

ACT No. 581

2026 Regular Session

HOUSE BILL NO. 1157

BY REPRESENTATIVES BOURRIAQUE AND CHASSION

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
18 provide for definitions; to provide for an effective date; and to provide for related
19 matters.

20 Be it enacted by the Legislature of Louisiana:

1 Section 1. R.S. 36:4(B)(39) is hereby enacted to read as follows:

2 §4. Structure of executive branch of state government

3 * * *

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

10 * * *

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

12 * * *

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

16 §77.3. Louisiana State Infrastructure Fund

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 **(i) Monies transferred, appropriated, or dedicated to the Rail Account by the**
 5 **legislature.**

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

7 **(iii) Proceeds from federal credit instruments and programs, including those**
 8 **administered by the United States Department of Transportation Build America**
 9 **Bureau.**

10 **(iv) Interest earned on the investment of monies in the Rail Account, and**
 11 **repayments of principal and interest from loans made by the Louisiana State**
 12 **Infrastructure Bank from the Rail Account.**

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

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

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

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

23 **(i) Monies transferred, appropriated, or dedicated to the State-Funded**
 24 **Account by the legislature.**

25 **(ii) Interest earned on the investment of monies in the State-Funded Account,**
 26 **and repayments of principal and interest from loans made by the Louisiana State**
 27 **Infrastructure Bank from the State-Funded Account.**

28 **(iii) Any gift, grant, or donation designated for the State-Funded Account and**
 29 **received by the state treasurer.**

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

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

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

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

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

21 (5) "Financing agreement" means any agreement entered into between the
22 bank and a qualified borrower pertaining to a loan or other financial assistance,
23 including but not limited to a loan agreement, trust indenture, security agreement,
24 reimbursement agreement, guarantee agreement, bond or note, ordinance or
25 resolution, or similar instrument.

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

29 (7) "Loan" means the provision of financial assistance by the bank to a
30 qualified borrower for all or part of the eligible costs of an eligible infrastructure

1 project in exchange for corresponding obligations, including repayment owed by the
2 qualified borrower to the bank.

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

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

12 (10) "Qualified borrower" means:

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

15 (b) Any private entity, including a concessionaire or special purpose entity,
16 participating in an eligible infrastructure project with the approval or consent of the
17 relevant regulatory or technical agencies including but not limited to participants in
18 a public-private partnership, to the extent permitted by applicable law, provided that
19 the board determines that the assistance is adequately secured pursuant to R.S. 48:86.
20 §82. Louisiana State Infrastructure Bank; legislative findings; creation; purposes

21 A. The legislature finds the following:

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

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

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

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

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

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

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

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

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

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

24 (3) The chair of the Joint Legislative Committee on Transportation,
25 Highways and Public Works or his designee.

26 (4) The secretary of the Department of Transportation and Development or
27 his designee.

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

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

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

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

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

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

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

17 §84. Board of directors; powers and duties

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

21 (1) Maintain perpetual succession.

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

24 (3) Adopt an official seal.

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

27 (5) Enter contracts and execute financing agreements and related
 28 instruments.

29 (6) Establish program rules and underwriting standards pursuant to the
 30 Administrative Procedure Act, including risk management policies, portfolio

1 concentration limits, and procedures for default and remedies. The procedures may
 2 also include stress testing requirements and loss-reserve requirements consistent with
 3 those applicable to commercial banks.

4 (7) Establish fiscal controls and accounting procedures.

5 (8) Enter into agreements with any agency or instrumentality of the United
 6 States; agencies, instrumentalities, and political subdivisions of the state of
 7 Louisiana; agencies, instrumentalities, and political subdivisions of another state; or
 8 private individuals for the purpose financing eligible infrastructure projects.

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

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

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

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

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

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

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

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

29 (17) Enter into agreements and take all actions necessary to receive,
 30 administer, and comply with the requirements of any federal assistance program,

1 including execution of assurances, certifications, and compliance instruments
2 required by applicable federal law.

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

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

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

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

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

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

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

23 §85. Applications; eligibility; technical review

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

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

1 C. Prior to board action, each proposed project shall receive a technical
2 review by the applicable technical review committee, in the manner established by
3 rule.

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

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

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

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

22 B. Repayment schedules shall be determined by the board, including the
23 ability to commence repayment based on substantial completion, revenue
24 commencement, or availability payment start, as provided in the financing
25 agreement.

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

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

- 1 E. If a borrower fails to comply with contract terms or defaults, the board
- 2 may:
- 3 (1) Pursue legal or equitable remedies to ensure full repayment of any loan.
- 4 (2) Request that the state withhold from the borrower and deposit any state
- 5 monies into the fund as permitted in any regulation or statute.
- 6 (3) Draw on pledge reserves or credit facilities securing the obligation.

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

13 §87. Borrower authorization; resolutions; notice

14 Prior to executing a financing agreement, the board shall require submission
 15 of the following:

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

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

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____