

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 2
OFFERED BY MR. WEBSTER OF FLORIDA**

Add at the end the following:

1 **DIVISION E—INFRASTRUCTURE**
2 **BANK FOR AMERICA**

3 **SEC. 10001. SHORT TITLE.**

4 This division may be cited as the “Infrastructure
5 Bank for America Act of 2020”.

6 **SEC. 10002. ESTABLISHMENT OF THE INFRASTRUCTURE**
7 **BANK HOLDING COMPANY.**

8 (a) IN GENERAL.—There is established a corporation
9 to be known as the “Infrastructure Bank Holding Com-
10 pany” (in this division referred to as the “Holding Com-
11 pany”), which shall be the parent company of the Infra-
12 structure Bank for America established under section 3.

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

15 (1) initially consist of 7 members, or such other
16 number as the formation agent determines appro-
17 priate;

18 (2) be elected by the shareholders of the Hold-
19 ing Company;

1 (3) within the limitations of law and regulation,
2 determine the general policies that govern the oper-
3 ations of the Holding Company, and have the power
4 to adopt, amend, and repeal bylaws governing the
5 performance of the powers and duties granted to or
6 imposed upon the Holding Company by law; and

7 (4) select and effect the appointment of quali-
8 fied persons to fill the office of the Chief Executive
9 Officer and such other offices as may be provided
10 for in the bylaws of the Holding Company and the
11 Infrastructure Bank for America established under
12 section 10003.

13 (c) TREATMENT OF SHAREHOLDERS OF THE FORMA-
14 TION AGENT.—The formation agent shall issue equity se-
15 curities of the Holding Company to each shareholder of
16 the formation agent, in an amount that the formation
17 agent determines has a value equal to the value of equity
18 securities of the formation agent held by such shareholder
19 upon the establishment of the Holding Company.

20 (d) EARNINGS AND RESERVES NOT GOVERNMENT
21 FUNDS.—The earnings and reserves of the Holding Com-
22 pany shall be the sole property of the Holding Company
23 and may not be construed to be Government funds, public
24 funds, or appropriated money.

1 **SEC. 10003. ESTABLISHMENT OF THE INFRASTRUCTURE**
2 **BANK FOR AMERICA.**

3 (a) IN GENERAL.—The formation agent shall estab-
4 lish a corporation to be known as the “Infrastructure
5 Bank for America” (in this division referred to as the
6 “Bank”). The Bank shall—

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

9 (2) be registered as a Delaware corporation,
10 and, for the purposes of jurisdiction and venue in
11 civil actions, operate as a Delaware corporation.

12 (b) DUTIES OF THE FORMATION AGENT.—At the
13 earliest practicable date after the date of the enactment
14 of this Act, the formation agent shall make and file with
15 the Secretary of the Treasury (in this division referred to
16 as the “Secretary”) an organization certificate for the
17 Bank in accordance with such rules and regulations as the
18 Secretary may prescribe.

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

22 (d) BOARD OF DIRECTORS.—The Board of Directors
23 of the Holding Company established under section
24 10002(b) shall be the initial Board of Directors of the
25 Bank.

1 **SEC. 10004. FUNCTIONS OF THE BANK.**

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

3 (1) equity investments, direct loans, indirect
4 loans, and loan guarantees for the construction or
5 maintenance of revenue-producing infrastructure
6 projects in the United States with sufficient revenue
7 sources and guarantees to support the interest and
8 principal payments to the Bank; and

9 (2) direct and indirect loans and loan guaran-
10 tees to State and local governments and State infra-
11 structure banks for the construction or maintenance
12 of infrastructure projects.

13 (b) SUPPORT FOR RURAL PROJECTS.—At least 7
14 percent of the dollar amount of loans, equity investments,
15 and loan guarantees provided by the Bank shall be with
16 respect to infrastructure projects in rural areas.

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

21 (d) PLEDGE AND CREDIT FACILITIES.—

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

25 (2) PURCHASE OF OBLIGATIONS.—The Sec-
26 retary may, subject to amounts provided in advance

1 by appropriation Acts, purchase obligations issued
2 by the Bank in the same manner and under the
3 same requirements that the Secretary purchases ob-
4 ligations under section 306(e) of the Federal Home
5 Loan Mortgage Corporation Act (12 U.S.C.
6 1455(e)).

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

9 **SEC. 10005. HOLDING COMPANY SECURITIES.**

10 (a) EQUITY SECURITIES.—

11 (1) IN GENERAL.—The Holding Company shall
12 issue such equity securities as the Holding Company
13 determines appropriate.

14 (2) DIVIDENDS.—The Holding Company may
15 make such dividend payments on the equity securi-
16 ties of the Holding Company as the Holding Com-
17 pany determines appropriate.

18 (3) INITIAL ISSUANCE AMOUNT.—The Holding
19 Company shall have the goal of raising
20 \$1,000,000,000 in the initial issuance of equity se-
21 curities in a private placement and up to
22 \$100,000,000,000 or more of equity securities in
23 public offerings over time, the purpose of which is
24 to fund the Bank.

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

5 (b) BONDS.—

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

9 (2) OTHER BONDS.—The Holding Company
10 may issue such other bonds, notes, and marketable
11 securities with maturities and interest rates as the
12 Holding Company determines appropriate.

13 (3) INITIAL ISSUANCE AMOUNT.—The Holding
14 Company shall have the goal of making initial bond
15 sales in a private placement in an aggregate amount
16 of \$10,000,000,000 and in public offerings in an
17 amount of \$1,000,000,000,000 or more over time.

18 (4) OVERSIGHT AND AUTHORITY TO PURCHASE
19 BONDS.—

20 (A) APPROVAL REQUIRED.—Before issuing
21 any bonds, the Holding Company shall submit
22 a proposal for such bond issuance to the Sec-
23 retary, and the Holding Company may only
24 issue such bonds if the Secretary approves the
25 proposal.

1 (B) AUTHORITY TO PURCHASE BONDS.—

2 (i) IN GENERAL.—The Secretary and
3 the Board of Governors of the Federal Re-
4 serve System may purchase bonds issued
5 under this subsection.

6 (ii) LIMITATION.—The aggregate
7 amount of outstanding bonds purchased by
8 the Secretary under this subparagraph
9 may not exceed 5 percent of the total
10 amount of the outstanding bonds of the
11 Holding Company.

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

15 (c) INVESTMENT LIMITATION ON NON-U.S. INDIVID-
16 UALS AND ENTITIES.—Notwithstanding any other provi-
17 sion of law—

18 (1) non-U.S. individuals and entities may not
19 hold more than 25 percent, in the aggregate, of the
20 equity securities and bonds of the Holding Company;
21 and

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

1 **SEC. 10006. OVERSIGHT AND REGULATION.**

2 (a) BOARD OF GOVERNORS OF THE FEDERAL RE-
3 SERVE SYSTEM.—The Board of Governors of the Federal
4 Reserve System shall have oversight and supervisory au-
5 thority over the Holding Company and the Bank in order
6 to ensure the safe and sound operation of the Holding
7 Company and the Bank.

8 (b) SECRETARY OF THE TREASURY.—The Secretary
9 shall oversee and supervise the issuance of bonds by the
10 Holding Company and the Bank, in order to ensure the
11 safe and sound financing of the Holding Company and the
12 Bank.

13 (c) CONSULTATION.—The Secretary shall consult
14 with the Board of Governors of the Federal Reserve Sys-
15 tem and may consult with the Secretary of Transportation
16 and any other head of Federal agency when carrying out
17 the Secretary's duties under this division.

18 **SEC. 10007. INFRASTRUCTURE GUARANTEE FUND.**

19 (a) ESTABLISHMENT.—The Bank shall establish an
20 Infrastructure Guarantee Fund that shall be available for
21 State and local governments and other persons who wish
22 to deposit funds to be used with respect to specific loans
23 or loan guarantees made by the Bank in the event of any
24 non-payment by the recipient of such loan or loan guar-
25 antee.

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

6 **SEC. 10008. HOLDING COMPANY AND BANK EXEMPTION**
7 **FROM TAXATION.**

8 Effective for taxable years ending on or after the date
9 of enactment of this Act, the Holding Company and the
10 Bank, including franchises, capital, reserves, surplus, ad-
11 vances, and income of the Holding Company or Bank shall
12 be exempt from all taxation imposed by the United States,
13 by any territory, dependency, or possession thereof, or by
14 any State, county, municipal, or local taxing authority, ex-
15 cept that any real property of the Holding Company and
16 the Bank shall be subject to State, territorial, county, mu-
17 nicipal, or local taxation to the same extent according to
18 its value as other real property is taxed.

19 **SEC. 10009. INFRASTRUCTURE BANK HOLDING COMPANY**
20 **CREDIT.**

21 (a) IN GENERAL.—Subpart D of part IV of sub-
22 chapter A of chapter 1 of the Internal Revenue Code of
23 1986 is amended—

24 (1) by adding at the end the following new sec-
25 tion:

1 **“SEC. 45U. INFRASTRUCTURE BANK HOLDING COMPANY**

2 **CREDIT.**

3 “(a) IN GENERAL.—For purposes of section 38, in
4 the case of a taxpayer who holds a qualified Holding Com-
5 pany equity investment on a credit allowance date of such
6 investment which occurs during the taxable year, the In-
7 frastructure Bank Holding Company credit determined
8 under this section for such taxable year is an amount
9 equal to 10 percent of the amount paid to the Holding
10 Company for such investment at its original issue.

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

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

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

18 “(c) QUALIFIED HOLDING COMPANY EQUITY IN-
19 VESTMENT.—For purposes of this section, the term ‘quali-
20 fied Holding Company equity investment’ means any eq-
21 uity investment originally issued by the Holding Company
22 to the taxpayer under section 10005(a)(1) of the Infra-
23 structure Bank for America Act of 2020 not later than
24 3 years after the date of the enactment of such Act.

25 “(d) HOLDING COMPANY.—For purposes of this sec-
26 tion, the term ‘Holding Company’ means the Infrastruc-

1 ture Bank Holding Company established by the Infra-
2 structure Bank for America Act of 2020.

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

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

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

9 (b) CONFORMING AMENDMENTS.—

10 (1) Section 38(b) of such Code is amended by
11 striking “plus” at the end of paragraph (32), by
12 striking the period at the end of paragraph (33) and
13 inserting “, plus”, and by adding at the end the fol-
14 lowing new paragraph:

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

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

22 “(39) to the extent provided in section
23 45U(e).”.

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

4 **SEC. 10010. RULE OF CONSTRUCTION.**

5 Nothing in this division may be construed as author-
6 izing the Federal Government to guarantee the assets of
7 the Bank or Holding Company.

8 **SEC. 10011. DEFINITIONS.**

9 For the purposes of this division:

10 (1) BANK.—The term “Bank” means the Infra-
11 structure Bank for America established under sec-
12 tion 3.

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

17 (3) HOLDING COMPANY.—The term “Holding
18 Company” means the Infrastructure Bank Holding
19 Company established under section 10002.

20 (4) REVENUE-PRODUCING INFRASTRUCTURE
21 PROJECT.—The term “revenue-producing infrastruc-
22 ture project” means an infrastructure project that,
23 when complete, generates revenue from user fees or
24 other sources.

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

5 (6) RURAL.—The term “rural” means a county
6 that is neither in a metropolitan statistical area nor
7 in a micropolitan statistical area that is adjacent to
8 a metropolitan statistical area, as those terms are
9 defined by the Office of Management and Budget
10 and as applied under currently applicable Urban In-
11 fluence Codes, established by the Economic Research
12 Service of the Department of Agriculture.

13 (7) STATE.—The term “State” means each of
14 the several States, the District of Columbia, each
15 territory or possession of the United States, and
16 each federally recognized Indian Tribe.

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

21 (A) section 350 of the National Highway
22 System Designation Act of 1995;

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

1 (C) section 610 of title 23, United States
2 Code; or

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

