



# HOUSE BILL 909: State Infrastructure Bank Board.

2025-2026 General Assembly

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<b>Committee:</b>	House Commerce and Economic Development. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	May 6, 2025
<b>Introduced by:</b>	Reps. Reives, Bell, Howard, Ross	<b>Prepared by:</b>	Amy Darden
<b>Analysis of:</b>	PCS to First Edition H909-CSBB-19		Committee Counsel

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**OVERVIEW:** *House Bill 909 would establish a State Infrastructure Bank Board.*

## BILL ANALYSIS:

Section 1 of House Bill 909 would add new sections to Article 6 of Chapter 147 to establish a State Infrastructure Bank Board (Board) that would be located within the Department of State Treasurer but function independently. The Board would establish, administer, and receive federal funds for a State Infrastructure Bank authorized by the Intermodal Surface Transportation Efficiency Act of 1991, Public Law 102-240, as amended, the National Highway System Designation Act of 1995, Public Law 104-59, as amended, and any other federal law authorizing and governing the use of federal funds for a transportation infrastructure banking program. The Board, through the State Infrastructure Bank, could also administer and receive State funds and private funds for transportation projects, water and sewer projects, and other infrastructure projects. The Board could apply for, receive, and administer federal financial assistance necessary to fund the State Infrastructure Bank.

The following funds could be used to provide loans or other financial assistance to governmental units, including toll authorities, except as prohibited by federal law:

- Federal funds, State funds, and private funds to finance the costs of transportation projects, including aviation projects.
- State funds and private funds to finance the costs of water and sewer projects and other infrastructure projects.

Loans and financial assistance provided would be subject to repayment and applicants would have to pledge as security revenues derived from the operation of the benefited facilities or systems. Loans made pursuant to this section cannot exceed 30 years in duration unless approved by a unanimous vote of the Board. Interest rates shall not be less than 50% of the market AAA municipal bond rate at the time of the loan approval, except as otherwise provided by federal law or if the Board, by supermajority vote, finds that a lower rate is necessary to achieve a compelling public interest. The Board may also provide loans or other financial assistance at interest rates below prevailing market rates, including 0%, if doing so meets certain requirements.

Financial assistance packages may also be structured to combine both public and private funds. The Board may provide financial assistance to regional entities, joint agencies, or multi-jurisdictional authorities, districts, or consortia of governmental units for the purpose of undertaking infrastructure projects that

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serve multiple governmental units. A council of governments, established under Article 20 of Chapter 160A, may apply and receive financial assistance if certain conditions are met.

The Board, with the State Treasurer, would establish one or more separate infrastructure banking accounts. The State Infrastructure Bank may be capitalized through appropriations from the General Assembly, federal grants, and contributions from private entities. The Board could establish necessary rules for the creation and administration of the State Infrastructure Bank.

No funds administered under Chapter 159G – Water Infrastructure, including the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, will be deposited in, transferred to, or otherwise used to capitalize the State Infrastructure Bank.

The State Infrastructure Bank Board would have the following 10 voting members:

- The Secretary of Commerce.
- The Secretary of Transportation.
- The Secretary of Environmental Quality.
- The State Treasurer.
- The State Auditor.
- The State Budget Officer.
- One member with at least 10 years of local government or infrastructure finance experience, appointed by the Governor.
- One member with at least 10 years of experience in banking, appointed by the Governor.
- One member, with at least 10 years of local government, infrastructure finance, or banking experience, appointed by the Speaker of the House of Representatives.
- One member, with at least 10 years of local government, infrastructure finance, or banking experience, appointed by the President Pro Tempore of the Senate.

The Board members will serve terms coinciding with their respective offices or appointments. The appointed members will serve four-year terms. The Board would elect a chair and vice-chair from its members and meet at the call of the chair, or at least once every six months. The Board would have to adopt rules for reviewing and approving loans and other financial assistance and publish those rules on a website. Board members would serve without compensation but would be entitled to travel and subsistence reimbursement.

The Board would establish a Stakeholder Advisory Committee to provide input on infrastructure priorities, financing strategies, and private sector participation. The Board would report by July 1 each year to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Economic Development and Global Engagement Oversight Committee, the Joint Legislative Transportation Oversight Committee, and the Fiscal Research Division of the General Assembly.

Section 2 of the bill would repeal G.S. 136-18(12a), which allows the Department of Transportation to fund an infrastructure banking program.

Section 3 of the bill would allow the State Treasurer to invest funds held by the State Infrastructure Bank.

Section 4 would transfer the State Infrastructure Bank established in the repealed G.S. 138-18(12a), including all the funds held by it, to the State Infrastructure Bank Board established by Section 1 of this bill.

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Section 5 would require the State Infrastructure Bank Board, as established by Section 1 of this bill, to submit an initial report to the Joint Legislative Commission on Governmental Operations by February 1, 2026, in addition to the report due by July 1, 2026.

**EFFECTIVE DATE:** Section 1 of House Bill 909 would become effective July 1, 2025, and apply to loans and other financial assistance applied for on or after that date. The remainder of the bill would become effective July 1, 2025.