

2026 Regular Session

HOUSE BILL NO. 1157

BY REPRESENTATIVES BOURRIAQUE AND CHASSION

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 but not limited to 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 chair of the Joint Legislative Committee on Transportation,  
8        Highways and Public Works or his designee.

9            (4) The secretary of the Department of Transportation and Development or  
10       his designee.

11           (5) The secretary of Louisiana Economic Development or his designee.

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

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

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

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

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

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

28        §84. Board of directors; powers and duties

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

4                   (1) Maintain perpetual succession.

5                   (2) Pursue any necessary legal action upon written approval of the attorney  
6           general and to be sued in the name of the bank.

7                   (3) Adopt an official seal.

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

10                  (5) Enter contracts and execute financing agreements and related  
11           instruments.

12                  (6) Establish program rules and underwriting standards pursuant to the  
13           Administrative Procedure Act, including risk management policies, portfolio  
14           concentration limits, and procedures for default and remedies. The procedures may  
15           also include stress testing requirements and loss-reserve requirements consistent with  
16           those applicable to commercial banks.

17                  (7) Establish fiscal controls and accounting procedures.

18                  (8) Enter into agreements with any agency or instrumentality of the United  
19           States, agencies, instrumentalities, and political subdivisions of the state of  
20           Louisiana, agencies, instrumentalities and political subdivisions of another states, or  
21           private individuals for the purpose financing eligible infrastructure projects.

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

23                  (10) Borrow money with approval of the State Bond Commission.

24                  (11) Issue bonds, notes, or other evidence of indebtedness as provided in this  
25           Subpart.

26                  (12) Collect fees and charges in connection with loans or other assistance at  
27           amounts either at or below the rates used by commercial banks.

1           (13) Accept and hold funds deposited with the bank by the federal  
2           government, the state, governmental units, or private entities, with or without  
3           payment of interest, as allowed by law.

4           (14) Establish advisory committees, including one or more technical review  
5           committees comprised of representatives from the Department of Transportation and  
6           Development, Department of Treasury, Louisiana Economic Development, and  
7           office of rural development, to provide recommendations on project eligibility,  
8           readiness for advancement, potential economic development benefits, environmental  
9           compliance, or other matters requiring specialized technical expertise.

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

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

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

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

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

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

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

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

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

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

11          §85. Applications; eligibility; technical review

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

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

19           C. Prior to board action, each proposed project shall receive a technical  
20           review by the applicable technical review committee, in the manner established by  
21           rule.

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

27           E. During the initial implementation phase of the bank, the board may  
28           approve loans with reduced interest rates for a political subdivision that has  
29           materially participated in the establishment, capitalization, or programmatic

1        development of the bank, provided that such loans are made pursuant to  
2        board-adopted policies and remain subject to full repayment of principal. Any  
3        reduced interest loan consideration shall be limited in duration and scope and shall  
4        be disclosed in the annual report required by R.S. 48:84(B).

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

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

11           B. Repayment schedules shall be determined by the board, including the  
12       ability to commence repayment based on substantial completion, revenue  
13       commencement, or availability payment start, as provided in the financing  
14       agreement.

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

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

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

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

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

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

26           F. The bank is created solely as a public financing entity to provide loans and  
27       other credit assistance for eligible public infrastructure projects, to leverage federal  
28       and private capital, and to support state and local infrastructure investment. The  
29       bank shall not accept deposits from the general public, provide consumer or

1 commercial banking services, or otherwise compete with private financial  
 2 institutions.

3 §87. Borrower authorization; resolutions; notice

4 Prior to executing a financing agreement, the board shall require submission  
 5 of the following:

6 (1) For political subdivisions, a resolution authorizing the agreement and  
 7 specifying the maximum principal, rate, term, and related terms.

8 (2) For private entities, evidence of authorization to enter into a binding  
 9 commitment with the bank and evidence of a public sponsor's recommendation as  
 10 required by law and board rule.

11 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 Re-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 and certain other funds received by the state treasurer. 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) The 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 chair of the Joint Legislative Committee on Transportation, Highways and Public Works or his designee.
- (4) The secretary of the Dept. of Transportation and Development (DOTD) or his designee.
- (5) The secretary of La. Economic Development (LED) or his designee.
- (6) 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.
- (7) 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 Dept. of Treasury, 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) Maintain 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 Dept. of Treasury, 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.

The House Floor Amendments to the reengrossed bill:

1. Add the chair of the Joint Legislative Committee on Transportation, Highways and Public works or his designee to the board of directors for the Louisiana State Infrastructure Bank.
2. Make technical changes.