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(Original Signature of Member)

116TH CONGRESS
2D SESSION

H. R. _____

To establish the Infrastructure Bank for America as a corporation to serve as a lender for and investor in infrastructure projects, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. WEBSTER of Florida introduced the following bill; which was referred to the Committee on _____

A BILL

To establish the Infrastructure Bank for America as a corporation to serve as a lender for and investor in infrastructure projects, 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 “Infrastructure Bank
5 for America Act of 2020”.

1 **SEC. 2. ESTABLISHMENT OF THE INFRASTRUCTURE BANK**
2 **HOLDING COMPANY.**

3 (a) IN GENERAL.—There is established a corporation
4 to be known as the “Infrastructure Bank Holding Com-
5 pany” (in this Act referred to as the “Holding Com-
6 pany”), which shall be the parent company of the Infra-
7 structure Bank for America established under section 3.

8 (b) BOARD OF DIRECTORS.—The Holding Company
9 shall have a Board of Directors, which shall—

10 (1) initially consist of 7 members, or such other
11 number as the formation agent determines appro-
12 priate;

13 (2) be elected by the shareholders of the Hold-
14 ing Company;

15 (3) within the limitations of law and regulation,
16 determine the general policies that govern the oper-
17 ations of the Holding Company, and have the power
18 to adopt, amend, and repeal bylaws governing the
19 performance of the powers and duties granted to or
20 imposed upon the Holding Company by law; and

21 (4) select and effect the appointment of quali-
22 fied persons to fill the office of the Chief Executive
23 Officer and such other offices as may be provided
24 for in the bylaws of the Holding Company and the
25 Infrastructure Bank for America established under
26 section 3.

1 (c) TREATMENT OF SHAREHOLDERS OF THE FORMA-
2 TION AGENT.—The formation agent shall issue equity se-
3 curities of the Holding Company to each shareholder of
4 the formation agent, in an amount that the formation
5 agent determines has a value equal to the value of equity
6 securities of the formation agent held by such shareholder
7 upon the establishment of the Holding Company.

8 (d) EARNINGS AND RESERVES NOT GOVERNMENT
9 FUNDS.—The earnings and reserves of the Holding Com-
10 pany shall be the sole property of the Holding Company
11 and may not be construed to be Government funds, public
12 funds, or appropriated money.

13 **SEC. 3. ESTABLISHMENT OF THE INFRASTRUCTURE BANK**
14 **FOR AMERICA.**

15 (a) IN GENERAL.—The formation agent shall estab-
16 lish a corporation to be known as the “Infrastructure
17 Bank for America” (in this Act referred to as the
18 “Bank”). The Bank shall—

19 (1) maintain its principle office in New York
20 City or the District of Columbia; and

21 (2) be registered as a Delaware corporation,
22 and, for the purposes of jurisdiction and venue in
23 civil actions, operate as a Delaware corporation.

24 (b) DUTIES OF THE FORMATION AGENT.—At the
25 earliest practicable date after the date of the enactment

1 of this Act, the formation agent shall make and file with
2 the Secretary of the Treasury (in this Act referred to as
3 the “Secretary”) an organization certificate for the Bank
4 in accordance with such rules and regulations as the Sec-
5 retary may prescribe.

6 (c) REGIONAL OFFICES.—The Bank shall establish
7 regional offices for the purpose of focusing on infrastruc-
8 ture projects in different areas of the Unites States.

9 (d) BOARD OF DIRECTORS.—The Board of Directors
10 of the Holding Company established under section 2(b)
11 shall be the initial Board of Directors of the Bank.

12 **SEC. 4. FUNCTIONS OF THE BANK.**

13 (a) IN GENERAL.—The Bank shall provide—

14 (1) equity investments, direct loans, indirect
15 loans, and loan guarantees for the construction or
16 maintenance of revenue-producing infrastructure
17 projects in the United States with sufficient revenue
18 sources and guarantees to support the interest and
19 principal payments to the Bank; and

20 (2) direct and indirect loans and loan guaran-
21 tees to State and local governments and State infra-
22 structure banks for the construction or maintenance
23 of infrastructure projects.

24 (b) SUPPORT FOR RURAL PROJECTS.—At least 7
25 percent of the dollar amount of loans, equity investments,

1 and loan guarantees provided by the Bank shall be with
2 respect to infrastructure projects in rural areas.

3 (c) NO COMMERCIAL OR INVESTMENT BANKING AC-
4 TIVITIES.—The Bank shall not accept customer deposits
5 nor engage in financial or investment banking activities
6 such as trust management or underwriting securities.

7 (d) PLEDGE AND CREDIT FACILITIES.—

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

11 (2) PURCHASE OF OBLIGATIONS.—The Sec-
12 retary may, subject to amounts provided in advance
13 by appropriation Acts, purchase obligations issued
14 by the Bank in the same manner and under the
15 same requirements that the Secretary purchases ob-
16 ligations under section 306(e) of the Federal Home
17 Loan Mortgage Corporation Act (12 U.S.C.
18 1455(e)).

19 (e) LEVERAGE LIMITATION.—The Bank shall seek to
20 maintain risk-based capital at no less than 10 percent.

21 **SEC. 5. HOLDING COMPANY SECURITIES.**

22 (a) EQUITY SECURITIES.—

23 (1) IN GENERAL.—The Holding Company shall
24 issue such equity securities as the Holding Company
25 determines appropriate.

1 (2) DIVIDENDS.—The Holding Company may
2 make such dividend payments on the equity securi-
3 ties of the Holding Company as the Holding Com-
4 pany determines appropriate.

5 (3) INITIAL ISSUANCE AMOUNT.—The Holding
6 Company shall have the goal of raising
7 \$1,000,000,000 in the initial issuance of equity se-
8 curities in a private placement and up to
9 \$100,000,000,000 or more of equity securities in
10 public offerings over time, the purpose of which is
11 to fund the Bank.

12 (4) RESTRICTION ON VOTING RIGHTS.—Any
13 holder of an equity security of the Holding Company
14 that is a non-U.S. individual or entity shall have no
15 voting rights with respect to such equity security.

16 (b) BONDS.—

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

20 (2) OTHER BONDS.—The Holding Company
21 may issue such other bonds, notes, and marketable
22 securities with maturities and interest rates as the
23 Holding Company determines appropriate.

24 (3) INITIAL ISSUANCE AMOUNT.—The Holding
25 Company shall have the goal of making initial bond

1 sales in a private placement in an aggregate amount
2 of \$10,000,000,000 and in public offerings in an
3 amount of \$1,000,000,000,000 or more over time.

4 (4) OVERSIGHT AND AUTHORITY TO PURCHASE
5 BONDS.—

6 (A) APPROVAL REQUIRED.—Before issuing
7 any bonds, the Holding Company shall submit
8 a proposal for such bond issuance to the Sec-
9 retary, and the Holding Company may only
10 issue such bonds if the Secretary approves the
11 proposal.

12 (B) AUTHORITY TO PURCHASE BONDS.—

13 (i) IN GENERAL.—The Secretary and
14 the Board of Governors of the Federal Re-
15 serve System may purchase bonds issued
16 under this subsection.

17 (ii) LIMITATION.—The aggregate
18 amount of outstanding bonds purchased by
19 the Secretary under this subparagraph
20 may not exceed 5 percent of the total
21 amount of the outstanding bonds of the
22 Holding Company.

23 (5) LEVERAGE LIMITATION.—The Holding
24 Company shall seek to maintain risk-based capital at
25 no less than 10 percent.

1 (c) INVESTMENT LIMITATION ON NON-U.S. INDIVID-
2 UALS AND ENTITIES.—Notwithstanding any other provi-
3 sion of law—

4 (1) non-U.S. individuals and entities may not
5 hold more than 25 percent, in the aggregate, of the
6 equity securities and bonds of the Holding Company;
7 and

8 (2) nothing in this section shall prevent non-
9 U.S. individuals and entities that are shareholders
10 from receiving equity shares and dividend payments.

11 **SEC. 6. OVERSIGHT AND REGULATION.**

12 (a) BOARD OF GOVERNORS OF THE FEDERAL RE-
13 SERVE SYSTEM.—The Board of Governors of the Federal
14 Reserve System shall have oversight and supervisory au-
15 thority over the Holding Company and the Bank in order
16 to ensure the safe and sound operation of the Holding
17 Company and the Bank.

18 (b) SECRETARY OF THE TREASURY.—The Secretary
19 shall oversee and supervise the issuance of bonds by the
20 Holding Company and the Bank, in order to ensure the
21 safe and sound financing of the Holding Company and the
22 Bank.

23 (c) CONSULTATION.—The Secretary shall consult
24 with the Board of Governors of the Federal Reserve Sys-
25 tem and may consult with the Secretary of Transportation

1 and any other head of Federal agency when carrying out
2 the Secretary's duties under this Act.

3 **SEC. 7. INFRASTRUCTURE GUARANTEE FUND.**

4 (a) ESTABLISHMENT.—The Bank shall establish an
5 Infrastructure Guarantee Fund that shall be available for
6 State and local governments and other persons who wish
7 to deposit funds to be used with respect to specific loans
8 or loan guarantees made by the Bank in the event of any
9 non-payment by the recipient of such loan or loan guar-
10 antee.

11 (b) RETURN OF FUNDS.—Any funds described under
12 subsection (a) that are remaining at the time such loans
13 or guaranteed loans are repaid in full shall be returned
14 to the State or local government or other person who de-
15 posited the funds.

16 **SEC. 8. HOLDING COMPANY AND BANK EXEMPTION FROM**
17 **TAXATION.**

18 Effective for taxable years ending on or after the date
19 of enactment of this Act, the Holding Company and the
20 Bank, including franchises, capital, reserves, surplus, ad-
21 vances, and income of the Holding Company or Bank shall
22 be exempt from all taxation imposed by the United States,
23 by any territory, dependency, or possession thereof, or by
24 any State, county, municipal, or local taxing authority, ex-
25 cept that any real property of the Holding Company and

1 the Bank shall be subject to State, territorial, county, mu-
2 nicipal, or local taxation to the same extent according to
3 its value as other real property is taxed.

4 **SEC. 9. INFRASTRUCTURE BANK HOLDING COMPANY CRED-**
5 **IT.**

6 (a) IN GENERAL.—Subpart D of part IV of sub-
7 chapter A of chapter 1 of the Internal Revenue Code of
8 1986 is amended—

9 (1) by adding at the end the following new sec-
10 tion:

11 **“SEC. 45U. INFRASTRUCTURE BANK HOLDING COMPANY**
12 **CREDIT.**

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

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

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

1 “(2) each of the 4 anniversary dates of such
2 date thereafter.

3 “(c) QUALIFIED HOLDING COMPANY EQUITY IN-
4 VESTMENT.—For purposes of this section, the term ‘quali-
5 fied Holding Company equity investment’ means any eq-
6 uity investment originally issued by the Holding Company
7 to the taxpayer under section 5(a)(1) of the Infrastructure
8 Bank for America Act of 2020 not later than 3 years after
9 the date of the enactment of such Act.

10 “(d) HOLDING COMPANY.—For purposes of this sec-
11 tion, the term ‘Holding Company’ means the Infrastruc-
12 ture Bank Holding Company established by the Infra-
13 structure Bank for America Act of 2020.

14 “(e) BASIS REDUCTION.—The basis of any qualified
15 Holding Company equity investment shall be reduced by
16 the amount of any credit determined under this section
17 with respect to such investment.”; and

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

“45U. Infrastructure Bank Holding Company credit.”.

20 (b) CONFORMING AMENDMENTS.—

21 (1) Section 38(b) of such Code is amended by
22 striking “plus” at the end of paragraph (32), by
23 striking the period at the end of paragraph (33) and
24 inserting “, plus”, and by adding at the end the fol-
25 lowing new paragraph:

1 “(34) the Infrastructure Bank Holding Com-
2 pany credit determined under section 45U.”.

3 (2) Section 1016(a) of such Code is amended
4 by striking “and” at the end of paragraph (37), by
5 striking the period at the end of paragraph (38) and
6 inserting “, and”, and by adding at the end the fol-
7 lowing new paragraph:

8 “(39) to the extent provided in section
9 45U(e).”.

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

13 **SEC. 10. RULE OF CONSTRUCTION.**

14 Nothing in this Act may be construed as authorizing
15 the Federal Government to guarantee the assets of the
16 Bank or Holding Company.

17 **SEC. 11. DEFINITIONS.**

18 For the purposes of this Act:

19 (1) BANK.—The term “Bank” means the Infra-
20 structure Bank for America established under sec-
21 tion 3.

22 (2) FORMATION AGENT.—The term “formation
23 agent” means an entity selected by the Secretary of
24 the Treasury with significant experience in infra-
25 structure and infrastructure finance.

1 (3) HOLDING COMPANY.—The term “Holding
2 Company” means the Infrastructure Bank Holding
3 Company established under section 2.

4 (4) REVENUE-PRODUCING INFRASTRUCTURE
5 PROJECT.—The term “revenue-producing infrastruc-
6 ture project” means an infrastructure project that,
7 when complete, generates revenue from user fees or
8 other sources.

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 a county
14 that is neither in a metropolitan statistical area nor
15 in a micropolitan statistical area that is adjacent to
16 a metropolitan statistical area, as those terms are
17 defined by the Office of Management and Budget
18 and as applied under currently applicable Urban In-
19 fluence Codes, established by the Economic Research
20 Service of the Department of Agriculture.

21 (7) STATE.—The term “State” means each of
22 the several States, the District of Columbia, each
23 territory or possession of the United States, and
24 each federally recognized Indian Tribe.

1 (8) STATE INFRASTRUCTURE BANK.—The term
2 “State infrastructure bank” means a State infra-
3 structure bank or multi-State infrastructure bank
4 established pursuant to—

5 (A) section 350 of the National Highway
6 System Designation Act of 1995;

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

9 (C) section 610 of title 23, United States
10 Code; or

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