

117TH CONGRESS
2D SESSION

H. R. 8682

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

AUGUST 9, 2022

Mr. WEBSTER of Florida (for himself and Mr. RODNEY DAVIS of Illinois) 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 2022”.

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;

9 (B) a partnership, including a public-pri-
10 vate partnership;

11 (C) a joint venture;

12 (D) a trust;

13 (E) a State;

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

17 (G) a revolving fund.

18 (3) **HOLDING COMPANY.**—The term “Holding
19 Company” means the “Federal Infrastructure Bank
20 Holding Company” established under section 3.

21 (4) **INFRASTRUCTURE PROJECT.**—The term
22 “infrastructure project” means the construction,
23 consolidation, alteration, or repair of projects, which
24 provide public benefit or use, in the following cat-
25 egories:

1 (A) Highway and roadway facilities, in-
2 cluding bridges and tunnels.

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

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

11 (D) Transmission or distribution pipelines.

12 (E) Facilities or equipment for energy
13 transmission, distribution, or storage.

14 (F) Intercity passenger or freight rail
15 lines, facilities, or equipment.

16 (G) Intercity passenger bus facilities or
17 equipment.

18 (H) Public transportation facilities or
19 equipment.

20 (I) Inland waterways.

21 (J) Intermodal facilities or equipment.

22 (K) Water treatment and solid waste dis-
23 posal facilities and associated infrastructure
24 such as pipes.

25 (L) Storm water management systems.

1 (M) Dams and levees.

2 (N) Any other infrastructure project which
3 the Bank identifies as providing a public benefit
4 with regards to infrastructure.

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

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

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

19 (8) STATE INFRASTRUCTURE BANK.—The term
20 “State infrastructure bank” means a State infra-
21 structure bank or multi-State infrastructure bank
22 established pursuant to—

23 (A) section 350 of the National Highway
24 System Designation Act of 1995;

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

3 (C) section 610 of title 23, United States
4 Code; or

5 (D) any State law as an agency, compo-
6 nent unit, or other governmental entity of the
7 State.

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

9 (a) IN GENERAL.—Within 90 days of the date of en-
10 actment of this Act, the Secretary of the Treasury, in con-
11 sultation with the Chairman of the Board of Governors
12 of the Federal Reserve System, shall select a Formation
13 Agent which shall—

14 (1) make and file with the Secretary of the
15 Treasury an organization certificate for the Bank in
16 accordance with such rules and regulations as the
17 Secretary may prescribe, including the establishment
18 of the Holding Company; and

19 (2) have significant experience in infrastructure
20 and infrastructure finance.

21 (b) ESTABLISHMENT OF THE FEDERAL INFRA-
22 STRUCTURE BANK HOLDING COMPANY.—Within 60 days
23 after being selected under subsection (a), the Formation
24 Agent shall establish the Federal Infrastructure Bank
25 Holding Company, prescribe the governing structure of

1 the Holding Company, and establish the Federal Infra-
2 structure Bank Holding Company Board of Directors,
3 which shall—

4 (1) initially consist of 7 members;

5 (2) be elected by the shareholders of the Hold-
6 ing Company;

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

9 (4) within the limitations of law and regulation,
10 determine and sign the articles of association that
11 govern the operations of the Holding Company, and
12 have the power to adopt, amend, and repeal bylaws
13 governing the performance of the powers and duties
14 granted to or imposed upon the Holding Company
15 by law; and

16 (5) select and effect the appointment of quali-
17 fied persons to fill the office of the Chief Executive
18 Officer of the Bank and such other offices as may
19 be provided for in the bylaws of the Holding Com-
20 pany and the Federal Infrastructure Bank.

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

1 (d) 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 share-
7 holder upon the establishment of the Holding Company.

8 **SEC. 4. ESTABLISHMENT OF THE FEDERAL INFRASTRUC-**
9 **TURE BANK.**

10 (a) IN GENERAL.—The Formation Agent shall estab-
11 lish the Federal Infrastructure Bank as a Delaware cor-
12 poration and the Bank shall be a wholly-owned subsidiary
13 of the Holding Company.

14 (b) FEDERAL BANKING CHARTER.—The Comptroller
15 of the Currency shall grant a national bank charter to the
16 Bank.

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

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

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

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

5 (a) IN GENERAL.—The Bank shall provide equity in-
6 vestments, direct loans, indirect loans, and loan guaran-
7 tees to eligible entities for the construction or maintenance
8 of infrastructure projects in the United States with suffi-
9 cient revenue sources and guarantees to support the pay-
10 ment of dividends, interest, principal, or fees, as applica-
11 ble, to the Bank.

12 (b) SUPPORT FOR RURAL PROJECTS.—Not less than
13 10 percent of the dollar amount of loans, equity invest-
14 ments, and loan guarantees provided by the Bank shall
15 be with respect to infrastructure projects in rural areas.

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

20 (d) NO COMMERCIAL OR INVESTMENT BANKING AC-
21 TIVITIES.—Notwithstanding any other provision of law,
22 the Bank is prohibited from accepting customer deposits
23 or engaging in financial or investment banking activities.

24 (e) PLEDGE AND CREDIT FACILITIES.—

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

4 (2) PURCHASE OF OBLIGATIONS.—The Sec-
5 retary of the Treasury may purchase obligations
6 issued by the Bank.

7 (f) LEVERAGE LIMITATION.—The Bank shall main-
8 tain risk-based capital at no less than 10 percent.

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

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

21 **SEC. 6. HOLDING COMPANY SECURITIES.**

22 (a) EQUITY SECURITIES.—

23 (1) IN GENERAL.—The Holding Company shall
24 issue such equity securities as the Board of Direc-

1 tors of the Holding Company determines appro-
2 priate.

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

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

12 (b) BONDS.—

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

16 (2) OTHER BONDS.—The Holding Company
17 may issue other bonds, notes, and marketable securi-
18 ties with maturities and interest rates as the Hold-
19 ing Company determines appropriate.

20 (3) AUTHORITY TO PURCHASE BONDS.—

21 (A) IN GENERAL.—The Secretary of the
22 Treasury and the Board of Governors of the
23 Federal Reserve System may purchase bonds
24 issued under this section.

1 (B) LIMITATION.—The aggregate amount
2 of outstanding bonds purchased by the Sec-
3 retary under this paragraph may not exceed 5
4 percent of the total amount of the outstanding
5 bonds of the Holding Company.

6 (c) LEVERAGE LIMITATION.—The Holding Company
7 shall maintain risk-based capital at no less than 10 per-
8 cent.

9 (d) INVESTMENT LIMITATION ON NON-UNITED
10 STATES INDIVIDUALS AND ENTITIES.—

11 (1) Non-United States individuals and entities
12 may not hold more than 25 percent, in the aggre-
13 gate, of the equity securities and bonds of the Hold-
14 ing Company.

15 (2) The Formation Agent and Holding Com-
16 pany are prohibited from issuing any bond, note,
17 marketable security, or other financial instrument to
18 any person or entity—

19 (A) affiliated with, owned by, or directed,
20 controlled, financed, or influenced by the Gov-
21 ernment of the People’s Republic of China, the
22 Chinese Communist Party, or the People’s Lib-
23 eration Army; or

24 (B) affiliated with, owned by, or directed,
25 controlled, financed, or influenced by a State

1 Sponsor of Terrorism, as so designated by the
2 Secretary of State.

3 **SEC. 7. OVERSIGHT AND REGULATION.**

4 The Board of Governors of the Federal Reserve Sys-
5 tem shall—

6 (1) have oversight and supervisory authority
7 over the Holding Company and the Bank, in order
8 to ensure the safe and sound operation of the Hold-
9 ing Company and the Bank; and

10 (2) shall regulate Bank activities to ensure
11 compliance with the requirements set forth in this
12 Act.

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

14 The Bank shall establish an Infrastructure Guar-
15 antee Fund that shall be used with respect to specific
16 loans or loan guarantees made by the Bank in the event
17 of any non-payment by the recipient of such loan or loan
18 guarantee.

19 **SEC. 9. HOLDING COMPANY AND BANK EXEMPTION FROM**
20 **TAXATION.**

21 Effective for taxable years ending on or after the date
22 of enactment of this Act, the Holding Company and the
23 Bank, including franchises, capital, reserves, surplus, ad-
24 vances, and income of the Holding Company or Bank,
25 shall be exempt from all taxation imposed by the United

1 States and any State, county, municipal, or local taxing
 2 authority, except that any real property of the Holding
 3 Company and the Bank shall be subject to State, county,
 4 municipal, or local taxation to the same extent according
 5 to its value as other real property is taxed.

6 **SEC. 10. FEDERAL INFRASTRUCTURE BANK HOLDING COM-**
 7 **PANY CREDIT.**

8 (a) IN GENERAL.—Subpart D of part IV of sub-
 9 chapter A of chapter 1 of the Internal Revenue Code of
 10 1986 is amended—

11 (1) by adding at the end the following new sec-
 12 tion:

13 **“SEC. 45U. FEDERAL INFRASTRUCTURE BANK HOLDING**
 14 **COMPANY CREDIT.**

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

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

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

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

4 “(c) QUALIFIED HOLDING COMPANY EQUITY IN-
5 VESTMENT.—For purposes of this section, the term ‘quali-
6 fied Holding Company equity investment’ means any eq-
7 uity investment originally issued by the Holding Company
8 to the taxpayer under section 6(a)(1) of the Federal Infra-
9 structure Bank Act of 2022 not later than 3 years after
10 the date of the enactment of such Act.

11 “(d) HOLDING COMPANY.—For purposes of this sec-
12 tion, the term ‘Holding Company’ means the Federal In-
13 frastructure Bank Holding Company established by the
14 Federal Infrastructure Bank Act of 2022.”; and

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

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

17 (b) CONFORMING AMENDMENTS.—

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

23 “(34) the Federal Infrastructure Bank Holding
24 Company credit determined under section 45U.”.

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

6 “(39) to the extent provided in section
7 45U(e).”.

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

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

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

○