

SB 159-FN-LOCAL – AS INTRODUCED

2011 SESSION

11-0991

06/04

SENATE BILL

***159-FN-LOCAL***

AN ACT establishing a state infrastructure bank.

SPONSORS: Sen. Carson, Dist 14; Sen. D'Allesandro, Dist 20; Sen. Barnes, Jr., Dist 17; Sen. Gallus, Dist 1; Sen. Kelly, Dist 10; Sen. Lambert, Dist 13; Sen. Larsen, Dist 15; Sen. Merrill, Dist 21; Sen. Odell, Dist 8; Sen. White, Dist 9; Rep. Osgood, Sull 4; Rep. Major, Rock 8; Rep. Jennifer Coffey, Merr 6

COMMITTEE: Transportation

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ANALYSIS

This bill establishes a state infrastructure bank.

This bill is a request of the department of transportation.

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Explanation: Matter added to current law appears in ***bold italics***.  
Matter removed from current law appears [~~in brackets and struck through.~~]  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Eleven*

AN ACT establishing a state infrastructure bank.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1 1 New Subdivision; State Infrastructure Bank. Amend RSA 21-L by inserting after section 18  
2 the following new subdivision:

3 State Infrastructure Bank

4 21-L:19 State Infrastructure Bank; Purpose. The general court recognizes the importance of a  
5 sound transportation infrastructure system for public safety and the state's economic vitality. It is  
6 hereby declared to be in the public interest to promote the surface transportation infrastructure  
7 system by providing a financial vehicle to enable state and local transportation projects to proceed.

8 21-L:20 State Infrastructure Bank.

9 I. There is hereby established a state infrastructure bank (SIB), in accordance with 23  
10 U.S.C. section 610, to advance the surface transportation system by serving as a revolving loan  
11 program to finance eligible surface transportation projects within the state of New Hampshire, in  
12 order to advance projects at an accelerated rate with favorable repayment terms. The loan  
13 repayments shall create a stream of revenue that the SIB will use to support new projects geared  
14 towards surface transportation infrastructure that leverages economic development opportunities.  
15 The purpose of the SIB is to leverage state and federal funds, accelerate priority projects, and  
16 advance economic development and local transportation needs.

17 II. The SIB shall be used to encourage completion of public or private surface transportation  
18 projects that contribute to multi-modal and intermodal transportation with loans and other financial  
19 assistance for all or part of the cost of an eligible project relating to surface transportation.

20 III. The SIB shall be used to encourage private and local participation in financing toward  
21 eligible surface transportation projects.

22 21-L:21 State Infrastructure Bank Fund Established. There is hereby established the state  
23 infrastructure bank fund. The fund shall consist of federal and state funds, issuance of bonds for  
24 revenue, or other revenue received for the purposes of this subdivision. The fund shall be managed  
25 by the state treasurer, shall be nonlapsing, and shall be continually appropriated for the purposes of  
26 this subdivision.

27 21-L:22 Administration.

28 I. The state infrastructure bank shall be administered by the department of  
29 transportation. The department is authorized to contract with a third party for administration  
30 of the SIB fund.

1           II. The commissioner of the department of transportation shall adopt rules establishing  
2 guidelines for the SIB to exercise its authority under this chapter, including rules for eligibility,  
3 application, evaluation, and selection of projects to receive financial assistance, and such rules shall  
4 be exempt from the rulemaking process pursuant to RSA 541-A:21.

5           21-L:23 Authorization.

6           I. The SIB is authorized to make loans or provide other financial assistance to private or  
7 public entities towards all or part of the cost of an eligible project relating to surface transportation.

8           II. The SIB is authorized to provide bond or debt financing instrument security, other forms  
9 of debt financing, and methods of leveraging funds.

10          III. The SIB is authorized to use the following to capitalize the revolving fund: funds  
11 appropriated by the legislature, federal funds as approved by the department of transportation,  
12 funds from government entities, funds from public or private entities, proceeds from the issuance of  
13 bonds, and other lawful sources. Such funds, as part of a revolving fund, shall remain available until  
14 expended.

15          IV. The SIB is authorized to establish accounts as required by federal or state programs, or  
16 as it deems necessary.

17          V. The SIB is authorized to take all action necessary or useful to perform its functions,  
18 including but not limited to:

19           (a) Adopting, amending and repealing bylaws necessary for the administration of the  
20 SIB's affairs.

21           (b) Filing suit and being sued in the name of the SIB.

22           (c) Making loans or providing financial assistance to qualified borrowers for eligible  
23 surface transportation projects.

24           (d) Entering into contracts or agreements with qualified borrowers and others that are  
25 necessary to process, service, or finalize financing agreements.

26           (e) Entering into contracts with federal or state government agencies in order to fulfill  
27 its purpose of providing financial assistance to eligible projects.

28           (f) Establishing policies and procedures for administering loans or financial assistance,  
29 accounting procedures for proper accounting, and reporting as required.

30           (g) Establishing interest rates, repayment terms, loan origination fees, and service fees  
31 in keeping with any agreement with bond holders and in compliance with federal requirements.

32           (h) Leveraging funds through issuance of bonds and other indebtedness.

33           (i) Expending funds for administration and other costs related to the SIB, including but  
34 not limited to staff, accounting, legal, consulting, or other professional services.

35           (j) Establishing advisory committees, as appropriate.

36           (k) Collecting fees and other charges related to loans and financial assistance.

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1 (l) Applying for and accepting any legal source of money, grants, aid, property, or service  
2 to effectuate the purpose of the SIB.

3 (m) Investing funds on behalf of the SIB.

4 (n) All things necessary or reasonable to implement the purpose of the SIB.

5 VI. The SIB shall not be a bank under the jurisdiction of the New Hampshire banking  
6 commission or the Treasury Department of the United States or subject to the provisions of any  
7 federal or state securities law.

8 VII. The department of transportation shall determine which projects are eligible under the  
9 rules and select from the eligible projects. Preference may be given to eligible projects which have  
10 local financial support.

11 VIII. The department of transportation shall submit an annual report to the governor, state  
12 treasurer, senate president, speaker of the house of representatives, chair of the senate finance  
13 committee, chair of senate transportation committee, chair of house of representatives finance  
14 committee, chair of house of representatives public works and highways committee, and chair of the  
15 fiscal committee of the general court.

16 2 New Subparagraph; Rulemaking; Exceptions. Amend RSA 541-A:21, I by inserting after  
17 subparagraph (cc) the following new subparagraph:

18 (dd) Rules relative to the state infrastructure bank established in RSA 21-L:19-RSA 21-  
19 L:23 for transportation purposes.

20 3 New Subparagraph; State Infrastructure Bank Fund. Amend RSA 6:12, I(b) by inserting after  
21 subparagraph (304) the following new subparagraph:

22 (305) Moneys deposited in the state infrastructure bank fund established in RSA  
23 21-L:20.

24 4 Effective Date. This act shall take effect 30 days after passage.

LBAO  
11-0991  
Revised 03/08/11

**SB 159 FISCAL NOTE**

AN ACT                    establishing a state infrastructure bank.

**FISCAL IMPACT:**

The Department of Transportation states this bill will have an indeterminable fiscal impact on state revenues and expenditures FY 2012 and each fiscal year thereafter. There will be no fiscal impact on county and local expenditures or revenue.

**METHODOLOGY:**

This bill establishes a state infrastructure bank for the purpose providing a financial vehicle to enable state and local transportation projects to proceed. The Department of Transportation states without clarification of policies pertaining to the capitalization of the state infrastructure bank, they are unable to estimate the fiscal impact of the proposed legislation. The New Hampshire Municipal Association notes participation in the program is voluntary and states to the extent that loans are made with favorable terms, the proposed legislation will have no fiscal impact on local revenues or expenditures.