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## DIGEST

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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 not 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 conversions, 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 as 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)