

2015 Regular Session

HOUSE BILL NO. 767

BY REPRESENTATIVE ST. GERMAIN

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TRANSPORTATION: Creates the Louisiana State Transportation Infrastructure Bank

1 AN ACT

2 To amend and reenact R.S. 48:77(B)(2) and to enact R.S. 36:769(M) and Part XX of Chapter
3 1 of Title 48 of the Louisiana Revised Statutes of 1950, to be comprised of R.S.
4 48:471 through 481, relative to providing funds to certain entities for transportation
5 related projects; to create the Louisiana State Transportation Infrastructure Bank; to
6 provide for a board of directors; to provide for membership, duties, and authority of
7 the board; to provide for the adoption of bylaws, rules, and regulations by the board;
8 to create the Louisiana State Transportation Infrastructure Fund; to provide for the
9 receipt, administration, and expenditure of monies allotted for the fund; to provide
10 for the investment and disposition of the monies of the fund; to authorize the bank
11 to incur debt and issue bonds, notes, or other evidences of indebtedness and to
12 guarantee the debt of other entities; to authorize loans from the fund to certain
13 entities; to provide procedures to enter into such indebtedness; to exempt evidence
14 of indebtedness from taxation; to exempt any debt of or obligation entered into by
15 the bank from being used in the calculation of net state tax supported debt; and to
16 provide for related matters.

17 Be it enacted by the Legislature of Louisiana:

18 Section 1. R.S. 36:769(M) is hereby enacted to read as follows:

19 §769. Transfer of boards, commissions, departments, and agencies to Department
20 of the Treasury

21 * * *

1 M. The Louisiana State Transportation Infrastructure Bank (R.S. 48:471 et
2 seq.) is placed within the Department of the Treasury and shall perform and exercise
3 its powers, duties, functions, and responsibilities in the manner provided by law.

4 Section 2. Part XX of Chapter 1 of Title 48 of the Louisiana Revised Statutes of
5 1950, comprised of R.S. 48:471 through 481, is hereby enacted to read as follows:

6 PART XX. LOUISIANA STATE TRANSPORTATION

7 INFRASTRUCTURE BANK

8 §471. Louisiana State Transportation Infrastructure Bank; purposes; establishment

9 A. There is hereby established within the Department of the Treasury the
10 Louisiana State Transportation Infrastructure Bank, which shall be allocated to the
11 Department of the Treasury as an agency of the state.

12 B. The purpose of the Louisiana State Transportation Infrastructure Bank is
13 to select and assist in financing eligible transportation projects by providing loans
14 and other financial assistance to municipalities, parishes, and political subdivisions
15 of the state for planning, constructing, and improving transportation facilities
16 necessary for public purposes.

17 §472. Definitions

18 The following terms as used in this Chapter shall have the following
19 meanings:

20 (1) "Bank" means the Louisiana State Transportation Infrastructure Bank.

21 (2) "Board" means the board of directors of the Bank.

22 (3) "Department" means the Department of Transportation and
23 Development.

24 (4) "Eligible costs" means:

25 (a) For an eligible transportation project to be financed from the federal
26 roadway account or federal nonroadway account, the costs that are permitted under
27 applicable federal laws, requirements, procedures, and guidelines in regard to
28 establishing, operating, and providing assistance from the Bank.

1 (b) For an eligible transportation project to be financed from state and local
2 roadway account, the costs of preliminary engineering, traffic and revenue studies,
3 environmental studies, right of way acquisition, legal and financial services
4 associated with development of the eligible transportation project, construction,
5 construction management, facilities, and other costs necessary for the eligible
6 transportation project.

7 (c) As applied to an eligible transportation project to be financed from the
8 state nonroadway account, the costs that include preliminary engineering, traffic and
9 revenue studies, environmental studies, right of way acquisition, legal and financial
10 services associated with development of the eligible transportation project,
11 construction, construction management, equipment, facilities, and other nonoperating
12 costs necessary for the eligible transportation project.

13 (5) "Eligible transportation project" means any transportation facility which
14 has been approved by the department and selected by the Bank to receive a loan or
15 other financial assistance from the Bank to defray an eligible cost.

16 (6) "Financing agreement" means any agreement entered into between the
17 Bank and a qualified borrower pertaining to a loan or other financial assistance. The
18 term "financing agreement" includes, without limitation, a loan agreement, trust
19 indenture, security agreement, reimbursement agreement, guarantee agreement, bond
20 or note, ordinance or resolution, or similar instrument.

21 (7) "Governmental unit" means a parish, municipality, or political
22 subdivision of the state.

23 (8) "Loan" means an obligation subject to repayment which is provided by
24 the Bank to a qualified borrower for all or part of the eligible costs of an eligible
25 transportation project. A loan may be disbursed in anticipation of reimbursement for
26 or direct payment of eligible costs of an eligible transportation project.

27 (9) "Loan obligation" means a bond, note, or other evidence of an obligation
28 issued by a qualified borrower.

1 (10) "Other financial assistance" means, but is not limited to, grants,
2 contributions, credit enhancement, capital or debt reserves for bonds or debt
3 instrument financing, interest rate subsidies, provision of letters of credit and credit
4 instruments, provisions of bond or other debt financing instrument security, and
5 other lawful forms of financing and methods of leveraging funds that are approved
6 by the board, and in the case of federal funds, as allowed by federal law or
7 regulation.

8 (11) "Project revenues" means all rates, rents, fees, assessments, charges, and
9 other receipts derived or to be derived by a qualified borrower from an eligible
10 transportation project or made available from a special source, and as provided in an
11 applicable financing agreement, derived from any system of which the eligible
12 transportation project is a part or from any other revenues producing facility under
13 the ownership or control of the qualified borrower, including, without limitation,
14 proceeds of grants, gifts, appropriations and loans, including the proceeds of loans
15 made by the Bank, investment earnings, reserves for capital and current expenses,
16 proceeds of insurance or condemnation, and proceeds from the sale or other
17 disposition of property and from any other special source as may be provided by the
18 qualified borrower.

19 (12) "Qualified borrower" means any municipality, parish, or political
20 subdivision of the state authorized by the board to construct, operate, or own an
21 eligible transportation project.

22 (13) "Revenues" means, when used with respect to the Bank, any receipts,
23 fees, income, or other payments received or to be received by the Bank, including,
24 without limitation, receipts and other payments deposited in the Bank and investment
25 earnings on its funds and accounts.

26 (14) "Transportation facility" means any public road, highway, bridge,
27 airport, port, ferry, or transit facility or system that provides access or benefits to the
28 state highway system and benefits the public by either enhancing mobility or safety,
29 promoting economic development, or increasing the quality of life and general

1 welfare of the public. "Transportation facility" also includes mass transit including,
2 but not limited to, monorail and monobeam mass transit systems.

3 §473. Louisiana State Transportation Infrastructure Bank; board of directors

4 A. The Louisiana State Transportation Infrastructure Bank shall be governed,
5 administered, and operated by a board of directors composed of the following
6 members:

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

9 (2) The state treasurer, or his designee.

10 (3) The chairman of the Senate Committee on Transportation, Highways,
11 and Public Works, or his designee.

12 (4) The chairman of the House Committee on Transportation, Highways, and
13 Public Works, or his designee.

14 (5) One member appointed by a majority of the other members enumerated
15 in this Subsection from among three persons who shall be nominated by the
16 Louisiana Bankers Association and who shall possess no less than five years'
17 experience in commercial lending or investment banking practices.

18 (6) One member appointed by the board members of the State Board of
19 Certified Public Accountants of Louisiana and who shall possess no less than five
20 years' experience in professional accounting and auditing standards for financial
21 accounting, management, and reporting.

22 (7) One member appointed by the governor from the board of directors of
23 the Louisiana Good Roads and Transportation Association and who shall possess no
24 less than five years' experience in transportation program planning.

25 (8) The members appointed pursuant to Paragraphs 5 through 7 of this
26 Subsection shall serve three-year terms. Any vacancy in the membership of the
27 board shall be filled in the manner provided for the original appointment for the
28 remainder of the three-year term.

1 B. The board shall adopt bylaws for its own internal organization and
2 government. Such bylaws shall provide for the election of officers and conduct of
3 meetings in accordance with the Louisiana Open Meetings Law, R.S. 42:11, et seq.

4 C. The state treasurer or his designee shall serve as chairman of the board
5 and the board may select such other officers as may be required by the board's
6 bylaws.

7 §474. Louisiana State Transportation Infrastructure Bank; board of directors;
8 powers and duties

9 A. In addition to the powers contained elsewhere in this Chapter, the board
10 shall have all the power necessary, useful, or appropriate to fund, operate, and
11 administer the Bank, and to perform its other functions including, but not limited to,
12 the following:

13 (1) Have perpetual succession.

14 (2) To sue and be sued in the name of the Bank.

15 (3) To adopt an official seal and alter the same at its pleasure, although the
16 failure to affix the seal does not affect the validity of an instrument executed on
17 behalf of the Bank.

18 (4) To appoint an executive director to administer the affairs of the Bank,
19 who shall be an employee of the state treasurer approved by the board.

20 (5) Make loans to qualified borrowers to finance the eligible costs of eligible
21 transportation projects and to acquire, hold, and sell loan obligations at prices and
22 in a manner as the board determines advisable.

23 (6) Provide qualified borrowers with other financial assistance necessary to
24 defray eligible costs of an eligible transportation project.

25 (7) Enter into contracts, arrangements, and agreements with qualified
26 borrowers and other persons and execute and deliver all financing agreements and
27 other instruments necessary or convenient to the exercise of the powers granted in
28 this Chapter.

1 (8) Establish rules and regulations, in accordance with the Administrative
2 Procedure Act, R.S. 49:950, et. seq., regarding review, consideration, and approval
3 or rejection of Bank loans or financial assistance. Notwithstanding the provisions
4 of R.S. 49:968(15)(a), the House Committee on Transportation, Highways and
5 Public Works and the Senate Committee on Transportation, Highways and Public
6 Works shall exercise oversight of any rules or regulations to be promulgated
7 pursuant to this Chapter.

8 (9) Establish fiscal controls and accounting procedures to ensure proper
9 accounting and reporting by the Bank and qualified borrowers.

10 (10) Enter into agreements with a department, agency, or instrumentality of
11 the United States, this state, or another state for the purpose of providing financing
12 for eligible transportation projects.

13 (11) Acquire by purchase, lease, donation, or other lawful means and sell,
14 convey, pledge, lease, exchange, transfer, and dispose of all or any part of its
15 properties and assets of every kind and character or any interest in it to further the
16 public purpose of the Bank.

17 (12) Procure insurance, guarantees, letters of credit, and other forms of
18 collateral or security or credit support from any public or private entity or
19 instrumentality of the United States for the payment of any bonds issued by it,
20 including the power to pay premiums or fees on any insurance, guarantees, letters of
21 credit, and other forms of collateral or security or credit support.

22 (13) Collect or authorize the trustee under any trust indenture securing any
23 bonds to collect amounts due under any loan obligations owned by it, including
24 taking the action required to obtain payment of any sums in default.

25 (14) Unless restricted under any agreement with holders of bonds, consent
26 to any modification with respect to the rate of interest, time, and payment of any
27 installment of principal or interest, or any other term of any loan obligations owned
28 by it.

1 (15) Borrow money through the issuance of bonds and other forms of
2 indebtedness as provided by this Chapter.

3 (16) Expend funds to obtain accounting, management, legal, financial
4 consulting, and other professional services necessary for the operation of the Bank.

5 (17) Expend funds credited to the Bank as the board determines necessary
6 for the costs of administering the operations of the Bank.

7 (18) Establish advisory committees as the board determines appropriate,
8 which may include individuals from the private sector with banking and financial
9 expertise.

10 (19) Procure insurance against losses in connection with its property, asserts,
11 or activities including insurance against liability for its acts or the acts of its
12 employees or agents or to establish cash reserves to enable it to act as a self-insurer
13 against any and all such losses.

14 (20) Collect fees and charges in connection with its loans or other financial
15 assistance.

16 (21) Apply for, receive, and accept from any source, aid, grants, or
17 contributions of money, property, labor, or other things of value to be used to carry
18 out the purposes of this Chapter, subject to the conditions upon which the aid, grants,
19 or contributions are made.

20 (22) Enter into contracts or agreements for the servicing and processing of
21 financial agreements.

22 (23) Accept and hold, with or without payment of interest, funds deposited
23 with the Bank by the state, political subdivisions of the state, or private entities.

24 (24) Do all other things necessary or convenient to exercise the powers
25 granted or reasonably implied by this Chapter.

26 B. Following the close of each state fiscal year, the board shall submit an
27 annual report of its activities to the governor and the legislature no later than
28 September first of each year. The Bank shall submit an annual report to any
29 appropriate federal agency in accordance with requirements of any federal program.

1 §475. Use of the word "Bank"

2 A. The Bank is not authorized or empowered to be or to constitute a bank or
3 trust company within the jurisdiction or under the control of the state, or any agency
4 of it, the Office of the Comptroller of the Currency, the United States Department of
5 the Treasury, a bank, a banker, or a dealer in securities within the meaning of, or
6 subject to the provisions of, any securities, securities exchange, or securities dealers'
7 law of the United States or this state.

8 B. All deposits taken by the Bank shall contain a notice stating that the
9 deposits are not insured by the Federal Deposit Insurance Corporation.

10 §476. Louisiana State Transportation Infrastructure Fund; creation; sources of
11 monies; establishment of accounts

12 A.(1) There is hereby created, as a special fund in the state treasury, the
13 Louisiana State Transportation Infrastructure Fund, hereinafter referred to as the
14 "fund". The fund shall be maintained and operated by the board of the Bank so
15 authorized to administer a revolving fund for eligible transportation projects and to
16 use sums on deposit in, credited to, or otherwise received by the Bank for the
17 purposes provided for in this Chapter.

18 B. Monies in the fund shall be used exclusively by the Bank to provide
19 assistance to qualified borrowers for eligible transportation projects as may be
20 permitted by federal law or regulations and by this Chapter.

21 C.(1) Money needed for the operation of the Bank or otherwise dedicated
22 shall be invested by the state treasurer as provided by law for the investment of other
23 state funds, except as may be limited by federal law or the terms and conditions of
24 any grant, related to money deposited in the revolving loan fund.

25 (2) Provided that such monies shall be deposited in the fund only after
26 satisfaction of all requirements of R.S. 47:820.2 have been met in the fiscal year,
27 revenues used to capitalize the fund include, but are not limited to, the following:

28 (a) Investments by the state treasurer as provided by law for the investment
29 of other state funds.

1 (b) Monies deposited into the fund pursuant to R.S. 48:77.

2 (c) Grants, gifts, and donations received by the state for the purposes of this

3 Chapter.

4 (d) Any other revenues, whether local, state, or federal, as may be provided

5 by law.

6 (e) Any monies which may be appropriated by the legislature to the fund.

7 D.(1) The Bank shall establish and maintain at least the four following

8 accounts in the fund:

9 (a) State and local roadway account.

10 (b) State and local nonroadway account.

11 (c) Federal roadway account.

12 (d) Federal nonroadway account.

13 (2) Earnings on balances in the federal roadway account and federal

14 nonroadway account shall be credited and invested according to applicable federal

15 law.

16 (3) Earnings on the state and local roadway account and state and local

17 nonroadway account shall be credited to the account that generates the earnings.

18 (4) Accounts may be established within each account as considered to

19 effectuate the purposes of this Chapter or to meet the requirements of any state or

20 federal program.

21 (5) The Bank shall comply with all applicable federal laws and regulations

22 prohibiting the commingling of certain federal funds deposited in the fund.

23 E. All unexpended and unencumbered monies in the fund and its accounts

24 shall remain in the fund and its accounts at the end of each fiscal year as authorized

25 by this Chapter, except as may be limited or required by federal law or the terms and

26 conditions of any grant, related to money deposited in the fund.

27 F. No monies in the fund may be expended or otherwise used, nor any bonds

28 or other evidences of indebtedness or other obligations issued or insured for any

29 eligible transportation project or for any payment, expenditure, commitment, pledge,

1 loan, letter of credit, guarantee, subsidy, or other activity related to eligible
2 transportation projects or the financing thereof without the prior written approval of
3 the State Bond Commission.

4 §477. Applications for funding; project eligibility limitations

5 A. Notwithstanding any provision of the law to the contrary, and in addition
6 to the authority to lend or borrow money or incur or guarantee indebtedness provided
7 by any other provisions of the law, the Bank may provide loans and other financial
8 assistance from sums on deposit in and credited to the fund to a qualified borrower
9 for all or part of the eligible costs of an eligible transportation project. However, this
10 Chapter shall not be deemed to be the exclusive authority under which parishes,
11 municipalities, or political subdivisions may borrow money or incur indebtedness for
12 eligible transportation projects.

13 B. The board shall determine the form and content of loan applications,
14 financing agreements, and loan obligations including but not limited to the term and
15 rate or rates of interest on a financing agreement. A financing agreement may
16 contain, in addition to financial terms, provisions relating to the regulation and
17 supervision of an eligible transportation project, or other provisions as the board may
18 determine appropriate. The terms and conditions of a loan or other financial
19 assistance from federal accounts shall comply with applicable federal requirements.

20 C.(1) The board shall determine which projects are eligible transportation
21 projects from all applications submitted.

22 (2) In selecting eligible transportation projects, the board shall consider the
23 projected feasibility of the project, the amount and degree of risk to be assumed by
24 the Bank, and the level of local financial support for the eligible transportation
25 project as evidenced by resolutions of the governing bodies in the area the project
26 will be located.

27 (3) In addition, the board may consider, but not be limited to, the following
28 criteria in making its determination that a proposed project is an eligible
29 transportation project:

1 (a) In-kind contributions to the project.

2 (b) The maximum economic benefit, enhancement of mobility, enhancement
3 of public safety, acceleration of project completion, and enhancement of
4 transportation services.

5 (c) The ability of the governmental unit to repay a loan according to the
6 terms and conditions established pursuant to this Chapter, consideration of which
7 may include, at the option of the board, the existence of current investment grade
8 rating on existing debt of the applicant secured by the same revenues to be pledged
9 to secure repayment under the loan repayment agreement.

10 §478. Interest rates; payment schedules; terms

11 A. Any loan from the Bank shall bear interest at or below market interest
12 rates, as determined by the board. Any such rate or rates of interest may be at fixed,
13 variable, or adjustable rates.

14 B. Repayment of any loan from the Bank shall commence not later than five
15 years after the eligible transportation project has been completed or, in the case of
16 a highway project, the facility has opened to traffic, whichever is later.

17 C. The term of a loan shall not exceed thirty years after the date of the first
18 payment on the loan.

19 D. The Bank may require the government unit to enter into a financing
20 agreement in connection with its loan obligation or other financial assistance.

21 §479. Submission of resolution authorizing qualified borrower to enter into loan or
22 financing agreement

23 A. Prior to executing a loan or financing agreement, the board shall require
24 submission of resolution of the governing body of the qualified borrower authorizing
25 the borrower to enter into such loan or financing agreement.

26 (1) Such resolution shall prescribe the form and details of the loan or
27 financing agreement, including the terms, security for, manner of execution,
28 repayment schedule, and redemption features thereof, and such resolution may
29 authorize an officer of such governing body to execute contracts relating to a credit

1 enhancement device, indenture of trust, loan or pledge agreement, or any other
2 agreement and authorize that officer to approve changes, additions, and deletions to
3 such documents as, in the sole opinion of the officer, may be appropriate under the
4 circumstances.

5 (2) Any such resolution shall include a statement as to the maximum
6 principal amount of any such obligation, the maximum interest rate to be incurred
7 or borne by said obligation or guaranteed by said obligation, the maximum
8 redemption premium, if any, and the maximum term in years for such obligation,
9 guarantee, or pledge.

10 B. Any evidence of indebtedness authorized pursuant to this Chapter shall
11 bear a rate or rates of interest that shall not exceed the rate or rates set forth in the
12 resolution authorizing and providing for the issuance thereof.

13 C. Any resolution authorizing an infrastructure bank loan or financing
14 agreement pursuant to this Section shall be published once in the official journal of
15 the qualified borrower incurring such loan or seeking to accept financial assistance.
16 It shall not be necessary to publish exhibits to any such resolution, but such exhibits
17 shall be made available for public inspection at the offices of the governing authority
18 of the qualified borrower at reasonable times, and such fact shall be stated in the
19 publication within the official journal. For a period of thirty days after the date of
20 such publication, any person in interest may contest the legality of the resolution
21 authorizing such evidence of indebtedness or other infrastructure bank loan and any
22 provision thereof made for the security and payment thereof. After the thirty-day
23 period, no one shall have any cause or right of action to contest the regularity,
24 formality, legality, or effectiveness of said resolution and the provisions thereof or
25 of the bonds, notes, or other evidence of indebtedness or other infrastructure bank
26 loan or financing agreement, or the legality thereof, and all of the provisions of the
27 resolutions and such evidence of indebtedness shall be conclusively presumed to be
28 executed in accordance with applicable law or regulation, and no court shall have
29 authority or jurisdiction to inquire into any such matter.

requirements, procedures, and guidelines in regard to establishing, operating, and providing assistance from the Bank, costs of preliminary engineering, traffic and revenue studies, environmental studies, right of way acquisition, legal and financial services associated with the development of the eligible transportation project, construction, construction management, facilities, nonoperating costs, and other costs necessary for the eligible transportation project.

- (5) "Qualified borrower" means any municipality, parish, or political subdivision of the state authorized by the board of directors of the Bank to construct, operate, or own an eligible transportation project.

Proposed law provides that the Bank shall be governed, administered, and operated by a board of directors (board) composed of the following members:

- (1) The secretary of the Department of Transportation and Development, or his designee.
- (2) The state treasurer, or his designee.
- (3) The chairman of the Senate Committee on Transportation, Highways, and Public Works, or his designee.
- (4) The chairman of the House Committee on Transportation, Highways, and Public Works, or his designee.
- (5) One member appointed by a majority of the other members of the board from among three persons who shall be nominated by the Louisiana Bankers Association and who shall possess no less than five years' experience in commercial lending or investment banking practices.
- (6) One member appointed by the board members of the State Board of Certified Public Accountants of Louisiana and who shall possess no less than five years' experience in professional accounting and auditing standards for financial accounting, management, and reporting.
- (7) One member appointed by the governor from the board of directors of the Louisiana Good Roads and Transportation Association and who shall possess no less than five years' experience in transportation program planning.

Proposed law provides that the members appointed from the Louisiana Bankers Association, the State Board of Certified Public Accountants, and the Louisiana Good Roads and Transportation Association shall serve three year terms. A vacancy in such a position shall be filled in the manner provided for by the original appointment for the remainder of the three-year term.

Proposed law provides that the state treasurer or his designee shall serve as chairman of the board and the board may select such other officers as may be required by the board's bylaws.

Proposed law provides for the powers and duties of the board. Such powers and duties include but are not limited to the following:

- (1) To appoint an executive director to administer the affairs of the bank, who shall be an employee of the state treasurer approved by the board.
- (2) Make loans to qualified borrowers to finance the eligible costs of eligible transportation projects and to acquire, hold, and sell loan obligations at prices and in a manner as the board determines advisable.

- (3) Provide qualified borrowers with other financial assistance necessary to defray eligible costs of an eligible transportation project.
- (4) Establish rules and regulations, in accordance with the Administrative Procedures Act, R.S. 49:950, et. seq., regarding review, consideration, and approval or rejection of bank loans or financial assistance. The House Committee on Transportation, Highways and Public Works and the Senate Committee on Transportation, Highways and Public Works shall exercise oversight of any rules or regulations rather than the House Committee on Appropriations and Senate Committee on Finance.
- (5) Establish fiscal controls and accounting procedures to ensure proper accounting and reporting by the bank and qualified borrowers.
- (6) Borrow money through the issuance of bonds and other forms of indebtedness as provided by this Chapter.
- (7) Expend funds to obtain accounting, management, legal, financial consulting, and other professional services necessary for the operation of the bank.
- (8) Expend funds credited to the bank as the board determines necessary for the costs of administering the operations of the bank.
- (9) Establish advisory committees as the board determines appropriate, which may include individuals from the private sector with banking and financial expertise.
- (10) Collect fees and charges in connection with its loans or other financial assistance.

Proposed law requires that the board submit an annual report of its activities to the governor and the legislature no later than September first of each year. Proposed law further requires that the Bank submit an annual report to any appropriate federal agency in accordance with requirements of any federal program.

Proposed law creates the Louisiana State Transportation Infrastructure Fund as a special fund in the state treasury (fund). Monies in the fund are to be used exclusively by the Bank to provide assistance to qualified borrowers for eligible transportation projects as may be permitted by federal law or regulations and by proposed law.

Proposed law provides that money needed for the operation of Bank or otherwise dedicated shall be invested by the state treasurer as provided by law for the investment of other state funds, except as may be limited by federal law or the terms and conditions of any grant, related to money deposited in the revolving loan fund.

Proposed law provides that provided that such monies shall be deposited in the fund only after satisfaction of all obligations to the TIMED program have been met in the fiscal year, revenues used to capitalize the Louisiana State Infrastructure Bank Fund shall include but are not limited to the following: investments by the state treasurer as provided by law for the investment of other state funds, monies deposited in the fund pursuant to present law, grants, gifts, and donations received by the state for the purposes of proposed law, any other revenues, whether local, state, or federal, as may be provided by law, and any monies which may be appropriated by the legislature to the fund.

Proposed law provides that the Bank shall establish and maintain at least the four following accounts in the fund: state and local roadway account, state and local nonroadway account, federal roadway account, and the federal nonroadway account.

Proposed law provides that all unexpended and unencumbered monies in the fund and its accounts shall remain in the fund and its accounts at the end of each fiscal year as authorized

by proposed law, except as may be limited or required by federal law or the terms and conditions of any grant, related to money deposited in the fund.

Proposed law provides that no monies in the fund may be expended or otherwise used, nor any bonds or other evidences of indebtedness or other obligations issued or insured for any eligible transportation project or for any payment, expenditure, commitment, pledge, loan, letter of credit, guarantee, subsidy, or other activity related to eligible transportation projects or the financing thereof without the prior written approval of the State Bond Commission.

Proposed law provides that the Bank may provide loans and other financial assistance from sums on deposit in and credited to the fund to a qualified borrower for all or part of the eligible costs of an eligible transportation project.

Proposed law provides that proposed law is not to be deemed to be the exclusive authority under which parishes, municipalities, or political subdivisions may borrow money or incur indebtedness for eligible transportation projects.

Proposed law provides that the board shall determine the form and content of loan applications, financing agreements, and loan obligations including but not limited to the term and rate or rates of interest on a financing agreement.

Proposed law provides that the board shall determine which projects are eligible transportation projects from all applications submitted.

Proposed law provides that in selecting eligible transportation projects, the board shall consider the projected feasibility of the project, the amount and degree of risk to be assumed by the Bank, and the level of local financial support for the eligible transportation project as evidenced by resolutions of the governing bodies in the area the project will be located.

Proposed law provides that in selecting eligible transportation projects, the board may consider, but not be limited to, the following criteria in making its determination that a proposed project is an eligible transportation project: in-kind contributions to the project, the maximum economic benefit, enhancement of mobility, enhancement of public safety, acceleration of project completion, and enhancement of transportation services, the ability of the governmental unit to repay a loan according to the terms and conditions established pursuant to proposed law.

Proposed law provides that any loan from the Bank shall bear interest at or below market interest rates, as determined by the board.

Proposed law provides that repayment of any loan from the Bank shall commence not later than five years after the eligible transportation project has been completed or, in the case of a highway project, the facility has opened to traffic, whichever is later.

Proposed law provides that the term of a loan shall not exceed thirty years after the date of the first payment on the loan.

Proposed law provides that the bank may require the government unit to enter into a financing agreement in connection with its loan obligation or other financial assistance.

Proposed law provides that prior to executing a loan or financing agreement, the board shall require submission of resolution of the governing body of the qualified borrower authorizing the borrower to enter into such loan or financing agreement.

Proposed law provides for the required contents of such required resolution, including, but not limited to the following: the form and details of the loan or financing agreement, including the terms, security for, manner of execution, repayment schedule, and redemption features thereof, a statement as to the maximum principal amount of any such obligation, the

maximum interest rate to be incurred or borne by said obligation or guaranteed by said obligation, the maximum redemption premium, if any, and the maximum term in years for such obligation, guarantee, or pledge.

Proposed law provides that any resolution authorizing an infrastructure bank loan or financing agreement pursuant to proposed law shall be published once in the official journal of the qualified borrower incurring such loan or seeking to accept financial assistance.

Proposed law provides that for a period of thirty days after the date of such publication, any person in interest may contest the legality of the resolution authorizing such evidence of indebtedness or other infrastructure bank loan and any provision thereof made for the security and payment thereof.

Proposed law provides that after the thirty-day period, no one shall have any cause or right of action to contest the regularity, formality, legality, or effectiveness of the resolution required pursuant to proposed law and the provisions thereof or of the bonds, notes, or other evidence of indebtedness or other infrastructure bank loan or financing agreement, or the legality thereof, and all of the provisions of the resolutions and such evidence of indebtedness shall be conclusively presumed to be executed in accordance with applicable law or regulation, and no court shall have authority or jurisdiction to inquire into any such matter.

Proposed law provides that bonds, notes, or other evidence of indebtedness issued or any infrastructure bank loan or financing assistance granted pursuant to the authority proposed law shall be exempt from all taxation for state, parish, municipal, or other purposes.

Proposed law provides that bonds, notes, or other evidence of indebtedness, such guarantees, and such pledges issued and delivered pursuant to proposed law shall constitute special and limited obligations of the Bank and shall not be secured by the full faith and credit of the state or any source of revenue of the state other than those sums on deposit in, credited to, or to be received by the Bank, including payments to be made pursuant to letters of credit.

Proposed law provides that in no event shall any bond, note, or other evidence of indebtedness, or guarantee, pledge, or other obligation of any type whatsoever entered into by the Bank be used in the calculation of net state tax supported debt as provided by Article VII, Section 6(F) of the Constitution of Louisiana.

Proposed law provides that funds expended under the provisions of proposed law shall be exclusively used for public purposes to fund eligible transportation projects within the state.

Present law phases in deposits of the tax on the sale, use, lease or rental, the distribution, consumption, and the storage of motor vehicles into the Transportation Trust Fund and the Transportation Mobility Fund beginning July 1, 2008. For Fiscal Year (FY) 2014-2015, 100% of the avails are to be deposited into the Transportation Trust Fund (93%) and Transportation Mobility Fund (7%).

Present law dedicates 7% of deposits to the Transportation Mobility Fund to be used exclusively for final design and construction and not for studies.

Proposed law deletes the 7% dedication to the Transportation Mobility Fund and instead dedicates 7% of deposits to the Louisiana State Infrastructure Bank Fund.

(Amends R.S. 48:77(B)(2); Adds R.S. 36:769(M) and R.S. 48:471 - 481)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Transportation, Highways and Public Works to the original bill:

1. Added a provision to present law (transfer of boards, commissions, departments, and agencies to the Dept. of the Treasury) regarding the placement of the Louisiana State Transportation Infrastructure Bank in the Dept. of the Treasury.
2. Reordered certain powers and duties of the board of directors of the Louisiana State Transportation Infrastructure Bank.
3. Added a provision that clarifies that revenues utilized to capitalize the Louisiana State Transportation Infrastructure Bank Fund shall include any monies deposited into the fund pursuant to present law rather than 7% of the remainder of total avails deposited in the Transportation Trust Fund pursuant to present law.
4. Made technical changes.