

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

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AN ACT

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

Be it enacted by the Legislature of Louisiana:

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

1                    PART XX. LOUISIANA STATE TRANSPORTATION

2                                    INFRASTRUCTURE BANK

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

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

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

12                    §472. Definitions

13                                    The following terms as used in this Chapter shall have the following  
14                    meanings:

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

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

17                                    (3) "Department" means the Department of Transportation and  
18                    Development.

19                                    (4) "Eligible costs" means:

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

24                                    (b) For an eligible transportation project to be financed from state and local  
25                    roadway account, the costs of preliminary engineering, traffic and revenue studies,  
26                    environmental studies, right of way acquisition, legal and financial services  
27                    associated with development of the eligible transportation project, construction,  
28                    construction management, facilities, and other costs necessary for the eligible  
29                    transportation project.

1           (c) As applied to an eligible transportation project to be financed from the  
2           state nonroadway account, the costs that include preliminary engineering, traffic and  
3           revenue studies, environmental studies, right of way acquisition, legal and financial  
4           services associated with development of the eligible transportation project,  
5           construction, construction management, equipment, facilities, and other nonoperating  
6           costs necessary for the eligible transportation project.

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

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

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

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

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

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

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

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

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

19           (14) "Transportation facility" means any public road, highway, bridge,  
20           airport, port, ferry, or transit facility or system that provides access or benefits to the  
21           state highway system and benefits the public by either enhancing mobility or safety,  
22           promoting economic development, or increasing the quality of life and general  
23           welfare of the public. "Transportation facility" also includes mass transit including,  
24           but not limited to, monorail and monobeam mass transit systems.

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

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

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

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

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

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

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

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

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

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

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

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

1        §474. Louisiana State Transportation Infrastructure Bank; board of directors;  
2                    powers and duties

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

7                    (1) Have perpetual succession.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18          (24) Following the close of each state fiscal year, the board shall submit an  
19          annual report of its activities to the governor and the legislature no later than  
20          September first of each year. The Bank shall submit an annual report to any  
21          appropriate federal agency in accordance with requirements of any federal program.

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

24          §475. Use of the word "Bank"

25                 A. The Bank is not authorized or empowered to be or to constitute a bank or  
26                 trust company within the jurisdiction or under the control of the state, or any agency  
27                 of it, the Office of the Comptroller of the Currency, the United States Department of  
28                 the Treasury, a bank, a banker, or a dealer in securities within the meaning of, or



1 subject to the provisions of, any securities, securities exchange, or securities dealers'  
2 law of the United States or this state.

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

5 §476. Louisiana State Transportation Infrastructure Fund; creation; sources of  
6 monies; establishment of accounts

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

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

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

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

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

25 (b) Seven percent of the remainder of total avails deposited in the  
26 Transportation Trust Fund pursuant to R.S. 48:77(B)(2).

27 (c) Grants, gifts, and donations received by the state for the purposes of this  
28 Chapter.

1           (d) Any other revenues, whether local, state, or federal, as may be provided  
2           by law.

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

4           D.(1) The Bank shall establish and maintain at least the four following  
5           accounts in the fund:

6           (a) State and local roadway account.

7           (b) State and local nonroadway account.

8           (c) Federal roadway account.

9           (d) Federal nonroadway account.

10          (2) Earnings on balances in the federal roadway account and federal  
11          nonroadway account shall be credited and invested according to applicable federal  
12          law.

13          (3) Earnings on the state and local roadway account and state and local  
14          nonroadway account shall be credited to the account that generates the earnings.

15          (4) Accounts may be established within each account as considered to  
16          effectuate the purposes of this Chapter or to meet the requirements of any state or  
17          federal program.

18          (5) The Bank shall comply with all applicable federal laws and regulations  
19          prohibiting the commingling of certain federal funds deposited in the Bank.

20          E. All unexpended and unencumbered monies in the fund and its accounts  
21          shall remain in the fund and its accounts at the end of each fiscal year as authorized  
22          by this Chapter, except as may be limited or required by federal law or the terms and  
23          conditions of any grant, related to money deposited in the fund.

24          F. No monies in the fund may be expended or otherwise used, nor any bonds  
25          or other evidences of indebtedness or other obligations issued or insured for any  
26          eligible transportation project or for any payment, expenditure, commitment, pledge,  
27          loan, letter of credit, guarantee, subsidy, or other activity related to eligible  
28          transportation projects or the financing thereof without the prior written approval of  
29          the State Bond Commission.

1        §477. Applications for funding; project eligibility limitations

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

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

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

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

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

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

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

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

9           §478. Interest rates; payment schedules; terms

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

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

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

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

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

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

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

1 agreement and authorize that officer to approve changes, additions, and deletions to  
2 such documents as, in the sole opinion of the officer, may be appropriate under the  
3 circumstances.

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

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

12 C. Any resolution authorizing an infrastructure bank loan or financing  
13 agreement pursuant to this Section shall be published once in the official journal of  
14 the qualified borrower incurring such loan or seeking to accept financial assistance.  
15 It shall not be necessary to publish exhibits to any such resolution, but such exhibits  
16 shall be made available for public inspection at the offices of the governing authority  
17 of the qualified borrower at reasonable times, and such fact shall be stated in the  
18 publication within the official journal. For a period of thirty days after the date of  
19 such publication, any person in interest may contest the legality of the resolution  
20 authorizing such evidence of indebtedness or other infrastructure bank loan and any  
21 provision thereof made for the security and payment thereof. After the thirty-day  
22 period, no one shall have any cause or right of action to contest the regularity,  
23 formality, legality, or effectiveness of said resolution and the provisions thereof or  
24 of the bonds, notes, or other evidence of indebtedness or other infrastructure bank  
25 loan or financing agreement, or the legality thereof, and all of the provisions of the  
26 resolutions and such evidence of indebtedness shall be conclusively presumed to be  
27 executed in accordance with applicable law or regulation, and no court shall have  
28 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 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, seven percent of the remainder of total avails deposited in the Transportation Trust Fund pursuant to R.S. 48:77(B)(2), 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. 48:471 - 481)