

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 909

Short Title: State Infrastructure Bank Board. (Public)

Sponsors: Representatives Reives, Bell, Howard, and Ross (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Commerce and Economic Development, if favorable, Rules, Calendar, and
Operations of the House

April 14, 2025

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH A STATE INFRASTRUCTURE BANK BOARD.

The General Assembly of North Carolina enacts:

SECTION 1. Article 10 of Chapter 143B of the General Statutes is amended by
adding a new Part to read:

"Part 23. State Infrastructure Bank Board.

"§ 143B-472.130. Establishment of State Infrastructure Bank Board.

(a) Establishment. – There is established a State Infrastructure Bank Board. The Board shall be located in the Department of Commerce for administrative purposes only and shall function independently of the Department. The Board shall 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. Through the State infrastructure bank, the Board may also administer and receive State funds and private funds for transportation projects, water and sewer projects, and other infrastructure projects.

(b) Federal Financial Assistance. – The Board may apply for, receive, and administer federal financial assistance necessary to fund the State infrastructure bank. The Board shall comply with all conditions and requirements related to the federal financial assistance.

(c) Use of Funds. – Except as otherwise prohibited under federal law, the Board may utilize the following funds for the purpose of providing loans or other financial assistance to governmental units, including toll authorities:

(1) Federal funds, State funds, and private funds to finance the costs of transportation projects, including aviation projects.

(2) State funds and private funds to finance the costs of water and sewer projects and other infrastructure projects.

(d) Conditions and Repayment. – Loans or other financial assistance provided under this section are subject to repayment and conditioned upon the establishment of any security and the payment of any fees and interest rates deemed necessary by the Board. 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 section. The Board 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 Board may apply a municipality's share of funds allocated under G.S. 136-41.1 or G.S. 136-44.20 as necessary to ensure repayment of funds advanced under this section.

(e) Account; Nonreversion of Funds. – The Board shall establish jointly with the State Treasurer one or more separate infrastructure banking accounts with necessary fiscal controls and accounting procedures. Federal funds for funds credited to this account shall not revert, and interest and other investment income shall accrue to the account and may be used to provide loans and other financial assistance as provided under this section.

(f) Rules. – The Board may establish rules necessary to establish and administer the State infrastructure bank.

(g) Effect on Transportation Investment Strategy Formula. – The Board shall not modify the formula for the distribution of funds established by G.S. 136-189.11.

(h) Cooperation on Water and Sewer Projects. – With respect to water and sewer projects, the Board shall cooperate with the Division of Water Infrastructure of the Department of Environmental Quality and the State Water Infrastructure Authority established under Article 5 of Chapter 159G of the General Statutes.

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

(j) Review and Approval of Loans. – The Board shall review and approve all proposed loans and other financial assistance to applicants under this section. In addition, the Local Government Commission shall review and approve proposed loans to applicants under this section pursuant to Articles 4 and 5 of Chapter 159 of the General Statutes, as if the issuance of bonds was proposed, so far as those provisions are applicable.

(k) Outstanding Debt. – Loans authorized by this section are outstanding debt for the purpose of Article 10 of Chapter 159 of the General Statutes.

"§ 143B-472.131. Membership of State Infrastructure Bank Board; meetings.

(a) Members. – The State Infrastructure Bank Board shall consist of the following voting members:

- (1) The Secretary of Commerce.
- (2) The Secretary of Transportation.
- (3) The Secretary of Environmental Quality.
- (4) The State Treasurer.
- (5) The State Auditor.
- (6) The State Budget Officer.

(b) Terms. – The Board members shall serve terms coinciding with their respective offices.

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

(d) Meetings. – The Board shall meet on the call of the chair or any two members but shall meet at least once every six months. Each member may be represented by a designee, who shall have the same voting powers as the member. The Board shall meet in offices provided by the Department of Commerce. In addition, the Department of Commerce shall provide the necessary staff and supplies to help the Board accomplish its objectives. The Department of Transportation, Department of Environmental Quality, and the Department of the State Treasurer may also provide staff assistance.

(e) Rules. – The Board shall adopt rules, consistent with the requirements of this Part, for reviewing and approving loans or other financial assistance provided under this Part. The Board shall publish the rules on the Board's website or, if the Board does not have its own website, on the Department of Commerce's website.

1 (f) Quorum. – A quorum of the Board consists of a majority of the Board's total
2 membership.

3 (g) Reports. – The Board shall report on its activities quarterly to the Joint Legislative
4 Commission on Governmental Operations.

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

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

8 **SECTION 3.** G.S. 147-69.2 reads as rewritten:

9 **"§ 147-69.2. Investments authorized for special funds held by State Treasurer.**

10 (a) This section applies to funds held by the State Treasurer to the credit of each of the
11 following:

12 ...

13 (25) Funds held by the State infrastructure bank established under
14 G.S. 143B-472.130.

15 "

16 **SECTION 4.** The State infrastructure bank, established in G.S. 136-18(12a),
17 including all funds held by it, are transferred to the State Infrastructure Bank Board, established
18 in G.S. 143B-472.130, as enacted by Section 1 of this act.

19 **SECTION 5.** Section 1 of this act becomes effective July 1, 2025, and applies to
20 loans and other financial assistance applied for on or after that date. The remainder of this act
21 becomes effective July 1, 2025.