

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 220

Short Title: State Infrastructure Bank Revisions. (Public)

Sponsors: Representative Torbett.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Transportation, if favorable, Finance

March 2, 2017

A BILL TO BE ENTITLED

AN ACT TO EXPAND THE PURPOSES FOR WHICH FUNDS FROM THE STATE
INFRASTRUCTURE BANK MAY BE USED AND TO CREATE AN OVERSIGHT
BOARD FOR THE STATE INFRASTRUCTURE BANK, AS RECOMMENDED BY THE
HOUSE SELECT COMMITTEE ON STRATEGIC TRANSPORTATION PLANNING AND
LONG TERM FUNDING SOLUTIONS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 136 of the General Statutes is amended by adding a new Article
to read:

"Article 21.

"State Infrastructure Bank.

"§ 136-277. Creation of the State Infrastructure Bank.

(a) Creation. – The Department of Transportation shall have such powers as are necessary to establish, administer, and receive federal funds for a transportation infrastructure banking program authorized by the Intermodal Surface Transportation Efficiency Act of 1991, Pub. L. 102-240, as amended, the National Highway System Designation Act of 1995, Pub. L. 104-59, as amended, and any other federal law authorizing and governing the use of federal funds for a transportation infrastructure banking program.

(b) Federal Financial Assistance. – The Department is authorized to apply for, receive, administer, and comply with all conditions and requirements related to federal financial assistance necessary to fund the infrastructure banking program.

(c) Use of Funds; Conditions and Repayment. – Except as otherwise prohibited under federal law, the infrastructure banking program established under subsection (a) of this section may utilize available federal and State funds for the purpose of providing loans or other financial assistance to governmental units, including toll authorities, to finance the costs of transportation projects. Loans or other financial assistance provided under this subsection shall be subject to repayment and conditioned upon the establishment of any security and the payment of any fees and interest rates required by this subsection deemed necessary by the Department or required by this subsection and deemed necessary by the Department. Governmental units may apply for loans and execute debt instruments payable to the State in order to obtain loans or other financial assistance provided for in this subsection. The Department shall require that applicants pledge as security for the obligations revenues derived from operation of the benefited facilities or systems, other sources of revenue, or their faith and credit, or any combination thereof. The faith and credit of the governmental units shall not be pledged or be deemed to have been pledged unless the requirements of Article 4 of Chapter 159 of the General Statutes have been met. The Department



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1 is authorized to apply a municipality's share of funds allocated under G.S. 136-41.1 or
2 G.S. 136-44.20 as necessary to ensure repayment of funds advanced under this subsection.

3 (d) Account; Nonreversion of Funds. – The Department shall establish jointly, with the
4 State Treasurer, a separate infrastructure banking account with necessary fiscal controls and
5 accounting procedures. Funds credited to this account shall not revert, and interest and other
6 investment income shall accrue to the account and may be used to provide loans and other
7 financial assistance as provided under this section.

8 (e) Rules. – The Department may establish such rules and policies as are necessary to
9 establish and administer the infrastructure banking program.

10 (f) Effect on Transportation Investment Strategy Formula. – The infrastructure banking
11 program authorized under this section shall not modify the formula for the distribution of funds
12 established by G.S. 136-189.11.

13 (g) Debt Instruments. – The State Treasurer, with the assistance of the Local Government
14 Commission, shall develop and adopt appropriate debt instruments for use under this section. The
15 Local Government Commission shall develop and adopt appropriate procedures for the delivery of
16 debt instruments to the State without any public bidding therefor.

17 (h) Review and Approval of Loans. – The State Infrastructure Bank Oversight Board
18 established in G.S. 136-278 shall review and approve all proposed loans and other financial
19 assistance to applicants under this section. In addition, the Local Government Commission shall
20 review and approve proposed loans to applicants under this section pursuant to the provisions of
21 Articles 4 and 5 of Chapter 159 of the General Statutes, as if the issuance of bonds was proposed,
22 so far as those provisions are applicable.

23 (i) Outstanding Debt. – Loans authorized by this section shall be outstanding debt for the
24 purpose of Article 10 of Chapter 159 of the General Statutes.

25 **§ 136-278. Establishment of State Infrastructure Bank Oversight Board.**

26 (a) Establishment. – The State Infrastructure Bank Oversight Board (Board) is established
27 and shall be responsible for reviewing and approving loans or other financial assistance provided
28 under G.S. 136-277.

29 (b) Members. – The Board shall consist of the following voting members:

30 (1) The Secretary of the Department of Transportation.

31 (2) The Secretary of the Department of Commerce.

32 (3) The State Treasurer.

33 (4) The State Auditor.

34 (5) The State Budget Officer.

35 (c) Terms. – The members set forth in subsection (b) of this section shall serve terms
36 coinciding with their respective offices.

37 (d) Officers. – The Board shall elect from its members a chair and vice-chair of the Board.

38 (e) Meetings. – The Board shall meet on the call of the chair or any two members but shall
39 meet at least once every six months. Each member may be represented by a designee, who shall
40 have the same voting powers as the member. The Board shall meet in offices provided by the
41 Department of Transportation. In addition, the Department of Transportation shall provide the
42 necessary secretarial and clerical staff and supplies to help the Board accomplish its objectives.

43 (f) Guidelines. – The Board shall develop guidelines, consistent with the requirements of
44 G.S. 136-277, for reviewing and approving loans or other financial assistance provided under
45 G.S. 136-277. The Board shall publish the guidelines established under this subsection on the
46 Board's Web site, or, if the Board does not have its own Web site, on the Department of
47 Transportation's Web site.

48 (g) Quorum. – A quorum of the Board shall consist of a majority of the Board's total
49 membership.

1 (h) Reports. – The Board shall report on its activities quarterly to the Joint Legislative
2 Commission on Governmental Operations and the Joint Legislative Transportation Oversight
3 Committee.

4 (i) Compensation. – Members shall serve without compensation but may receive travel
5 and subsistence in accordance with G.S. 138-6."

6 **SECTION 2.** G.S. 136-18(12a) is repealed.

7 **SECTION 3.** Section 1 of this act becomes effective July 1, 2017, and applies to loans
8 and other financial assistance applied for on or after that date. The remainder of this act becomes
9 effective July 1, 2017.