure.

16 (2) While grant funding remains an important tool for infrastructure
17 investment, increasing project costs and expanding federal credit opportunities
18 require complementary financing mechanisms. A revolving loan program allows the
19 state to maximize available resources, protect taxpayers, and reinvest repayments
20 into future infrastructure needs.

21 B. There is hereby created within the division of administration the
22 "Louisiana State Infrastructure Bank", hereinafter referred to as the "bank", which
23 shall be allocated to the division of administration as an agency of the state.

24 C. The purpose of the bank is to select and assist in financing eligible
25 infrastructure projects by providing loans and other financial assistance to qualified
26 borrowers for planning, constructing, improving, rehabilitating, and making resilient
27 infrastructure facilities necessary for public purposes.

28 D. Any loan or other financial assistance provided pursuant to this Subpart
29 shall be made pursuant to a cooperative endeavor agreement between the bank and

1 a qualified borrower. Any such cooperative endeavor agreement shall meet the
2 following requirements:

3 (1) The loan or other financial assistance shall be for a public purpose that
4 comports with the governmental purpose that the bank and the qualified borrower
5 have the legal authority to pursue and the loan or other financial assistance comports
6 with the requirement of this Subpart.

7 (2) The loan or other financial assistance is not gratuitous.

8 (3) The bank has a demonstrable, objective, and reasonable expectation of
9 receiving at minimum the equivalent value in exchange for the loan or other financial
10 assistance.

11 E. The bank is established as a revolving loan and credit assistance program
12 that administers both federal and state funds in accordance with applicable federal
13 and state laws and regulations, except where required by applicable federal law, the
14 bank shall not provide grants. All assistance shall be structured to ensure repayment
15 and the continued revolving use of funds. Nothing in this Subpart shall be construed
16 to supersede or diminish the authority of any state agency to administer its existing
17 infrastructure programs.

18 §83. Louisiana State Infrastructure Bank; board of directors

19 A. The bank shall be governed, administered, and operated by a board of
20 directors composed of the following members:

21 (1) The commissioner of administration or his designee.

22 (2) The chair of the Joint Legislative Committee on the Budget or his
23 designee.

24 (3) The secretary of the Department of Transportation and Development or
25 his designee.

26 (4) The secretary of the Louisiana Department of Environmental Quality or
27 his designee.

28 (5) The secretary of the Louisiana Department of Conservation and Energy
29 or his designee.

1 (6) The secretary of the Louisiana Economic Development or his designee.

2 (7) One member appointed by a majority of the other members from among
3 three persons nominated by the Louisiana Bankers Association with not less than
4 five years of experience in commercial lending or investment banking.

5 (8) One member appointed by the State Board of Certified Public
6 Accountants of Louisiana with no less than five years of experience in accounting
7 and auditing standards.

8 B. Appointed members shall serve a term of three years. All vacancies shall
9 be filled in the same manner as provided in the original appointment.

10 C.(1) The board shall adopt bylaws and conduct meetings in accordance with
11 the Open Meetings Law.

12 (2) The commissioner of administration or his designee shall serve as chair
13 of the board.

14 D. The board shall be staffed by the division of administration, which may
15 enter interagency agreements with the Louisiana Department of Transportation and
16 Development, Louisiana Department of Environmental Quality, Louisiana
17 Department of Conservation and Energy, and Louisiana Economic Development for
18 technical review, underwriting support, and program coordination.

19 E. Nothing in this Subpart shall be construed to supersede or diminish the
20 authority of any state agency to administer existing infrastructure program.

21 §84. Board of directors; powers and duties

22 A. In addition to the powers contained in this Subpart, the board shall have
23 all powers necessary, useful, or appropriate to operate the bank and finance eligible
24 infrastructure projects, including but not limited to:

25 (1) Perpetual succession.

26 (2) Ability to pursue any necessary legal action upon written approval of the
27 attorney general and to be sued in the name of the bank.

28 (3) Adopt an official seal.

1 (4) Grant loans, acquire and sell loan obligations, and provide other financial
2 assistance pursuant to cooperative endeavor agreements.

3 (5) Enter contracts and execute financing agreements and related
4 instruments.

5 (6) Establish program rules and underwriting standards pursuant to the
6 Administrative Procedure Act, including risk management policies, portfolio
7 concentration limits, and procedures for default and remedies. The procedures
8 include underwriting standards, portfolio concentration limits, credit risk
9 management policies, stress testing, and loss-reserve requirements.

10 (7) Establish fiscal controls and accounting procedures.

11 (8) Enter agreements with any agency or instrumentality of the United
12 States, the state of Louisiana, or another state to finance eligible infrastructure
13 projects.

14 (9) Procure insurance, guarantees, letters of credit, and other credit support.

15 (10) Borrow money and issue bonds, notes, or other evidence of
16 indebtedness as provided by this Subpart.

17 (11) Collect fees and charges in connection with loans or other assistance.

18 (12) Accept and hold funds deposited with the bank the federal government,
19 by the state, governmental units, or private entities, with or without payment of
20 interest, as allowed by law.

21 (13) Establish advisory committees, including a technical review committee
22 comprised of representatives from the Louisiana Department of Transportation and
23 Development, Louisiana Department of Environmental Quality, Louisiana
24 Department of Conservation and Energy, and Louisiana Economic Development, to
25 provide nonbinding recommendations on project eligibility, permitting readiness,
26 economic development alignment, resilience benefits, and environmental
27 compliance.

1 (14) Retain financial advisors, legal counsel, investment advisors, credit
2 analysts, servicers, and other professional services necessary to carry out the
3 purposes of the bank.

4 (15) Implement the bank in phases, including initial capitalization or lending
5 limits, and shall report to the legislature on program performance prior to expansion.

6 (16) Enter into agreements and take all actions necessary or convenient to
7 receive, administer, and comply with the requirements of any federal program
8 providing grants, loans, or other credit assistance of the bank or the fund, including
9 execution of assurances, certifications, and compliance instruments required under
10 applicable federal law.

11 (17) Retain and compensate legal counsel, including the attorney general,
12 bond counsel, and other specialized legal advisors, as necessary to provide legal
13 guidance on the development, implementation, and administration of the bank and
14 its financing programs, subject to applicable procurement laws.

15 B. Following the close of each fiscal year, the board shall submit an annual
16 report to the governor and the legislature no later than September first, including a
17 summary of capitalization, portfolio performance, defaults, leverage, and project
18 outcomes. The board shall also submit an annual report to any appropriate federal
19 agency in accordance with the requirements of any federal program. The annual
20 report shall include recommendations for statutory or programmatic changes as
21 warranted by experience.

22 C. The board shall obtain an independent annual financial audit of the bank.

23 §85. Louisiana State Infrastructure Bank; authority; powers

24 A. The bank shall not be authorized or empowered to be or to constitute a
25 bank or trust company within the jurisdiction or control of the state of Louisiana, or
26 any agency of the state, the Office of Comptroller of the Currency, the United States
27 Department of the Treasury, a bank, banker, or dealer in securities within the
28 meaning of, or subject to the provisions of, any securities, securities exchange, or
29 securities dealers' law of the United States or this state.

1 B. All deposits taken by the bank shall contain a notice stating that the
2 deposits are not insured by the Federal Deposit Insurance Corporation.

3 C. The bank may act as a borrower, co-borrower, or conduit borrower with
4 respect to federal or other credit assistance and may on-lend or otherwise deploy
5 such proceeds consistent with applicable law.

6 §86. Louisiana State Infrastructure Fund; creation; sources of monies; accounts

7 A. There is hereby created, as a special fund in the state treasury, the
8 Louisiana State Infrastructure Fund, hereinafter referred to as the "fund". The fund
9 shall be maintained and operated by the board to administer a revolving fund and
10 provide assistance for eligible infrastructure projects.

11 B. Monies in the fund shall be used exclusively by the bank to provide
12 assistance pursuant to cooperative endeavor agreements for eligible infrastructure
13 projects as permitted by federal law and this Subpart.

14 C.(1) Monies required for operation of the bank or otherwise dedicated shall
15 be invested by the state treasurer as provided by law, except as limited by federal law
16 or grant conditions.

17 (2) Revenues used to capitalize the fund shall include but are not limited to:

18 (a) Monies deposited pursuant to R.S. 48:77.

19 (b) Legislative appropriations.

20 (c) Grants, contributions, and credit assistance from federal programs,
21 including transportation, environmental, energy, hazard mitigation, and resilience
22 programs as allowed by law.

23 (d) Repayments of principal, interest, fees, and investment earnings.

24 (e) Proceeds of bonds or notes issued by the bank.

25 (f) Gifts, donations, philanthropic capital, and program-related investments.

26 (g) Deposits or investments from governmental units and private entities as
27 allowed by law.

28 (h) Any other revenues, whether local, state, or federal, as may be provided
29 by law.

1 (i) Any other lawful source of money that is made available to the bank.

2 (j) In addition to monies deposited pursuant to R.S. 48:77, the legislature
3 may capitalize the fund through direct appropriations, capital outlay conversions,
4 federal funds, repayments, surplus or one-time revenues, or other lawful sources
5 approved by the State Bond Commission.

6 D. The bank shall establish and maintain accounts in the fund sufficient to:

7 (1) Segregate federal funds by program requirements and prohibit
8 commingling.

9 (2) Segregate state and local funds by infrastructure sector as necessary to
10 meet statutory, bond, or program conditions.

11 (3) Establish reserve accounts, debt service accounts, credit risk accounts,
12 and other accounts as needed for prudent financial management and leveraging.

13 E. All unexpended and unencumbered monies shall remain in the fund at
14 fiscal year end except as required by federal law or grant conditions. All
15 repayments, fees, interest, and other program income shall remain in the fund and
16 shall not lapse or revert to the state general fund.

17 F. The State Bond Commission is subject to the following approvals:

18 (1) Retain approval authority, as required by existing law, over the issuances
19 of bonds, notes, or other evidences of indebtedness of the bank.

20 (2) Retain any guarantee, pledge, or use of the credit, revenues, or taxing
21 power of the state.

22 (3) Retain any capitalization action or financing structure that constitutes or
23 gives rise to state debt or a moral obligation of the state.

24 G. The State Bond Commission shall be limited to loans and other financial
25 assistance made by the bank from monies already on deposit in the Louisiana State
26 Infrastructure Fund pursuant to this Subpart, and issued in accordance with
27 board-adopted underwriting standards and duly executed financing agreements, shall
28 not constitute state debt, and shall not be considered an obligation of the state, and

1 shall not require separate approval by the State Bond Commission unless otherwise
2 required by law.

3 H. The bank is authorized to expend monies of the fund, including loan
4 repayments, interest, fees, and investment earnings, for the reasonable and necessary
5 costs of administering and operating the bank. The administrative expenditures shall
6 be subject to annual approval by the board as part of an operating budget and shall
7 be made in accordance with applicable state and federal laws and regulations
8 governing the management and expenditure of public funds.

9 I. Monies of the fund not immediately required for disbursement may be
10 invested by the state treasurer in accordance with applicable state law and any
11 applicable federal requirements, and all interest or investment earnings shall be
12 credited to the fund.

13 J. The fund shall be authorized to participate in private capital, subject to the
14 following limitations:

15 (1) The fund may receive deposits, investments, or other financial
16 participation from private entities, including institutional or private equity investors,
17 for the purpose of supporting eligible infrastructure projects, providing credit
18 enhancements, establishing reserves, or leveraging public funds, as approved by the
19 board.

20 (2) Any such private participation shall not constitute equity in, ownership
21 of, or any governance or control interest in the bank or the fund, and shall not grant
22 any voting rights, management authority, or preferential access to projects.

23 (3) All private capital shall be accepted and administered solely pursuant to
24 written financing or participation agreements approved by the board, be used
25 exclusively for public purposes authorized by this Subpart, and be subject to all
26 applicable state and federal laws, regulations, and oversight requirements.

27 (4) No private funds shall be commingled with federal funds in a manner
28 inconsistent with federal law, and no obligation of the bank arising from private
29 participation shall constitute a debt, pledge, or obligation of the state.

1 §87. Applications; eligibility; technical review

2 A. The board shall determine the form and content of applications and
3 financing agreements, including interest rates, terms, security, and repayment
4 sources.

5 B. Projects eligible for financing by the bank shall be submitted through a
6 sponsoring state agency with programmatic responsibility for the infrastructure
7 sector, pursuant to a loan pathway and underwriting framework adopted by the board
8 for that agency. The board shall retain final authority over all financing decisions
9 and terms. The board may approve alternative submission procedures by rule where
10 no appropriate agency pathway exists.

11 C. Prior to board action, each proposed project shall receive a technical
12 review by the applicable technical agency or the technical review committee, as
13 determined by board rule, including:

14 (1) The Department of Transportation and Development for transportation
15 eligibility and readiness.

16 (2) The Louisiana Department of Environmental Quality for environmental
17 compliance and permitting readiness, and coordination with existing water and
18 environmental infrastructure programs. Nothing in this Subpart shall be construed
19 to alter, diminish, or expand the authority, responsibilities, or operating procedures
20 of the Louisiana Department of Environmental Quality or its administration of
21 existing state or federally authorized water infrastructure programs, including
22 drinking water and clean water revolving funds. The bank is intended to provide
23 complementary and supplemental financing, where appropriate and permitted by
24 law, to support eligible projects without duplicating or replacing existing programs.

25 (3) The Louisiana Department of Conservation and Energy for energy and
26 natural resource alignment and resilience considerations.

27 (4) The Louisiana Economic Development for economic development
28 alignment and coordination with existing state economic development and site
29 readiness programs. Nothing in this Subpart shall be construed to alter, diminish, or

1 expand the authority, responsibilities, or operating procedures of Louisiana
 2 Economic Development, including its administration of existing site development,
 3 infrastructure, or economic development financing programs, such as the FastSite
 4 Program. The bank is intended to provide complementary and supplemental
 5 financing, where appropriate and permitted by law, to support eligible projects and
 6 accelerate economic development without duplicating or replacing existing
 7 programs.

8 D. In selecting projects, the board shall consider feasibility, readiness, public
 9 benefit, risk, repayment ability, resilience benefits, and the level of local or private
 10 participation. The board may provide priority to projects sponsored by rural or
 11 underserved communities or that demonstrate limited access to traditional financing.

12 E. During the initial implementation phase of the bank, the board may
 13 approve loans with reduced or zero interest rates for a governmental unit that has
 14 materially participated in the establishment, capitalization, or programmatic
 15 development of the bank, provided that such loans are made pursuant to
 16 board-adopted policies, serve a public purpose, and remain subject to full repayment
 17 of principal. Any such consideration shall be limited in duration and scope, shall be
 18 disclosed in the annual report required by R.S. 48:84(B), and shall not constitute a
 19 grant or donation of public funds.

20 §88. Interest rates; repayment; terms; security; interception; remedies

21 A. Loans may bear interest at or below market, may be fixed, variable, or
 22 adjustable, and may include subordinate or contingent repayment structures as
 23 determined by the board. The board may modify, restructure, refinance, or otherwise
 24 amend the terms of any loan or financial assistance in order to protect the financial
 25 interests of the fund.

26 B. Repayment schedules shall be determined by the board, including the
 27 ability to commence repayment based on substantial completion, revenue
 28 commencement, or availability payment start, as provided in the financing
 29 agreement.

1 C. The term of a loan shall not exceed thirty years after the date of the first
2 payment unless otherwise authorized by applicable federal law for federal accounts.

3 D. The board may require pledges of project revenues, dedicated taxes,
4 availability payments, credit enhancement, or other security as permitted in any
5 regulation or statute.

6 E. If a borrower fails to comply with contract terms or defaults, the board
7 may:

8 (1) Pursue legal or equitable remedies.

9 (2) Request that the state withhold from the borrower and deposit any state
10 monies into the fund as permitted in any regulation or statute.

11 (3) Draw on pledge reserves or credit facilities securing the obligation.

12 F. The legislature finds and declares that the bank is not established for the
13 purpose of engaging in the business of banking and shall not be deemed to constitute
14 a bank, financial institution, or trust company under the laws of this state. The bank
15 is created solely as a public financing entity to provide loans and other credit
16 assistance for eligible public infrastructure projects, to leverage federal and private
17 capital, and to support state and local infrastructure investment. The bank shall not
18 accept deposits from the general public, provide consumer or commercial banking
19 services, or otherwise compete with private financial institutions.

20 §89. Borrower authorization; resolutions; notice; contest period

21 A. Prior to executing a financing agreement, the board shall require
22 submission of the following:

23 (1) For governmental units, a resolution authorizing the agreement and
24 specifying maximum principal, rate, term, and related terms.

25 (2) For private entities, evidence of authorization and binding commitment
26 under the applicable public-private partnership agreement, and evidence of the public
27 sponsor's approval as required by law and board rule.

28 B. Publication and contest provisions remain as provided in by the laws of
29 this state, as applicable.

1 §90. Tax exemption; limited obligations; net state tax supported debt

2 A. Bonds, notes, or other evidence of indebtedness issued or any
3 infrastructure bank loan or financing assistance granted pursuant to the authority of
4 this Subpart shall be exempt from all taxation for state, parish, municipal, or other
5 purposes. Such bonds, notes, or other evidence of indebtedness or infrastructure
6 bank loans may be used for deposit with any officer, board, municipality, or other
7 governmental unit in the state, in any case where, by present or future laws, deposit
8 of security is required for state funds.

9 B. Such bonds, notes, or other evidence of indebtedness, such guarantees,
10 and such pledges issued and delivered pursuant to this authority shall constitute
11 special and limited obligations of the bank and shall not be secured by the full faith
12 and credit of the state or any source of revenue of the state other than those sums on
13 deposit in, credited to, or to be received by the bank, including payments to be made
14 pursuant to letters of credit.

15 C. In no event shall any bond, note, or other evidence of indebtedness, or
16 guarantee, pledge, or other obligation of any type whatsoever entered into by the
17 bank be used in the calculation of net state tax supported debt as provided by Article
18 VII, Section 6(F) of the Constitution of Louisiana.

19 §90.1. Public purpose limitation

20 Funds expended pursuant to this Subpart shall be exclusively used for public
21 purposes to fund eligible infrastructure projects within the state.

22 §90.2. Initial capitalization of the Louisiana State Infrastructure Fund

23 There is hereby appropriated from the state general fund to the Louisiana
24 State Infrastructure Fund created by this Act, the sum of one hundred million dollars
25 for providing loans to qualified borrowers for eligible infrastructure projects.

26 Section 3. This Act shall become effective on July 1, 2026.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 901 Original

2026 Regular Session

Bourriaque

Abstract: To create the Louisiana State Infrastructure Fund and Bank to fund infrastructure projects for certain entities within the state; to create a board of directors and establish the membership, powers, duties, and authority; and to provide rules and regulations of the Louisiana State Infrastructure Bank.

Present law (R.S. 36:4(B)(1)) provides for the division of administration (DOA) be within the office of the governor. Further provides for certain agencies to be placed within the division of administration.

Proposed law (R.S. 36:4(B)(1)(m)) adds the La. State Infrastructure Fund within the division of administration.

Proposed law (R.S. 48:77.3) directs federal funds available under the Federal Hwy. Trust Fund, or any successor federal transportation trust fund, be deposited into the La. State Infrastructure Fund and be used to capitalize a state infrastructure bank or providing credit assistance.

Proposed law (R.S. 48:81) defines the following:

- (1) "Bank" means the La. State Infrastructure Bank.
- (2) "Board" means the board of directors of the bank.
- (3) "Division" means the DOA.
- (4) "Eligible costs" means the following:
 - (a) For an eligible infrastructure project to be financed from a federal account, the costs permitted under applicable federal laws, requirements, procedures, and guidelines governing the relevant federal funds or credit programs.
 - (b) For an eligible infrastructure project financed from a state or local account, the costs of preliminary engineering, planning, environmental studies, permitting, right-of-way or property acquisition, legal and financial services, design, construction, construction management, equipment, facilities, resilience upgrades, and other costs necessary for the eligible infrastructure projects.
- (5) "Eligible infrastructure project" means any infrastructure facility approved by the applicable technical agency pursuant to proposed law and selected by the bank to receive a loan or other financial assistance to defray an eligible cost, including but not limited to:
 - (a) Transportation related projects, including public roads, hwys., bridges, ports, airports, ferries, transit, rail, intermodal, and safety improvements.
 - (b) Water related projects, including drinking water, wastewater, storm water, drainage, levees, flood mitigation, and coastal protection.
 - (c) Energy related projects, including grid modernization, transmission and distribution resilience, public energy infrastructure, and eligible clean energy and efficiency infrastructure serving public purposes.
 - (d) Resilience and hazard mitigation related projects, including infrastructure upgrades that reduce disaster risk, improve recovery, and protect critical services.
 - (e) Other public infrastructure categories as authorized by law and adopted by board rule, including projects that enhance economic development, public safety, and quality of life.

- (6) "Financing agreement" means any agreement entered into between the bank and a qualified borrower pertaining to a loan or other financial assistance, including without limitation a loan agreement, trust indenture, security agreement, reimbursement agreement, guarantee agreement, bond or note, ordinance or resolution, or similar instrument.
- (7) "Governmental unit" means a parish, municipality, political subdivision, special district, authority, public board, commission, publicly operated port, harbor, terminal district, airport, ferry, transit system, or other public entity as authorized by law.
- (8) "Qualified borrower" means:
- (a) Any governmental unit authorized by the board to construct, operate, or own an eligible infrastructure project.
 - (b) Any private entity, including a concessionaire or special purpose entity, participating in a public infrastructure project pursuant to a public-private partnership, concession, design-build-finance, or similar delivery structure, to the extent permitted by applicable federal law and state law, provided that the board determines that the assistance is for a public purpose and is adequately secured pursuant to proposed law.
- (9) "Loan" means an obligation subject to repayment provided by the bank to a qualified borrower for all or part of the eligible costs of an eligible infrastructure project and may be disbursed in anticipation of reimbursement or as direct payment.
- (10) "Other financial assistance" means, but is not limited to credit enhancement; capital or debt reserves; interest rate subsidies; letters of credit; loan guarantees; subordinate or contingent loans; bond or other debt security; purchase of loan obligations; revolving lines of credit; and other lawful forms of financing and methods of leveraging funds approved by the board, and, in the case of federal funds, as allowed by federal law or regulation.
- (11) "Project revenues" means all rates, rents, fees, assessments, charges, grants, appropriations, availability payments, pledged taxes, dedicated revenues, user charges, resilience or insurance-related proceeds, and other receipts derived or to be derived from an eligible infrastructure project or made available from a special source, including revenues of any system of which the project is a part, as provided in an applicable financing agreement.

Proposed law (R.S. 48:82(A)) describes the legislative findings that there is a critical need for the bank to increase investment in the development and maintenance of La.'s infrastructure, including facilities related to transportation, water, energy, resilience, and hazard mitigation for the growth of the economy and the suitability of the state. Further provides that increasing project costs and expanding federal credit opportunities require complementary financing mechanisms. Therefore, a revolving loan program allows the state to maximize available resources, protect taxpayers, and reinvest repayments into future infrastructure needs.

Proposed law (R.S. 48:82(B)) creates the La. State Infrastructure Bank within the division of administration.

Proposed law (R.S. 48:82(C)) specifies that the purpose of the bank is to select and assist in financing eligible infrastructure projects by providing loans and other financial assistance to qualified borrowers for planning, constructing, improving, rehabilitating, and making resilient infrastructure facilities necessary for the public.

Proposed law (R.S. 48:82(D)) requires that any loan or other financial assistance provided in proposed law be made pursuant to a cooperative endeavor agreement between the bank and a qualified borrower, subject to the following requirements:

- (1) The loan or other financial assistance must be for a public purpose that comports with the governmental purpose that the bank and the qualified borrower have the legal authority to pursue and the loan or other financial assistance comports with the requirement of proposed law.

- (2) The loan or other financial assistance is not gratuitous.
- (3) The bank has a demonstrable, objective, and reasonable expectation of receiving at minimum the equivalent value in exchange for the loan or other financial assistance.

Proposed law (R.S. 48:82(E)) specifies that the bank is a revolving loan and credit assistance program that administers both federal and state funds in accordance with applicable present law and regulations, except where required by applicable federal law, the bank must not provide grants. Further requires All assistance be structured to ensure repayment and the continued revolving use of funds. Nothing in proposed law can be construed to supersede or diminish the authority of any state agency to administer its existing infrastructure programs.

Proposed law (R.S. 48:83(A)) specifies that the bank be governed, administered, and operated by a board of directors composed of the following members:

- (1) The commissioner of administration or his designee.
- (2) The chair of the Joint Legislative Committee on the Budget or his designee.
- (3) The secretary of the DOTD or his designee.
- (4) The secretary of the La. Dept. of Environmental Quality (LDEQ) or his designee.
- (5) The secretary of the La. Dept. of Conservation and Energy (LDCE) or his designee.
- (6) The secretary of the La. Economic Development (LED) or his designee.
- (7) One member appointed by a majority of the other members from among three persons nominated by the La. Bankers Association with not less than five years of experience in commercial lending or investment banking.
- (8) One member appointed by the State Board of Certified Public Accountants of La. with no less than five years of experience in accounting and auditing standards.
- (9) The commissioner of administration or his designee must serve as chair of the board.

Proposed law (R.S. 48:83(B)) specifies that appointed members serve a term of three years and that all vacancies must be filled as provided in the original appointment.

Proposed law (R.S. 48:83(C)) requires the board adopt bylaws and conduct meetings in accordance with the Open Meetings Law.

Proposed law (R.S. 48:83(D)) requires the board be staffed by the DOA and may enter interagency agreements with the DOTD, LDEQ, LDCE, and LED for technical review, underwriting support, and program coordination.

Proposed law (R.S. 48:83(E)) requires that proposed law not supersede or diminish the authority of any state agency to administer existing infrastructure program.

Proposed law (R.S. 48:84(A)) provides for additional powers of the board to operate the bank and finance eligible infrastructure, including but not limited to:

- (1) Perpetual succession.
- (2) Ability to sue upon written approval of the attorney general and be sued in the name of the bank.
- (3) Adopt an official seal.
- (4) Grant loans, acquire and sell loan obligations, and provide other financial assistance pursuant to cooperative endeavor agreements.
- (5) Enter contracts and execute financing agreements and related instruments.
- (6) Establish program rules and underwriting standards pursuant to the Administrative Procedure Act, including risk management policies, portfolio concentration limits, and procedures for default and remedies. The procedures include underwriting standards, portfolio concentration limits, credit risk management policies, stress testing, and loss-reserve requirements.
- (7) Establish fiscal controls and accounting procedures.

- (8) Enter agreements with any agency or instrumentality of the U.S., the state of La., or another state to finance eligible infrastructure projects.
- (9) Procure insurance, guarantees, letters of credit, and other credit support.
- (10) Borrow money and issue bonds, notes, or other evidence of indebtedness as provided by proposed law.
- (11) Collect fees and charges in connection with loans or other assistance.
- (12) Accept and hold funds deposited with the bank by the state, governmental units, or private entities, with or without payment of interest, as allowed present law.
- (13) Establish advisory committees, including a technical review committee comprised of representatives from DOTD, LDEQ, LDCE, and LED, to provide non-binding recommendations on project eligibility, permitting readiness, economic development alignment, resilience benefits, and environmental compliance.
- (14) Retain financial advisors, legal counsel, investment advisors, credit analysts, servicers, and other professional services necessary to carry out the purposes of the bank.
- (15) Implement the bank in phases, including initial capitalization or lending limits, and must report to the legislature on program performance prior to expansion.
- (16) Enter into agreements and take all actions necessary or convenient to receive, administer, and comply with the requirements of any federal program providing grants, loans, or other credit assistance of the bank or the fund, including execution of assurances, certifications, and compliance instruments required under applicable federal law.
- (17) Retain and compensate legal counsel, including the attorney general, bond counsel, and other specialized legal advisors, as necessary to provide legal guidance on the development, implementation, and administration of the bank and its financing programs, subject to applicable procurement laws.

Proposed law (R.S. 48:84(B)) requires that following the close of each fiscal year, the board submit an annual report to the governor and the legislature no later than Sept. 1st of each year, including a summary of capitalization, portfolio performance, defaults, leverage, and project outcomes. Further requires that the board also submit an annual report to any appropriate federal agency in accordance with the requirements of any federal program. Additionally requires the annual report include recommendations for statutory or programmatic changes as warranted by experience.

Proposed law (R.S. 48:84(C)) requires that the board obtain an independent annual financial audit of the bank.

Proposed law (R.S. 48:85(A)) prohibits the bank to be or to constitute a bank or trust company within the jurisdiction or control of the state of La., or any agency of the state, the Office of Comptroller of the Currents, the U.S. Dept. of the Treasury, a bank, banker, or dealer in securities within the meaning of, or subject to the provisions of, any securities, securities exchange, or securities dealers' law of the U.S. or this state.

Proposed law (R.S. 48:85(B)) requires that all deposits taken by the bank contain a notice stating that the deposits are not insured by the Federal Deposit Insurance Corporation.

Proposed law (R.S. 48:85(C)) authorizes the bank to act as a borrower, co-borrower, or conduit borrower with respect to federal or other credit assistance and may on-lend or otherwise deploy such proceeds consistent with present law.

Proposed law (R.S. 48:86(A)) creates a special fund in the state treasury, the La. State Infrastructure Fund. Further requires the fund be maintained and operated by the board to administer a revolving fund and provide assistance for eligible infrastructure projects.

Proposed law (R.S. 48:86(B)) requires that the monies in the fund be used exclusively by the bank to provide assistance pursuant to cooperative endeavor agreements for eligible infrastructure projects as permitted by federal law and proposed law.

Proposed law (R.S. 48:86(C)(1)) requires that the monies required for operation of the bank or otherwise dedicated be invested by the state treasurer as provided by law, except as limited by federal law or grant conditions.

Proposed law (R.S. 48:86(C)(2)) requires that the revenues used to capitalize the fund include but are not limited to:

- (1) Monies deposited pursuant to proposed law.
- (2) Legislative appropriations.
- (3) Grants, contributions, and credit assistance from federal programs, including transportation, environmental, energy, hazard mitigation, and resilience programs as allowed by law.
- (4) Repayments of principal, interest, fees, and investment earnings.
- (5) Proceeds of bonds or notes issued by the bank.
- (6) Gifts, donations, philanthropic capital, and program-related investments.
- (7) Deposits or investments from governmental units and private entities as allowed by law.
- (8) Any other revenues, whether local, state, or federal, as may be provided by present law.
- (9) Any other lawful source of money that is made available to the bank.
- (10) In addition to monies deposited pursuant to proposed law, the legislature may capitalize the fund through direct appropriations, capital outlay conversations, federal funds, repayments, surplus or one-time revenues, or other lawful sources approved by the State Bond Commission.

Proposed law (R.S. 48:86(D)) requires the bank establish and maintain accounts in the fund sufficient to:

- (1) Segregate federal funds by program requirements and prohibit commingling.
- (2) Segregate state and local funds by infrastructure sector as necessary to meet statutory, bond, or program conditions.
- (3) Establish reserve accounts, debt service accounts, credit risk accounts, and other accounts as needed for prudent financial management and leveraging.

Proposed law (R.S. 48:86(E)) requires that all unexpended and unencumbered monies remain in the fund at fiscal year end except as required by federal law or grant conditions. Further requires all repayments, fees, interest, and other program income remain in the fund and not lapse or revert to the state general fund.

Proposed law (R.S. 48:86(F)) specifies that the State Bond Commission is subject to the following approvals:

- (1) Retain approval authority, as required by existing law, over the issuances of bonds, notes, or other evidences of indebtedness of the bank.
- (2) Retain any guarantee, pledge, or use of the credit, revenues, or taxing power of the state.
- (3) Retain any capitalization action or financing structure that constitutes or gives rise to state debt or a moral obligation of the state.

Proposed law (R.S. 48:86(G)) requires the State Bond Commission be limited to loans and other financial assistance made by the bank from monies already on deposit in the fund pursuant to proposed law, and issued with the board-adopted underwriting standards and duly executed financing agreements, not constitute state debt, not be considered an obligation of the state, and not require separate approval by the State Bond Commission unless otherwise required by law.

Proposed law (R.S. 48:86(H)) authorizes the bank to expend funds, including loan repayments, interest, fees, and investment earnings, for the reasonable and necessary costs

of administering and operating the bank. Further requires that the administrative expenditures be subject to annual board approval as part of an operating budget and comply with applicable state and federal laws and regulations governing the management and expenditure of public funds.

Proposed law (R.S. 48:86(I)) allows fund monies not immediately required for disbursement be invested by the state treasurer in accordance with applicable state law and any applicable federal requirements, and all interest or investment earnings must be credited to the fund.

Proposed law (R.S. 48:86(J)) authorizes the fund to participate in private capital, subject to the following limitations:

- (1) Receive deposits, investments, or other financial participation from private entities, including institutional or private equity investors, for the purpose of supporting eligible infrastructure projects, providing credit enhancements, establishing reserves, or leveraging public funds, as approved by the board.
- (2) Any such private participation cannot constitute equity in, ownership of, or any governance or control interest in the bank or the fund, and cannot grant any voting rights, management authority, or preferential access to projects.
- (3) All private capital must be accepted and administered solely pursuant to board approved written financing or participation agreements, be used exclusively for public purposes authorized by proposed law, and be subject to all applicable state and federal laws, regulations, and oversight requirements.
- (4) No private funds can be commingled with federal funds in a manner inconsistent with federal law, and no obligation of the bank arising from private participation can constitute a debt, pledge, or obligation of the state.

Proposed law (R.S. 48:87(A)) requires the board to determine the form and content of applications and financing agreements, including interest rates, terms, security, and repayment sources.

Proposed law (R.S. 48:87(B)) requires projects eligible for financing by the bank be submitted through a sponsoring state agency with programmatic responsibility for the infrastructure sector, pursuant to a loan pathway and underwriting framework adopted by the board for that agency. Further requires that the board retain final authority over all financing decisions and terms. Additionally, the board may approve alternative submission procedures by rule where no appropriate agency pathway exists.

Proposed law (R.S. 48:87(C)) requires that prior to board action, each proposed project receive a technical review by the applicable technical agency or the technical review committee, as determined by board rule, including:

- (1) The DOTD for transportation eligibility and readiness.
- (2) The LDEQ for environmental compliance and permitting readiness, and coordination with existing water and environmental infrastructure programs. Further proposed law cannot be construed to alter, diminish, or expand the authority, responsibilities, or operating procedures of the LDEQ or its administration of existing state or federally authorized water infrastructure programs, including drinking water and clean water revolving funds. Additionally specifies that the bank is intended to provide complementary and supplemental financing, where appropriate and permitted by law, to support eligible projects without duplicating or replacing existing programs.
- (3) The LDCE for energy and natural resource alignment and resilience considerations.
- (4) The LED for economic development alignment and coordination with existing state economic development and site readiness programs. Further specifies that proposed law cannot be construed to alter, diminish, or expand the authority, responsibilities, or operating procedures of the LED, including its administration of existing site development, infrastructure, or economic development financing programs, such as

the FastSite Program. The bank is intended to provide complementary and supplemental financing, where appropriate and permitted by law, to support eligible projects and accelerate economic development without duplicating or replacing existing programs.

Proposed law (R.S. 48:87(D)) requires the board consider feasibility, readiness, public benefit, risk, repayment ability, resilience benefits, and the level of local or private participation when selecting projects. Further authorizes the board to prioritize projects sponsored by rural or underserved communities or that demonstrate limited access to traditional funding.

Proposed law (R.S. 48:87(E)) specifies that during the initial implementation phase of the bank, the board may approve loans with reduced or zero interest rates for a governmental unit that has materially participated in the establishment, capitalization, or programmatic development of the bank, provided that such loans are made pursuant to board-adopted policies, serve a public purpose, and remain subject to full repayment of principal. Additionally requires that any such consideration be limited in duration and scope, be disclosed in the annual report required by proposed law, and not constitute a grant or donation of public funds.

Proposed law (R.S. 48:88(A)) specifies that loans may bear interest at or below market, be fixed, variable, or adjustable, and include subordinate or contingent repayment structures as determined by the board. Further authorizes the board modify, restructure, refinance, or otherwise amend the terms of any loan or financial assistance in order to protect the financial interests of the fund.

Proposed law (R.S. 48:88(B)) requires the board determine repayment schedules, including the ability to commence repayment based on substantial completion, revenue commencement, or availability payment start, as provided in the financing agreement.

Proposed law (R.S. 48:88(C)) prohibits the loan term to exceed 30 years after the date of the 1st payment unless otherwise authorized by applicable federal law for federal accounts.

Proposed law (R.S. 48:88(D)) authorizes the board to require pledges of project revenues, dedicated taxes, availability payments, credit enhancement, or other security as permitted in any regulation or statute.

Proposed law (R.S. 48:88(E)) specifies that if a borrower fails to comply with contract terms, the board may:

- (1) Pursue legal or equitable remedies.
- (2) Request that the state withhold from the borrower and deposit any state monies into the fund as permitted in any regulation or statute.
- (3) Draw on pledge reserves or credit facilities securing the obligation.

Proposed law (R.S. 48:88(F)) specifies that legislature finds and declares that the bank is not established for engaging in banking and cannot be deemed to constitute a bank, financial institution, or trust company under the laws of this state. Further specifies that the bank is created solely as a public financing entity to provide loans and other credit assistance for eligible public infrastructure projects, to leverage federal and private capital, and to support state and local infrastructure investment. Additionally, prohibits the bank from accepting deposits from the general public, providing consumer or commercial banking services, or otherwise competing with private financial institutions.

Proposed law (R.S. 48:89(A)) requires that prior to executing a financing agreement, the board must require submission of the following:

- (1) For governmental units, a resolution authorizing the agreement and specifying maximum principal, maximum rate, maximum term, and related terms.
- (2) For private entities, evidence of authorization and binding commitment under the applicable public-private partnership agreement, and evidence of the public sponsor's approval as required by law and board rule.

Proposed law (R.S. 48:89(B)) specifies that publication and contest provisions remain as provided in present law as applicable.

Proposed law (R.S. 48:90(A)) requires that bonds, notes, or other evidence of indebtedness issued or any infrastructure bank loan or financing assistance granted pursuant to the authority of this proposed law be exempt from all taxation for state, parish, municipal, or other purposes. Further authorizes that such bonds, notes, or other evidence of indebtedness or infrastructure bank loans be used for deposit with any officer, board, municipality, or other governmental unit in the state, in any case where, by present or future laws, deposit of security is required for state funds.

Proposed law (R.S. 48:90(B)) requires the bonds, notes, or other evidence of indebtedness, such guarantees, and such pledges issued and delivered pursuant to this authority constitute special and limited obligations of the bank and not be secured by the full faith and credit of the state or any source of revenue of the state other than those sums on deposit in, credited to, or to be received by the bank, including payments to be made pursuant to letters of credit.

Proposed law (R.S. 48:90(C)) prohibits any bond, note, or other evidence of indebtedness, or guarantee, pledge, or other obligation of any type whatsoever entered into by the bank be used in the calculation of net state tax supported debt as provided by present law.

Proposed law (R.S. 48:90.1) requires funds expended pursuant to proposed law be exclusively used for public purposes to fund eligible infrastructure projects within the state.

Proposed law (R.S. 48:90.2) appropriates from the state general fund to the La. State Infrastructure Fund created by proposed law in the sum of \$1 million for providing loans to qualified borrowers for eligible infrastructure projects.

Effective July 1, 2026.

(Amends R.S. 36:4(B)(1)(m); Adds R.S. 48:77.3 and 81-90.2)