

New law creates the La. Transportation Infrastructure Bank as an agency of the state, to fund or assist in funding "eligible transportation projects" of public entities through a revolving loan fund, to be capitalized by federal grants, state funds when required or available, and other funds generated by the operation of the fund.

New law provides for a board of directors to include the secretary of the Dept. of Transportation and Development, the state treasurer, the chairmen of the House and Senate committees on transportation, highways, and public works and one representative of the banking industry for a three-year term chosen by the directors from a list of three provided by the La. Banker's Association, one representative of the accounting industry for a three-year term chosen by the board members of the State Board of Certified Public Accountants of La., one member appointed by the governor for a three-year term from the board of directors of the La. Good Roads and Transportation Association.

New law authorizes the board to establish, administer, maintain, and operate the fund as the "transportation infrastructure bank" and authorizes the bank to issue and incur debt, to guarantee debt issued by other entities, and to secure the debt of other entities in order to fund eligible transportation projects.

New law provides for the creation of the revolving La. Transportation Infrastructure Fund to be maintained and operated by the board of directors of the bank so authorized to administer the fund for eligible transportation projects and to use the sums deposited in, credit to, and otherwise received by the bank for the purpose provided therein.

New law provides for the investment by the state treasurer as provided by law for the investment of other state funds.

New law provides for, after compliance with existing law, capitalization of the fund to include but not limited to the following:

- (1) Investment by the state treasurer as provided by law for the investment of other state funds.
- (2) 7% of the remainder of avails deposited in the Transportation Infrastructure Trust Fund.

New law requires the board of directors to adopt bylaws for its internal organization and government and to adopt rules and regulations to provide for approval or rejection of loan applications, administration of the bank, and related matters.

New law requires annual reporting of all applications and approved loans to the legislature and any federal agency required by federal law.

New law fully authorizes the bank to review, accept, or deny all loan applications made by any public entity, but requires that all projects have prior approval of the Dept. of Transportation and Development. The department shall have sole discretion, authority, and control over all aspects of the review of any and all construction, engineering, and related technical aspects of such transportation projects.

New law requires the state treasurer to serve as chairman of the board.

New law authorizes the infrastructure banks as follows:

- (1) To sue and be sued.
- (2) To adopt and alter an official seal.
- (3) To approve an executive director.
- (4) To make and execute contracts and other agreements and to receive, administer, and expend grants from the federal government.

- (5) To make loans at or below market interest rates.
- (6) To guarantee loans.
- (7) To provide interest reduction on loans and loan guarantees.
- (8) To make bond interest subsidies.
- (9) To provide bond guarantees to local governments and political subdivisions.
- (10) To assist with nonfederal share of the cost of a local government or political subdivision project.
- (11) To secure bonds or other evidence of indebtedness of proceeds of the bonds are deposited in the fund, are used to pay for a project approved by the department, or are used to refund any obligation the proceeds of which are used to pay for an approved project.
- (12) To improve credit market access.
- (13) To fund programs authorized by the federal government.
- (14) To provide for any other expenditure consistent with the federal grant and state law.
- (15) To enter into contracts with such parties to share costs of operation of the bank.
- (16) To establish fees and charges for administration of the bank.

New law requires that loans made from the fund and any other action by the department on behalf of a transportation project receive State Bond Commission approval.

New law requires investment by the state treasurer of money dedicated to the operation of the infrastructure bank and requires all such interest on investments be credited to the bank.

New law requires that a governing authority of a political subdivision which secures a loan from the fund shall provide a resolution which prescribes the details of the loan and authorizes an officer of the entity to execute a contract in conjunction with the loan.

New law authorizes a political subdivision to dedicate a portion of its revenues for repayment of any portion of the loan.

New law provides for the sale, advertisement, and contesting of bonds, notes, or other evidence of indebtedness of a political subdivision and exempts such bonds, notes, and other evidence of indebtedness from taxation for state, parish, municipal, or other purposes.

New law provides that the debt will not be considered net state tax supported debt for purposes of the debt limitation.

New law provides that funds expended under new law shall be exclusively for public purposes to fund eligible transportation projects.

Effective if and when the proposed constitutional amendments contained in the Acts which originated as House Bill Nos. 628 and 629 of this 2014 Regular Session of the Legislature are adopted at the statewide election in Nov., 2014.

(Amends R.S. 48:77(B)(2); Adds R.S. 32:1801-1806)