

118TH CONGRESS
1ST SESSION

H. R. 490

To establish the Federal Infrastructure Bank to facilitate investment in, and the long-term financing of, economically viable United States infrastructure projects that provide a public benefit, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 24, 2023

Mr. WEBSTER of Florida introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committees on Financial Services, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish the Federal Infrastructure Bank to facilitate investment in, and the long-term financing of, economically viable United States infrastructure projects that provide a public benefit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Infrastructure
5 Bank Act of 2023”.

1 **SEC. 2. DEFINITIONS.**

2 For the purposes of this Act:

3 (1) **BANK.**—The term “Bank” means the Fed-
4 eral Infrastructure Bank established under section
5 4.

6 (2) **ELIGIBLE ENTITY.**—The term “eligible enti-
7 ty” means—

8 (A) a corporation, limited liability com-
9 pany, or any other legally established corporate
10 form;

11 (B) a partnership, including a public-pri-
12 vate partnership;

13 (C) a joint venture;

14 (D) a trust;

15 (E) a State;

16 (F) any other governmental entity, includ-
17 ing a political subdivision or any other instru-
18 mentality of a State;

19 (G) a revolving fund; or

20 (H) a State infrastructure bank.

21 (3) **HOLDING COMPANY.**—The term “Holding
22 Company” means the “Federal Infrastructure Bank
23 Holding Company” established under section 3.

24 (4) **INFRASTRUCTURE PROJECT.**—The term
25 “infrastructure project” means the construction,
26 consolidation, alteration, operations, maintenance, or

1 repair of projects, which provide public benefit or
2 use, in the following categories:

3 (A) Highway and roadway facilities, in-
4 cluding bridges and tunnels.

5 (B) Port or marine terminal facilities, in-
6 cluding approaches to marine terminal facilities
7 or inland port facilities, and port or marine
8 equipment including fixed equipment to serve
9 approaches to marine terminals or inland ports.

10 (C) Airports, heliports, vertiports, space-
11 ports, or air traffic control systems and facili-
12 ties.

13 (D) Transmission or distribution pipelines.

14 (E) Facilities or equipment for energy
15 transmission, distribution, or storage.

16 (F) Intercity passenger or freight rail
17 lines, facilities, or equipment.

18 (G) Intercity passenger bus facilities or
19 equipment.

20 (H) Public transportation facilities or
21 equipment.

22 (I) Inland waterways.

23 (J) Intermodal facilities or equipment.

1 (K) Water treatment and solid waste dis-
2 posal facilities and associated infrastructure
3 such as pipes.

4 (L) Storm water management systems.

5 (M) Dams and levees.

6 (N) Any other infrastructure project which
7 the Bank identifies as providing a public benefit
8 with regards to infrastructure.

9 (5) RISK-BASED CAPITAL.—The term “risk-
10 based capital” shall have the meaning given that
11 term by the Board of Governors of the Federal Re-
12 serve System.

13 (6) RURAL.—The term “rural” means any area
14 not in a metropolitan statistical area with a popu-
15 lation of 50,000 or greater.

16 (7) STATE.—The term “State” means each of
17 the 50 several States of the United States, the Dis-
18 trict of Columbia, the Commonwealth of Puerto
19 Rico, American Samoa, Guam, the United States
20 Virgin Islands, the Commonwealth of the Northern
21 Mariana Islands, and each federally recognized In-
22 dian Tribe.

23 (8) STATE INFRASTRUCTURE BANK.—The term
24 “State infrastructure bank” means a State infra-

1 structure bank or multi-State infrastructure bank
2 established pursuant to—

3 (A) section 350 of the National Highway
4 System Designation Act of 1995;

5 (B) section 1511(l) of the Transportation
6 Equity Act for the 21st Century;

7 (C) section 610 of title 23, United States
8 Code; or

9 (D) any State law as an agency, compo-
10 nent unit, or other governmental entity of the
11 State.

12 **SEC. 3. SELECTION OF THE FORMATION AGENT.**

13 (a) IN GENERAL.—Within 60 days of the date of en-
14 actment of this Act, the Secretary of the Treasury, in con-
15 sultation with the Chairman of the Board of Governors
16 of the Federal Reserve System, shall select a Formation
17 Agent which shall—

18 (1) make and file with the Secretary of the
19 Treasury an organization certificate for the Bank in
20 accordance with such rules and regulations as the
21 Secretary may prescribe, including the establishment
22 of the Holding Company; and

23 (2) have significant experience in infrastructure
24 and infrastructure finance.

1 (b) ESTABLISHMENT OF THE FEDERAL INFRA-
2 STRUCTURE BANK HOLDING COMPANY.—Within 30 days
3 after being selected under subsection (a), the Formation
4 Agent shall establish the Federal Infrastructure Bank
5 Holding Company, prescribe the governing structure of
6 the Holding Company, and establish the Federal Infra-
7 structure Bank Holding Company Board of Directors,
8 which shall—

9 (1) initially consist of 7 members;

10 (2) be elected by the shareholders of the Hold-
11 ing Company;

12 (3) serve 4-year terms, only 2 of which may be
13 consecutive;

14 (4) within the limitations of law and regulation,
15 determine and sign the articles of association that
16 govern the operations of the Holding Company, and
17 have the power to adopt, amend, and repeal bylaws
18 governing the performance of the powers and duties
19 granted to or imposed upon the Holding Company
20 by law; and

21 (5) select and effect the appointment of quali-
22 fied persons to fill the office of the Chief Executive
23 Officer of the Bank and such other offices as may
24 be provided for in the bylaws of the Holding Com-
25 pany and the Federal Infrastructure Bank.

1 (c) EARNINGS AND RESERVES NOT GOVERNMENT
2 FUNDS.—The earnings and reserves of the Holding Com-
3 pany shall be the sole property of the Holding Company
4 and are not Government funds or public funds.

5 (d) TREATMENT OF SHAREHOLDERS OF THE FORMA-
6 TION AGENT.—The Formation Agent shall issue equity se-
7 curities of the Holding Company to each shareholder of
8 the Formation Agent, in an amount that the Formation
9 Agent determines has a value equal to the value of equity
10 securities of the Formation Agent held by such share-
11 holder upon the establishment of the Holding Company.

12 **SEC. 4. ESTABLISHMENT OF THE FEDERAL INFRASTRUC-**
13 **TURE BANK.**

14 (a) IN GENERAL.—The Formation Agent shall estab-
15 lish the Federal Infrastructure Bank as a Delaware cor-
16 poration and the Bank shall be a wholly owned subsidiary
17 of the Holding Company.

18 (b) FEDERAL BANKING CHARTER.—The Comptroller
19 of the Currency shall grant a national bank charter to the
20 Bank.

21 (c) REGIONAL OFFICES.—Within 5 years of the date
22 of enactment of this Act, the Bank shall establish regional
23 offices for the purpose of focusing on infrastructure
24 projects in different areas of the United States.

1 (d) BOARD OF DIRECTORS.—The Board of Directors
2 of the Holding Company established under section 3 shall
3 be the initial Board of Directors of the Bank.

4 (e) EARNINGS AND RESERVES NOT GOVERNMENT
5 FUNDS.—The earnings and reserves of the Bank are not
6 Government funds or public funds.

7 **SEC. 5. FUNCTIONS OF THE BANK.**

8 (a) IN GENERAL.—The Bank shall provide equity in-
9 vestments, direct loans, indirect loans, and loan guaran-
10 tees to eligible entities for the planning, pre-development,
11 design, construction, operations or maintenance of rev-
12 enue-producing infrastructure projects in the United
13 States with sufficient revenue sources and guarantees to
14 support the interest and principal payments to the Bank.

15 (b) SUPPORT FOR RURAL PROJECTS.—Not less than
16 10 percent of the dollar amount of loans, equity invest-
17 ments, and loan guarantees provided by the Bank shall
18 be with respect to infrastructure projects in rural areas.

19 (c) LEVERAGING BANK INVESTMENTS.—The Bank
20 shall attempt to cross subsidize non-revenue infrastructure
21 projects with revenue generating infrastructure projects to
22 diversify the loan portfolio.

23 (d) NO COMMERCIAL OR INVESTMENT BANKING AC-
24 TIVITIES.—Notwithstanding any other provision of law,
25 the Bank is prohibited from—

1 (1) accepting customer deposits; or

2 (2) engaging in financial or investment banking
3 activities, except with respect to the Bank's own rev-
4 enues.

5 (e) PLEDGE AND CREDIT FACILITIES.—

6 (1) PLEDGE.—The Bank shall have the author-
7 ity to pledge its loans to the discount window of the
8 Board of Governors of the Federal Reserve System.

9 (2) PURCHASE OF OBLIGATIONS.—The Sec-
10 retary of the Treasury may purchase obligations
11 issued by the Bank in the same manner and under
12 the same requirements that the Secretary purchases
13 obligations under section 306(c) of the Federal
14 Home Loan Mortgage Corporation Act (12 U.S.C.
15 1455(c)).

16 (f) LEVERAGE LIMITATION.—The Bank shall main-
17 tain risk-based capital at no less than 10 percent, collec-
18 tively for the Bank and the Holding Company.

19 (g) LIFECYCLE.—The Bank shall ensure that infra-
20 structure projects account for long-term operations, main-
21 tenance, and life-cycle costs and obligations to ensure that
22 the infrastructure projects maximize the useful life of each
23 applicable asset.

24 (h) INFRASTRUCTURE DELIVERY.—The Bank, as a
25 clearinghouse for infrastructure finance, may provide im-

1 plementation advisory assistance, directly or indirectly, to
2 infrastructure projects.

3 (i) CREDIT RATING.—The Bank shall accept credit
4 ratings consistent with typical infrastructure market prac-
5 tice to enhance deployment of capital.

6 (j) PROHIBITION ON FUNDING OF FOREIGN
7 PROJECTS.—The Bank is prohibited from providing eq-
8 uity investments, direct loans, indirect loans, and loan
9 guarantees for infrastructure projects not located within
10 the United States.

11 (k) PROHIBITION WITH RESPECT TO CHINA.—The
12 Bank is prohibited from providing equity investments, di-
13 rect loans, indirect loans, and loan guarantees for infra-
14 structure projects that are owned, directed, controlled, fi-
15 nanced, or influenced by the Government of the People’s
16 Republic of China, the Chinese Communist Party, or the
17 People’s Liberation Army.

18 **SEC. 6. HOLDING COMPANY SECURITIES.**

19 (a) EQUITY SECURITIES.—

20 (1) IN GENERAL.—The Holding Company shall
21 issue such equity securities as the Board of Direc-
22 tors of the Holding Company determines appro-
23 priate.

24 (2) DIVIDENDS.—The Holding Company may
25 make such dividend payments on the equity securi-

1 ties of the Holding Company as the Holding Com-
2 pany determines appropriate.

3 (3) RESTRICTION ON VOTING RIGHTS.—Any
4 holder of an equity security of the Holding Company
5 that is a non-United States individual or entity shall
6 have no voting rights with respect to such equity se-
7 curity.

8 (b) BONDS.—

9 (1) STANDARD BONDS.—The Holding Company
10 may issue standard bonds with maturities up to 30
11 years or longer, as needed.

12 (2) OTHER BONDS.—The Holding Company
13 may issue other bonds, notes, and marketable securi-
14 ties with maturities and interest rates as the Hold-
15 ing Company determines appropriate.

16 (3) AUTHORITY TO PURCHASE BONDS.—

17 (A) IN GENERAL.—The Secretary of the
18 Treasury and the Board of Governors of the
19 Federal Reserve System may purchase bonds
20 issued under this section.

21 (B) LIMITATION.—The aggregate amount
22 of outstanding bonds purchased by the Sec-
23 retary under this paragraph may not exceed 5
24 percent of the total amount of the outstanding
25 bonds of the Holding Company.

1 (c) LEVERAGE LIMITATION.—The Holding Company
2 shall maintain risk-based capital at no less than 10 per-
3 cent, collectively for the Bank and the Holding Company.

4 (d) INVESTMENT LIMITATION ON NON-UNITED
5 STATES INDIVIDUALS AND ENTITIES.—

6 (1) Non-United States individuals and entities
7 may not hold more than 25 percent, in the aggre-
8 gate, of the equity securities and bonds of the Hold-
9 ing Company.

10 (2) The Formation Agent and Holding Com-
11 pany are prohibited from issuing any bond, note,
12 marketable security, or other financial instrument to
13 any person or entity—

14 (A) affiliated with, owned by, or directed,
15 controlled, financed, or influenced by the Gov-
16 ernment of the People’s Republic of China, the
17 Chinese Communist Party, or the People’s Lib-
18 eration Army; or

19 (B) affiliated with, owned by, or directed,
20 controlled, financed, or influenced by a State
21 Sponsor of Terrorism, as so designated by the
22 Secretary of State.

23 **SEC. 7. OVERSIGHT AND REGULATION.**

24 The Board of Governors of the Federal Reserve Sys-
25 tem shall—

1 (1) have oversight and supervisory authority
2 over the Holding Company and the Bank, in order
3 to ensure the safe and sound operation of the Hold-
4 ing Company and the Bank; and

5 (2) shall regulate Bank activities to ensure
6 compliance with the requirements set forth in this
7 Act.

8 **SEC. 8. INFRASTRUCTURE GUARANTEE FUND.**

9 The Bank shall establish an Infrastructure Guar-
10 antee Fund that shall be used with respect to specific
11 loans or loan guarantees made by the Bank in the event
12 of any non-payment by the recipient of such loan or loan
13 guarantee.

14 **SEC. 9. HOLDING COMPANY AND BANK EXEMPTION FROM**
15 **TAXATION.**

16 Effective for taxable years ending on or after the date
17 of enactment of this Act, the Holding Company and the
18 Bank, including franchises, capital, reserves, surplus, ad-
19 vances, and income of the Holding Company or Bank,
20 shall be exempt from all taxation imposed by the United
21 States and any State, county, municipal, or local taxing
22 authority, except that any real property of the Holding
23 Company and the Bank shall be subject to State, county,
24 municipal, or local taxation to the same extent according
25 to its value as other real property is taxed.

1 **SEC. 10. FEDERAL INFRASTRUCTURE BANK HOLDING COM-**
2 **PANY CREDIT.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 is amended—

6 (1) by adding at the end the following new sec-
7 tion:

8 **“SEC. 45AA. FEDERAL INFRASTRUCTURE BANK HOLDING**
9 **COMPANY CREDIT.**

10 “(a) IN GENERAL.—For purposes of section 38, in
11 the case of a taxpayer who holds a qualified Holding Com-
12 pany equity investment on a credit allowance date of such
13 investment which occurs during the taxable year, the Fed-
14 eral Infrastructure Bank Holding Company credit deter-
15 mined under this section for such taxable year is an
16 amount equal to 10 percent of the amount paid to the
17 Holding Company for such investment at its original issue.

18 “(b) CREDIT ALLOWANCE DATE.—For purposes of
19 this section, the credit allowance date with respect to any
20 qualified Holding Company equity investment is—

21 “(1) the date on which such investment is ini-
22 tially made; and

23 “(2) each of the 4 taxable years thereafter.

24 “(c) QUALIFIED HOLDING COMPANY EQUITY IN-
25 VESTMENT.—For purposes of this section, the term ‘quali-
26 fied Holding Company equity investment’ means any eq-

1 uity investment originally issued by the Holding Company
2 to the taxpayer under section 6(a)(1) of the Federal Infra-
3 structure Bank Act of 2023 not later than 3 years after
4 the formation of the Federal Infrastructure Bank Holding
5 Company pursuant to section 3 of the Federal Infrastruc-
6 ture Bank Act of 2023.

7 “(d) HOLDING COMPANY.—For purposes of this sec-
8 tion, the term ‘Holding Company’ means the Federal In-
9 frastructure Bank Holding Company established by the
10 Federal Infrastructure Bank Act of 2023.”; and

11 (2) in the table of contents for such subpart, by
12 adding at the end the following:

“45AA. Federal Infrastructure Bank Holding Company credit.”.

13 (b) CONFORMING AMENDMENTS.—

14 (1) Section 38(b) of such Code is amended by
15 striking “plus” at the end of paragraph (37), by
16 striking the period at the end of paragraph (38) and
17 inserting “, plus”, and by adding at the end the fol-
18 lowing new paragraph:

19 “(39) the Federal Infrastructure Bank Holding
20 Company credit determined under section 45AA.”.

21 (2) Section 1016(a) of such Code is amended
22 by striking “and” at the end of paragraph (37), by
23 striking the period at the end of paragraph (38) and
24 inserting “, and”, and by adding at the end the fol-
25 lowing new paragraph:

1 “(39) to the extent provided in section
2 45AA(e).”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years ending after the
5 date of the enactment of this Act.

6 **SEC. 11. RULE OF CONSTRUCTION.**

7 Nothing in this Act may be construed as authorizing
8 the Federal Government to guarantee the assets of the
9 Bank or Holding Company.

○