

**RS 48:81**

SUBPART B. LOUISIANA STATE TRANSPORTATION  
INFRASTRUCTURE BANK

§81. Louisiana State Transportation Infrastructure Bank; purposes; establishment

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

B. The purpose of the Louisiana State Transportation Infrastructure Bank is to select and assist in financing eligible transportation projects by providing loans and other financial assistance to municipalities, parishes, publicly operated ports, harbors, or terminal districts, publicly operated airports, publicly operated ferries, or publicly operated transit systems in the state for planning, constructing, and improving transportation facilities necessary for public purposes.

C. Any loan or other financial assistance provided pursuant to this Subpart shall be made pursuant to a cooperative endeavor agreement between the Louisiana State Transportation Infrastructure Bank and a qualified borrower. Any such cooperative endeavor agreement shall meet the following requirements:

(1) The loan or other financial assistance shall be for a public purpose that comports with the governmental purpose that the Louisiana State Transportation Infrastructure Bank and the qualified borrower have the legal authority to pursue and the loan or other financial assistance comports with the requirements of this Subpart.

(2) The loan or other financial assistance is not gratuitous.

(3) The Louisiana State Transportation Infrastructure Bank has a demonstrable, objective, and reasonable expectation of receiving at minimum the equivalent value in exchange for the loan or other financial assistance.

Acts 2015, No. 431, §2.

**RS 48:82****§82. Definitions**

The following terms as used in this Subpart shall have the following meanings:

- (1) "Bank" means the Louisiana State Transportation Infrastructure Bank.
- (2) "Board" means the board of directors of the Bank.
- (3) "Department" means the Department of Transportation and Development.
- (4) "Eligible costs" means:

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

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

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

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

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

(7) "Governmental unit" means a parish, municipality, publicly operated port, harbor, or terminal district, publicly operated airport, publicly operated ferry, or publicly operated transit system.

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

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

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

(11) "Project revenues" means all rates, rents, fees, assessments, charges, and other receipts derived or to be derived by a qualified borrower from an eligible transportation project or made available from a special source, and as provided in an applicable financing agreement, derived from

any system of which the eligible transportation project is a part or from any other revenues producing facility under the ownership or control of the qualified borrower, including, without limitation, proceeds of grants, gifts, appropriations and loans, including the proceeds of loans made by the Bank, investment earnings, reserves for capital and current expenses, proceeds of insurance or condemnation, and proceeds from the sale or other disposition of property and from any other special source as may be provided by the qualified borrower.

(12) "Qualified borrower" means any governmental unit authorized by the board to construct, operate, or own an eligible transportation project.

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

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

Acts 2015, No. 431, §2.

**RS 48:83**

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

A. The Louisiana State Transportation Infrastructure Bank shall be governed, administered, and operated by a board of directors 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 enumerated in this Subsection 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 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.

(8) The members appointed pursuant to Paragraphs (5) through (7) of this Subsection shall serve three-year terms.

B.(1) Any vacancy of an appointed member of the board shall be filled in the manner provided for the original appointment for the remainder of the three-year term.

(2) In the event that the entity responsible for the appointment of a member fails to fill a vacancy within thirty days or appoint a board member within thirty days of the expiration of a three-year term, then the remaining members of the board shall appoint an interim successor to serve until the position is filled by the appointing entity.

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

D. 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.

E. The board shall be staffed by the Department of the Treasury.

Acts 2015, No. 431, §2.

**RS 48:84**

§84. Louisiana State Transportation Infrastructure Bank; board of directors; powers and duties

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

- (1) Have perpetual succession.
- (2) To sue, only after obtaining the written approval of the attorney general, and be sued in the name of the Bank.
- (3) To adopt an official seal and alter the same at its pleasure, although the failure to affix the seal does not affect the validity of an instrument executed on behalf of the Bank.
- (4) Pursuant to a cooperative endeavor agreement, 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.
- (5) Pursuant to a cooperative endeavor agreement, provide qualified borrowers with other financial assistance necessary to defray eligible costs of an eligible transportation project.
- (6) Pursuant to a cooperative endeavor agreement, enter into contracts, arrangements, and agreements with qualified borrowers and other persons and execute and deliver all financing agreements and other instruments necessary or convenient to the exercise of the powers granted in this Subpart.
- (7) Establish rules and regulations, in accordance with the Administrative Procedure Act, R.S. 49:950 et. seq., regarding review, consideration, and approval or rejection of Bank loans or other financial assistance. Notwithstanding the provisions of R.S. 49:968(B)(15)(a), the House Committee on Transportation, Highways and Public Works and the Senate Committee on Transportation, Highways and Public Works shall exercise oversight and approval of any rules or regulations to be promulgated pursuant to this Subpart.
- (8) Establish fiscal controls and accounting procedures to ensure proper accounting and reporting by the Bank and qualified borrowers.
- (9) Enter into agreements with a department, agency, or instrumentality of the United States, this state, or another state for the purpose of providing financing for eligible transportation projects.
- (10) Procure insurance, guarantees, letters of credit, and other forms of collateral or security or credit support from any public or private entity or instrumentality of the United States for the payment of any bonds issued by it, including the power to pay premiums or fees on any insurance, guarantees, letters of credit, and other forms of collateral, security, or credit support.
- (11) Collect or authorize the trustee under any trust indenture securing any bonds to collect amounts due under any loan obligations owned by it, including taking the action required to obtain payment of any sums in default.
- (12) Unless restricted under any agreement with holders of bonds, consent to any modification with respect to the rate of interest, time, and payment of any installment of principal or interest, or any other term of any loan obligations owned by it.
- (13) Borrow money through the issuance of bonds and other forms of indebtedness as provided by this Subpart.
- (14) Expend funds to obtain accounting, management, legal, financial consulting, and other professional services necessary for the operation of the Bank.
- (15) Expend funds credited to the Bank as the board determines necessary for the costs of administering the operations of the Bank.

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

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

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

(19) Enter into contracts or agreements for the servicing and processing of financial agreements.

(20) Accept and hold, with or without payment of interest, funds deposited with the Bank by the state, governmental units in the state, or private entities.

(21) Do all other things necessary or convenient to exercise the powers granted or reasonably implied by this Subpart.

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

Acts 2015, No. 431, §2.

**RS 48:85**

§85. Use of the word "Bank"

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

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

Acts 2015, No. 431, §2.

**RS 48:86**

§86. Louisiana State Transportation Infrastructure Fund; creation; sources of monies; establishment of accounts

A. There is hereby created, as a special fund in the state treasury, the Louisiana State Transportation Infrastructure Fund, hereinafter referred to as the "fund". The fund shall be maintained and operated by the board of the Bank to administer a revolving fund for eligible transportation projects and to use sums on deposit in, credited to, or otherwise received by the Bank for the purposes provided for in this Subpart.

B. Monies in the fund shall be used exclusively by the Bank to provide assistance to qualified borrowers pursuant to a cooperative endeavor agreement for eligible transportation projects as may be permitted by federal law or regulations and by this Subpart.

C.(1) Money needed for the operation of the 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.

(2) Revenues used to capitalize the fund shall include but are not limited to the following:

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

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

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

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

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

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

(a) State and local roadway account.

(b) State and local nonroadway account.

(c) Federal roadway account.

(d) Federal nonroadway account.

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

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

(4) Accounts may be established within each account as necessary to effectuate the purposes of this Subpart or to meet the requirements of any state or federal program.

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

E. 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 this Subpart, 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.

F. 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.

Acts 2015, No. 431, §2.





**RS 48:88**

§88. Interest rates; payment schedules; terms

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

B. The repayment schedule for any loan or other financial assistance from the Bank shall be determined by the board; however, repayment of any loan or financial assistance 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.

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

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

Acts 2015, No. 431, §2.

**RS 48:89**

§89. Submission of resolution authorizing qualified borrower to enter into loan or financing agreement

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

(1) Such resolution shall prescribe the form and details of the public purpose of the eligible transportation project, the cooperative endeavor agreement, the loan or financing agreement, including the terms, security for, manner of execution and repayment schedule, and such resolution may authorize an officer of such governing body to execute contracts relating to a credit enhancement device, indenture of trust, loan or pledge agreement, or any other agreement and authorize that officer to approve changes, additions, and deletions to such documents as, in the sole opinion of the officer, may be appropriate under the circumstances.

(2) Any such resolution shall include 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.

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

C. Any resolution authorizing an infrastructure bank loan or financing agreement pursuant to this Section shall be published once in the official journal of the qualified borrower incurring such loan or seeking to accept financial assistance. It shall not be necessary to publish exhibits to any such resolution, but such exhibits shall be made available for public inspection at the offices of the governing authority of the qualified borrower at reasonable times, and such fact shall be stated in the publication within the official journal. 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. 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 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.

Acts 2015, No. 431, §2.

**RS 48:90**

§90. Exempt from taxation; not secured by full faith and credit of the state; not used in the calculation of net state tax supported debt

A. Bonds, notes, or other evidence of indebtedness issued or any infrastructure bank loan or financing assistance granted pursuant to the authority of this Subpart shall be exempt from all taxation for state, parish, municipal, or other purposes. Such bonds, notes, or other evidence of indebtedness or infrastructure bank loans may be used for deposit with any officer, board, municipality, or other governmental unit in the state, in any case where, by present or future laws, deposit of security is required for state funds.

B. Such bonds, notes, or other evidence of indebtedness, such guarantees, and such pledges issued and delivered pursuant to this authority 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.

C. 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.

Acts 2015, No. 431, §2.

**RS 48:90.1**

§90.1. Public purpose only

Funds expended pursuant to the provisions of this Subpart shall be exclusively used for public purposes to fund eligible transportation projects within the state.

Acts 2015, No. 431, §2.