

2026 Regular Session

HOUSE BILL NO. 1157

BY REPRESENTATIVE BOURRIAQUE

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

1 AN ACT

2 To enact R.S. 36:4(B)(39), R.S. 48:77.3, and Subpart B of Part V of Chapter 1 of Title 48

3 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 48:81 through 87,

4 relative to funding certain entities for infrastructure related projects; to create the

5 Louisiana State Infrastructure Bank within the office of the governor; to provide for

6 a board of directors; to provide for membership, duties, and authority of the board;

7 to provide for technical support coordination with the Department of Transportation

8 and Development, the Department of Treasury, and Louisiana Economic

9 Development; to provide for adoption of bylaws, rules, and regulations by the board;

10 to establish the Louisiana State Infrastructure Fund as a special fund in the state

11 treasury and to provide for accounts within the fund; to provide for the transfer,

12 deposit, and use, as specified, of monies in the fund and accounts; to provide for the

13 powers and duties of the state treasurer; to authorize the bank to incur debt and issue

14 bonds, notes, or other evidences of indebtedness and to guarantee the debt of other

15 entities; to authorize loans and other financial assistance from the fund to certain

16 entities, including private entities participating in public infrastructure projects as

17 permitted by federal law; to provide procedures to enter into such indebtedness; to

1 provide for definitions; to provide for an effective date; and to provide for related
2 matters.

3 Be it enacted by the Legislature of Louisiana:

4 Section 1. R.S. 36:4(B)(39) 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 * * *

14 (39) The Louisiana State Infrastructure Bank (R.S. 48:81 et seq.).

15 * * *

16 Section 2. R.S. 48:77.3 and Subpart B of Part V of Chapter 1 of Title 48 of the
17 Louisiana Revised Statutes of 1950, comprised of R.S. 48:81 through 87, are hereby enacted
18 to read as follows:

19 §77.3. Louisiana State Infrastructure Fund

20 A. There is hereby established in the state treasury, as a special fund, the
21 Louisiana State Infrastructure Fund, hereafter referred to in this Section as the
22 "fund." The following accounts are hereby established in the fund:

23 (1)(a) A special account to be designated and referred to in this Section as the
24 Highway Account.

25 (b) After allocation of money to the Bond Security and Redemption Fund as
26 provided in Article VII, Section (9)(B) of the Constitution of Louisiana, the treasurer
27 shall deposit into the Highway Account the following:

28 (i) Monies transferred, appropriated, or dedicated to the Highway Account
29 by the legislature.

1 (ii) Federal funds as authorized by 23 U.S.C. 610.

2 (iii) Proceeds from federal credit instruments and programs, including those
3 administered by the United States Department of Transportation Build America
4 Bureau.

5 (iv) Interest earned on the investment of monies in the Highway Account, and
6 repayments of principal and interest from loans made by the Louisiana State
7 Infrastructure Bank from the Highway Account.

8 (v) Any gift, grant, or donation designated for the Highway Account and
9 received by the state treasurer.

10 (c) Monies in the Highway Account shall only be used by the Louisiana
11 State Infrastructure Bank in connection with eligible infrastructure projects meeting
12 the funding eligibility requirements of Title 23 of the United States Code.

13 (2)(a) A special account to be designated and referred to in this Section as the
14 Transit Account.

15 (b) After allocation of money to the Bond Security and Redemption Fund as
16 provided in Article VII, Section (9)(B) of the Constitution of Louisiana, the treasurer
17 shall deposit into the Transit Account the following:

18 (i) Monies transferred, appropriated, or dedicated to the Transit Account by
19 the legislature.

20 (ii) Federal funds as authorized by 23 U.S.C. 610.

21 (iii) Proceeds from federal credit instruments and programs, including those
22 administered by the United States Department of Transportation Build America
23 Bureau.

24 (iv) Interest earned on the investment of monies in the Transit Account, and
25 repayments of principal and interest from loans made by the Louisiana State
26 Infrastructure Bank from the Transit Account.

27 (v) Any gift, grant, or donation designated for the Transit Account and
28 received by the state treasurer.

1 (c) Monies in the Transit Account shall only be used by the Louisiana State
2 Infrastructure Bank in connection with eligible infrastructure projects meeting the
3 funding eligibility requirements of Title 49 of the United States Code.

4 (3)(a) A special account to be designated and referred to in this Section as the
5 Rail Account.

6 (b) After allocation of money to the Bond Security and Redemption Fund as
7 provided in Article VII, Section (9)(B) of the Constitution of Louisiana, the treasurer
8 shall deposit into the Rail Account the following:

9 (i) Monies transferred, appropriated, or dedicated to the Rail Account by the
10 legislature.

11 (ii) Federal funds as authorized by 23 U.S.C. 610.

12 (iii) Proceeds from federal credit instruments and programs, including those
13 administered by the United States Department of Transportation Build America
14 Bureau.

15 (iv) Interest earned on the investment of monies in the Rail Account, and
16 repayments of principal and interest from loans made by the Louisiana State
17 Infrastructure Bank from the Rail Account.

18 (v) Any gift, grant, or donation designated for the Rail Account and received
19 by the state treasurer.

20 (c) Monies in the Rail Account shall only be used by the Louisiana State
21 Infrastructure Bank in connection with eligible infrastructure projects meeting the
22 funding eligibility requirements of Subtitle V of Title 49 of the United States Code.

23 (4)(a) A special account to be designated and referred to in this Section as the
24 State-Funded Account.

25 (b) After allocation of money to the Bond Security and Redemption Fund as
26 provided in Article VII, Section (9)(B) of the Constitution of Louisiana, the treasurer
27 shall deposit into the State-Funded Account the following:

28 (i) Monies transferred, appropriated, or dedicated to the State-Funded
29 Account by the legislature.

1 SUBPART B. LOUISIANA STATE INFRASTRUCTURE BANK2 §81. Definitions

3 For purposes of this Subpart, the following terms have the meanings ascribed
4 to them as follows:

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

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

7 (3) "Eligible costs" means the following:

8 (a) For an eligible infrastructure project to be financed from the bank's
9 Highway Account, the costs permitted under Title 23 of the United States Code and
10 Code of Federal Regulations.

11 (b) For an eligible infrastructure project to be financed from the bank's
12 Transit Account, the costs permitted under Title 49 of the United States Code and
13 Code of Federal Regulations.

14 (c) For an eligible infrastructure project to be financed from the bank's Rail
15 Account, the costs permitted under Subtitle V of Title 49 of the United States Code
16 and Chapter II of Subtitle B of Title 49 of the Code of Federal Regulations.

17 (d) For an eligible infrastructure project to be financed from the bank's
18 State-Funded Account, all costs associated with the design, construction, or
19 improvement of public infrastructure, including but not limited to costs for
20 preliminary engineering, design, permitting, right-of-way acquisition, legal and
21 financial services, construction, and construction management, or the provision of
22 transportation services.

23 (4) "Eligible infrastructure project" means activities undertaken to plan,
24 design, construct, repair, maintain, or improve transportation facilities intended for
25 use by the public that have been permitted or approved by the applicable technical
26 and regulatory agencies pursuant to R.S. 48:85 and selected by the bank's board to
27 receive a loan or other financial assistance for the payment of eligible costs.

28 (5) "Financing agreement" means any agreement entered into between the
29 bank and a qualified borrower pertaining to a loan or other financial assistance,

1 including without limitation a loan agreement, trust indenture, security agreement,
2 reimbursement agreement, guarantee agreement, bond or note, ordinance or
3 resolution, or similar instrument.

4 (6) "Financial assistance" means the provision of money or its equivalent
5 subject to an obligation of repayment in any manner authorized by law, including but
6 not limited to direct disbursements and revolving lines of credit.

7 (7) "Loan" means the provision of financial assistance by the bank to a
8 qualified borrower for all or part of the eligible costs of an eligible infrastructure
9 project in exchange for corresponding obligations, including repayment owed by the
10 qualified borrower to the bank.

11 (8) "Political subdivision" means a parish, municipality, or any other unit of
12 local government, including a school board or special district, authorized by law to
13 perform governmental services.

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

20 (10) "Qualified borrower" means:

21 (a) Any political subdivision authorized to undertake, construct, operate, or
22 own an eligible infrastructure project.

23 (b) Any private entity, including a concessionaire or special purpose entity,
24 participating in an eligible infrastructure project with the approval or consent of the
25 relevant regulatory or technical agencies including but not limited to participants in
26 a public-private partnership, to the extent permitted by applicable law, provided that
27 the board determines that the assistance is adequately secured pursuant to R.S. 48:86.

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

2 A. The legislature finds the following:

3 (1) There is a critical need to increase investment in the development and
4 maintenance of Louisiana's transportation infrastructure to promote economic growth
5 and the ability of business and industry competition in regional, national, and global
6 markets and to improve the quality of life for the people of this state.

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

12 B. There is hereby created within the office of the governor the "Louisiana
13 State Infrastructure Bank", hereinafter referred to as the "bank", which shall be
14 allocated to the office of the governor as an agency of the state.

15 C. The purpose of the bank shall be to select and provide loans or other
16 financial assistance to qualified borrowers for financing eligible infrastructure
17 projects related to planning, constructing, improving, rehabilitating, and making
18 resilient infrastructure facilities necessary for public purposes.

19 D. Any loan or other financial assistance provided pursuant to this Subpart
20 shall be made pursuant to a financing agreement between the bank and a qualified
21 borrower.

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

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

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

4 (1) The director of the office of rural development or his designee.

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

7 (3) The secretary of the Department of Transportation and Development or
8 his designee.

9 (4) The secretary of Louisiana Economic Development or his designee.

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

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

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

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

20 (2) The director of the office of rural development or his designee shall serve
21 as chair of the board.

22 D. The board shall be staffed by the office of the governor, which may enter
23 into interagency agreements with the Department of Transportation and
24 Development, the Department of Treasury, and Louisiana Economic Development
25 for technical review, underwriting support, and program coordination.

26 §84. Board of directors; powers and duties

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

- 1 (1) Perpetual succession.
- 2 (2) Pursue any necessary legal action upon written approval of the attorney
3 general and to be sued in the name of the bank.
- 4 (3) Adopt an official seal.
- 5 (4) Grant loans, acquire and sell loan obligations, and provide other financial
6 assistance pursuant to cooperative endeavor agreements.
- 7 (5) Enter contracts and execute financing agreements and related
8 instruments.
- 9 (6) Establish program rules and underwriting standards pursuant to the
10 Administrative Procedure Act, including risk management policies, portfolio
11 concentration limits, and procedures for default and remedies. The procedures may
12 also include stress testing requirements and loss-reserve requirements consistent with
13 those applicable to commercial banks.
- 14 (7) Establish fiscal controls and accounting procedures.
- 15 (8) Enter into agreements with any agency or instrumentality of the United
16 States, agencies, instrumentalities, and political subdivisions of the state of
17 Louisiana, agencies, instrumentalities and political subdivisions of another states, or
18 private individuals for the purpose financing eligible infrastructure projects.
- 19 (9) Procure insurance, guarantees, letters of credit, and other credit support.
- 20 (10) Borrow money with approval of the State Bond Commission.
- 21 (11) Issue bonds, notes, or other evidence of indebtedness as provided in this
22 Subpart.
- 23 (12) Collect fees and charges in connection with loans or other assistance at
24 amounts either at or below the rates used by commercial banks.
- 25 (13) Accept and hold funds deposited with the bank by the federal
26 government, the state, governmental units, or private entities, with or without
27 payment of interest, as allowed by law.
- 28 (14) Establish advisory committees, including one or more technical review
29 committees comprised of representatives from the Department of Transportation and

1 Development, Department of Treasury, Louisiana Economic Development, and
2 office of rural development, to provide recommendations on project eligibility,
3 readiness for advancement, potential economic development benefits, environmental
4 compliance, or other matters requiring specialized technical expertise.

5 (15) Retain financial advisors, legal counsel, investment advisors, credit
6 analysts, servicers, and other professional services necessary to carry out the
7 purposes of the bank.

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

10 (17) Enter into agreements and take all actions necessary to receive,
11 administer, and comply with the requirements of any federal assistance program,
12 including execution of assurances, certifications, and compliance instruments
13 required by applicable federal law.

14 B. Following the close of each fiscal year, the board shall submit an annual
15 report to the governor and the legislature no later than September first, including a
16 summary of capitalization, portfolio performance, defaults, leverage, and project
17 outcomes. The board shall also submit any additional reports required by the terms
18 of any agreements entered into pursuant to this Section to the governor and the
19 legislature annually no later than September first.

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

21 D. The bank shall receive approval by the State Bond Commission prior to
22 engaging in the following activities:

23 (1) Issuing bonds, notes, or other evidence of indebtedness of the bank.

24 (2) Providing any guarantee, pledge, or use of the credit, revenues, or taxing
25 power of the state.

26 (3) Any capitalization action or financing structure that constitutes or gives
27 rise to a debt or a moral obligation of the state.

28 E. The bank shall be authorized to expend monies of the fund, including loan
29 repayments, interest, fees, and investment earnings, for the reasonable and necessary

1 costs of administering and operating the bank. The administrative expenditures shall
2 be subject to annual approval by the board as part of an operating budget and shall
3 be made in accordance with applicable state and federal laws and regulations
4 governing the management and expenditure of public funds.

5 §85. Applications; eligibility; technical review

6 A. The board shall promulgate rules establishing the form and content of
7 applications, financing agreements, and other instruments utilized by the bank, and
8 may adopt provisions governing interest rates, terms, security, and repayment
9 sources.

10 B. Applications for financing shall be accompanied by at least one
11 recommendation of a state agency or political subdivision of the state certifying the
12 project as an eligible infrastructure project that will benefit the public.

13 C. Prior to board action, each proposed project shall receive a technical
14 review by the applicable technical review committee, in the manner established by
15 rule.

16 D. In selecting projects that shall receive financial assistance from the bank,
17 the board shall consider feasibility, readiness, public benefit, risk, repayment ability,
18 and the amount of funding committed from sources other than the bank as necessary.
19 The board may assign priority to projects that will benefit rural or underserved
20 communities or that demonstrate limited access to traditional financing.

21 E. During the initial implementation phase of the bank, the board may
22 approve loans with reduced interest rates for a political subdivision that has
23 materially participated in the establishment, capitalization, or programmatic
24 development of the bank, provided that such loans are made pursuant to
25 board-adopted policies and remain subject to full repayment of principal. Any
26 reduced interest loan consideration shall be limited in duration and scope and shall
27 be disclosed in the annual report required by R.S. 48:84(B).

28 §86. Interest rates; repayment; terms; security; interception; remedies; purpose

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

6 B. Repayment schedules shall be determined by the board, including the
7 ability to commence repayment based on substantial completion, revenue
8 commencement, or availability payment start, as provided in the financing
9 agreement.

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

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

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

17 (1) Pursue legal or equitable remedies to ensure full repayment of any loan.

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

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

21 F. The bank is created solely as a public financing entity to provide loans and
22 other credit assistance for eligible public infrastructure projects, to leverage federal
23 and private capital, and to support state and local infrastructure investment. The
24 bank shall not accept deposits from the general public, provide consumer or
25 commercial banking services, or otherwise compete with private financial
26 institutions.

1 §87. Borrower authorization; resolutions; notice; contest period

2 Prior to executing a financing agreement, the board shall require submission

3 of the following:

4 (1) For political subdivisions, a resolution authorizing the agreement and

5 specifying the maximum principal, rate, term, and related terms.

6 (2) For private entities, evidence of authorization to enter into a binding

7 commitment with the bank and evidence of a public sponsor's recommendation as

8 required by law and board rule.

9 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 1157 Reengrossed

2026 Regular Session

Bourriaque

Abstract: Creates the Louisiana State Infrastructure Bank and the associated fund to finance infrastructure projects for certain entities within the state; creates a board of directors and establishes the membership, powers, duties, and authority; and provides rules and regulations of the Louisiana State Infrastructure Bank.

Present law (R.S. 36:4(B)) requires that the office of the governor be in the executive branch of state government. Further authorizes the governor to allocate within his office the powers, duties, funds, functions, appropriations, responsibilities, and personnel of the agencies within his office and provide for administration and organization of his office. Additionally specifies that the certain agencies and their powers, duties, functions, and responsibilities are transferred to the office of the governor.

Proposed law (R.S. 36:4(B)(39)) adds the La. State Infrastructure Fund within the office of the governor.

Proposed law (R.S. 48:77.3) creates a special fund in the state treasury designated as the La. State Infrastructure Fund (fund). Further creates certain accounts within the fund with the sources of monies appropriated by the legislature, including federal funds. Additionally requires the monies only be used for eligible infrastructure projects. The accounts in the fund are as follows:

- (1) The Highway Account.
- (2) The Transit Account.
- (3) The Rail Account.
- (4) State-Funded Account.

Proposed law specifies that any use of federal credit instruments or programs to capitalize the bank be subject to approval by the State Bond Commission. Further requires all

repayments of principal and interest from loans by the bank be credited to the appropriate accounts created in proposed law.

Proposed law requires the monies in the fund be invested by the state treasurer in a separate portfolio in the same manner as allowed for monies in the state general fund. Further specifies that while the monies from different accounts within the fund may be pooled for investment purposes, the state treasurer must maintain separate accountings for each account. Further requires earnings generated from investment of the monies in the fund be allocated pro-rata among the accounts that generated the earnings, be available to pay costs directly attributable to investment, and be apportioned pro-rata among the accounts that generated the costs.

Proposed law requires all unexpended and unencumbered monies in the fund at the end of the fiscal year remain in the fund and not revert to the state general fund.

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) "Eligible costs" means the following:
 - (a) For an eligible infrastructure project to be financed from the bank's Highway Account, the costs permitted under federal law.
 - (b) For an eligible infrastructure project to be financed from the bank's Transit Account, the costs permitted under federal law.
 - (c) For an eligible infrastructure project to be financed from the bank's Rail Account, the costs permitted under federal law.
 - (d) For an eligible infrastructure project to be financed from the bank's State-Funded Account, all costs associated with the design, construction, or improvement of public infrastructure, including but not limited to, costs for preliminary engineering, design, permitting, right-of-way acquisition, legal and financial services, construction, and construction management, or the provision of transportation services.
- (4) "Eligible infrastructure project" means activities undertaken to plan, design, construct, repair, maintain, or improve transportation facilities intended for use by the public that have been permitted or approved by the applicable technical and regulatory agencies pursuant to proposed law and selected by the bank's board to receive a loan or other financial assistance for the payment of eligible costs.
- (5) "Financing agreement" means any agreement entered into between the bank and a qualified borrower pertaining to a loan or other financial assistance, including but not limited to a loan agreement, trust indenture, security agreement, reimbursement agreement, guarantee agreement, bond or note, ordinance or resolution, or similar instrument.
- (6) "Financial assistance" means the provision of money or its equivalent subject to an obligation of repayment in any manner authorized by law, including but not limited to direct disbursements and revolving lines of credit.
- (7) "Loan" means the provision of financial assistance by the bank to a qualified borrower for all or part of the eligible costs of an eligible infrastructure project in

exchange for corresponding obligations, including repayment, owed by the qualified borrower to the bank.

- (8) "Political subdivision" means a parish, municipality, or any other unit of local government, including a school board or special district, authorized by law to perform governmental services.
- (9) "Project revenues" means all rates, rents, fees, assessments, charges, grants, appropriations, availability payments, pledged taxes, dedicated revenues, user charges, 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.
- (10) "Qualified borrower" means:
- (a) Any political subdivision authorized to undertake, construct, operate, or own an eligible infrastructure project.
 - (b) Any private entity, including a concessionaire or special purpose entity, participating in an eligible infrastructure project with the approval or consent of the relevant regulatory or technical agencies, including but not limited to participants in a public-private partnership, to the extent permitted by applicable law, provided that the board determines that the assistance is adequately secured pursuant to proposed law.

Proposed law (R.S. 48:82(A)) establishes as a legislative finding that there is a critical need to increase investment in the development and maintenance of La.'s transportation infrastructure to promote economic growth and the ability of business and industry competition in regional, national, and global markets and to improve the quality of life for residents. Further provides that while grant funding remains an important tool for infrastructure investment, increasing project costs and expanding federal credit opportunities require complementary financing mechanisms. Further provides that 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 office of the governor.

Proposed law (R.S. 48:82(C)) specifies that the purpose of the bank is to select and provide loans or other financial assistance to qualified borrowers for 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 public purposes.

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.

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. Specifies that 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)) requires that the bank be governed by a board of directors composed of the following members:

- (1) The director of the office of rural development or his designee.
- (2) The chair of the Joint Legislative Committee on the Budget or his designee.
- (3) The secretary of the Dept. of Transportation and Development (DOTD) or his designee.
- (4) The secretary of La. Economic Development (LED) or his designee.
- (5) 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.
- (6) 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.

Proposed law (R.S. 48:83(B)) requires appointed members serve a term of three years and that all vacancies 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. Further requires the director of the office of rural development or his designee be the chair of the board.

Proposed law (R.S. 48:83(D)) requires the board be staffed by the office of the governor and can enter interagency agreements with the DOTD, the La. Dept. of Treasury (LDT), and LED for technical review, underwriting support, and program coordination.

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

- (1) Perpetual succession.
- (2) Pursue any necessary legal action upon written approval of the attorney general and to 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 stress testing requirements and loss-reserve requirements consistent with those applicable to commercial banks.
- (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 with approval of the State Bond Commission.
- (11) Issue bonds, notes, or other evidence of indebtedness as provided in proposed law.
- (12) Collect fees and charges in connection with loans or other assistance at amounts either at or below the rates used by commercial banks.
- (13) 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.
- (14) Establish advisory committees, including a technical review committee comprised of representatives from the DOTD, the LDT, LED, and the La. office of rural development, to provide to provide recommendations on project eligibility, readiness for advancement, potential economic development benefits, environmental compliance, or other matters requiring specialized technical expertise.
- (15) Retain financial advisors, legal counsel, investment advisors, credit analysts, servicers, and other professional services necessary to carry out the purposes of the bank.
- (16) Implement the bank in phases, including initial capitalization or lending limits, and must report to the legislature on program performance prior to expansion.
- (17) Enter into agreements and take all actions necessary to receive, administer, and comply with the requirements of any federal assistance program, including execution of assurances, certifications, and compliance instruments required under applicable federal law.

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, including a summary of capitalization, portfolio performance, defaults, leverage, and project outcomes. Further requires that the board also submit annually any additional reports required by the terms of any agreement entered into pursuant to proposed law no later than Sept. 1st.

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

Proposed law (R.S. 48:84(D)) requires the bank receive approval by the State Bond Commission prior to engaging in the following activities:

- (1) Issuing bonds, notes, or other evidence of indebtedness of the bank.
- (2) Providing any guarantee, pledge, or use of the credit, revenues, or taxing power of the state.
- (3) Any capitalization action or financing structure that constitutes or gives rise to a debt or a moral obligation of the state.

Proposed law (R.S. 48:84(E)) authorizes the bank to expend monies of the fund, including loan repayments, interest, fees, and investment earnings, for the reasonable and necessary costs of administering and operating the bank. Further requires the administrative expenditures be subject to annual approval by the board as part of an operating budget and be made in accordance with applicable state and federal laws and regulations governing the management and expenditure of public funds.

Proposed law (R.S. 48:85(A)) requires the board promulgate rules establishing the form and content of applications, financing agreements, and other instruments utilized by the bank, and may adopt provisions governing interest rates, terms, security, and repayment sources.

Proposed law (R.S. 48:85(B)) requires applications for financing be accompanied by at least one recommendation of a state agency or political subdivision of the state certifying the project as an eligible infrastructure project that will benefit the public.

Proposed law (R.S. 48:85(C)) specifies that prior to board action, each proposed project must receive a technical review by the applicable technical review committee, in the manner established by rule.

Proposed law (R.S. 48:85(D)) specifies that in selecting projects that receives financial assistance from the bank, the board must consider feasibility, readiness, public benefit, risk, repayment ability, and the amount of funding committed from sources other than the bank as necessary. Further authorizes the board to assign priority to projects that will benefit rural or underserved communities or that demonstrate limited access to traditional financing.

Proposed law (R.S. 48:85(E)) authorizes that during the initial implementation phase of the bank, the board approve loans with reduced interest rates for a political subdivision 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 and remain subject to full repayment of principal. Additionally requires that any reduced interest loan consideration be limited in duration and scope and shall be disclosed in the annual report required by proposed law.

Proposed law (R.S. 48:86(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 to 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. 48:86(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. 48:86(C)) prohibits the loan term from exceeding 30 years after the date of the 1st payment unless otherwise authorized by applicable federal law for federal accounts.

Proposed law (R.S. 48:86(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. 48:86(E)) specifies that if a borrower fails to comply with contract terms or defaults, the board may:

- (1) Pursue legal or equitable remedies to ensure full repayment of any loan.
- (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. 48:86(F)) 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. Further requires that the bank not accept deposits from the general public, provide consumer or commercial banking services, or compete with private financial institutions.

Proposed law (R.S. 48:87(A)) requires that prior to executing a financing agreement, the board must require submission of the following:

- (1) For political subdivisions, a resolution authorizing the agreement and specifying maximum principal, rate, term, and related terms.
- (2) For private entities, evidence of authorization to enter into a binding commitment with the bank and evidence of a public sponsor's recommendation as required by law and board rule.

Effective July 1, 2026.

(Adds R.S. 36:4(B)(39) and R.S. 48:77.3 and 81-87)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Revise language establishing the Louisiana State Infrastructure Bank Fund and special accounts within the fund to include constitutionally required allocation to the Bond Security and Redemption Fund.
2. Make technical changes.