

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 572
Committee Substitute Favorable 4/27/23

Short Title: State Infrastructure Bank Study.

(Public)

Sponsors:

Referred to:

April 6, 2023

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH A JOINT LEGISLATIVE STUDY COMMISSION TO STUDY
THE FEASIBILITY OF ESTABLISHING A STATE INFRASTRUCTURE BANK TO
SUSTAINABLY FINANCE INFRASTRUCTURE PROJECTS AND DRIVE ECONOMIC
GROWTH IN THE STATE.

The General Assembly of North Carolina enacts:

SECTION 1. There is established the Commission to Study the Feasibility of Establishing a State Infrastructure Bank. The Commission shall study how the creation of such a bank could strengthen economic and community development, provide financial resources for infrastructure projects, and leverage State, federal, and private resources to address the need for access to sustainable financial assistance for projects that will contribute to economic growth, job creation, and support of local communities in the State.

SECTION 2. The Commission shall be composed of 17 members as follows:

- (1) Three members of the Senate, appointed by the President Pro Tempore of the Senate.
- (2) Three members of the House of Representatives, appointed by the Speaker of the House of Representatives.
- (3) Three members to be appointed by the Governor, one of whom shall be a nationally recognized expert in the area of public finance with expertise in the area of state-owned banking institutions and one of whom shall have a background in environmental infrastructure.
- (4) The State Treasurer, or the Treasurer's designee.
- (5) The State Controller, or the Controller's designee.
- (6) A representative from the Office of State Budget and Management, designated by the State Budget Director.
- (7) The Secretary of Transportation, or the Secretary's designee.
- (8) One member of the private banking community and one member with a background in energy infrastructure, both appointed by the President Pro Tempore of the Senate.
- (9) One member with public health experience and one member with workforce development experience, both appointed by the Speaker of the House of Representatives.

SECTION 3. Vacancies on the Commission shall be filled by the appointing authority. The Commission shall be chaired by a senator and a representative designated by the appointing authority. A quorum of the Commission shall be nine members. The Commission, while in the discharge of its official duties, may exercise all powers provided for under



G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4, including the power to request all officers, agents, agencies, and departments of the State to provide any information, data, or documents within their possession, ascertainable from their records, or otherwise available to them.

SECTION 4. The Commission may meet at any time upon the call of the chairs. The Commission may meet in the Legislative Building, the Legislative Office Building, or any other location as agreed upon by the Commission. The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02.

SECTION 5. The Commission shall hold at least five public meetings in distinct geographic regions of the State.

SECTION 6. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Commission in its work. The House of Representatives' and Senate's Directors of Legislative Assistants shall assign clerical staff to the Commission, and the expenses relating to the clerical employees shall be borne by the Commission. Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 7. The Commission shall study the following issues related to the establishment of a State Infrastructure Bank:

- (1) Supporting the economic development of North Carolina by increasing access to capital.
- (2) Providing financing for infrastructure related to housing development, public works infrastructure, educational infrastructure, student loans, and community quality of life projects.
- (3) Providing capital for continued expansion of the State's transportation, environmental, energy, and telecommunications infrastructure.
- (4) Undertake a general assessment of the State's current network of public and private financial resources and assess the impact on government services, including public and private banking services, for the purpose of identifying potential areas of State infrastructure needs.
- (5) Among other resource issues, the Commission shall consider, at a minimum, how a State Infrastructure Bank could be designed to generate earnings beyond those necessary for continued operation of the Bank, which could be used to supplement other capital resources.
- (6) Examine various administrative and operational structures for organizing a State Infrastructure Bank, including boards of directors, sources of deposits, oversight and audit of financial activities, and guarantees of financial products.
- (7) Consider options for integrating a State Infrastructure Bank model into the existing State financial resource network, including ideas such as lending capital to banks and credit unions and whether the State Infrastructure Bank should be created as a separate entity or involving, using, modifying, or expanding the existing financial infrastructure or the functions of any other State agency.
- (8) The manner in which the State Infrastructure Bank should be regulated to protect the safety and soundness of the institution and to avoid conflicts of interest that could arise from State or federal regulation of the Bank.
- (9) The extent to which the State Infrastructure Bank should be allowed to compete with banking establishments operating in North Carolina.
- (10) The oversight of the State Infrastructure Bank to protect the interests of the State and the rights of individuals and entities that may access the products or services, or both, of the Bank.

1 (11) An outline of transition actions necessary for establishing the State
2 Infrastructure Bank.

3 **SECTION 8.** The Commission may make an interim report, including any legislative
4 recommendations, to the 2023 General Assembly, 2024 Regular Session, prior to its convening
5 and shall submit a final report, including any legislative recommendations, by the end of the 2024
6 Regular Session of the General Assembly. The Commission shall terminate on December 31,
7 2024, or upon the filing of its final report, whichever occurs first.

8 **SECTION 9.** This act is effective when it becomes law.