FED 03: SUPPORT FOR A NATIONAL INFRASTRUCTURE BANK
STAFF ANALYSIS

PROPOSAL INFORMATION			
SUBMITTING COUNTY:	Alachua County		
SPONSOR CONTACT:	Mary Alford, Commissioner malford@alachuacounty.gov; 352.810.1731		
FAC COMMITTEE:	Federal	**CROSS-CLAIMS:**	N/A
FAC STAFF:	T. Graham	**DATE:**	October 4, 2026

This staff analysis is based on the proposal as submitted and does not reflect an adopted position of the Florida Association of Counties.

POLICY PROPOSAL:

FAC supports federal legislation to create a National Infrastructure Bank which would be capitalized by existing, privately held Treasury bonds. This bank would require no new federal spending and would not affect the national debt.

I. SUMMARY:

Alachua County is asking FAC to support federal legislation creating a National Infrastructure Bank (NIB), funded mainly by investors trading Treasury bonds they already own for bank stock. The pending bill, H.R. 5356, would let the bank lend up to $5 trillion to states, counties, and others for infrastructure, but it has not moved since it was filed in September 2025. For counties, the bank would be an optional way to borrow, with no new requirements, no unfunded mandate, and no home rule concern. Several statements in the proposal are out of date or not supported by the bill, including the claim that the bank would require no new federal spending.

II. PRESENT SITUATION:

Federal law

No national infrastructure bank exists today. According to the Congressional Research Service (CRS IF12585), Congress has considered the idea since at least 1983, but no bill has passed. Counties now get federal infrastructure help in three main ways:

- **Grants.** The Infrastructure Investment and Jobs Act (Pub. L. 117-58), which the proposal calls the Bipartisan Infrastructure Law, was set to expire September 30, 2026. According to the Associated General Contractors (AGC), Congress extended its highway and transit programs through December 11, 2026, so the proposal's expiration date is out of date.
- **Federal loan programs** for certain project types, such as TIFIA for transportation (23 U.S.C. 601-609) and WIFIA for water (33 U.S.C. 3901 et seq.).
- **Tax-exempt bonds** (26 U.S.C. 103), the main way counties pay for their own projects.

The BUILD America 250 Act, the next five-year transportation bill, passed the House Transportation and Infrastructure Committee on May 22, 2026 (House T&I). According to NACo,

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it provides about $580 billion over five years, with more bridge funding and a 25 percent set-aside for locally owned bridges, and NACo supports it. It does not include an infrastructure bank. Staff could not confirm the proposal's claims that it cuts funding by 50 percent or that its bill number is H.R. 8870.

Florida law

- **State Infrastructure Bank** (s. 339.55, F.S.): FDOT lends to local governments and others for transportation projects, with repayment within 30 years.
- **State revolving funds** (ss. 403.1835 and 403.8532, F.S.): low-interest loans to local governments for water, wastewater, and stormwater projects.
- **Voter approval** (Art. VII, s. 12, Fla. Const.): bonds repaid from property taxes require voter approval.
- **Contractor wage rules** (s. 255.0992, F.S.): counties generally may not set contractor wages or hiring rules on public works, unless federal or state law requires it.

III. EFFECT OF THE PROPOSAL:

No change to Florida law is needed; FAC's role would be to advocate in Congress. The bill that would carry out the proposal is H.R. 5356, the National Infrastructure Bank Act of 2025. As filed, it would:

- Create the bank as a federal corporation run by a 25-member board appointed by the President.
- Fund the bank mainly by letting investors trade Treasury bonds and municipal bonds for bank stock that pays dividends. The U.S. Treasury would also commit up to $100 billion if needed.
- Allow up to $5 trillion in long-term, fixed-rate loans to states, counties, cities, special districts, utilities, private companies, and public-private partnerships. Rates would be no lower than Treasury rates or 1.6 percent, whichever is higher.
- Use bank earnings to help disadvantaged communities that cannot afford regular loan terms.
- Require financed projects to follow federal prevailing wage rules (Davis-Bacon), Buy America rules, and in some cases union project labor agreements.
- Make bank dividends tax-free, and have the federal government cover any losses beyond the bank's reserves.

Rep. Danny K. Davis (D-IL) filed H.R. 5356 on September 15, 2025. It was sent to seven House committees; none has held a hearing, and there is no Senate version (Congress.gov; bill text).

Finding: The proposal says the bank would require no new federal spending and would not affect the national debt. Because the bill includes tax breaks, a $100 billion Treasury commitment, and a federal guarantee against losses, and there is no Congressional Budget Office estimate, staff cannot confirm that statement.

IV. COUNTY IMPACT:

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Scope: All 67 counties could borrow. Fiscally constrained counties, counties with lower credit ratings, and regional projects would likely benefit most.

- **Required:** Nothing. Borrowing would be optional.
- **Optional:** Counties could borrow long term for roads, bridges, water, stormwater, broadband, resilience, housing, transit, and more, alone or with cities, school boards, or other counties.
- **If a county borrows:** Federal wage, Buy America, and labor rules would apply and could raise project costs, as they do on other federally funded projects. Florida's limits on local wage rules allow for requirements set by federal law (s. 255.0992 and s. 218.077, F.S.). Loans would be county debt, and pledging property taxes would need voter approval.
- **Other considerations:** Whether loan rates would beat what a county can get on its own bonds (highly rated counties often borrow below Treasury rates), and whether future federal bills treat the bank as a replacement for grants rather than an addition.

Protective of Home Rule: Yes. It adds an optional way to borrow without limiting county authority. Federal rules apply only if a county chooses to borrow.

V. FISCAL IMPACT:

- **Counties: Indeterminate.** There is no direct cost. Any savings depend on loan terms compared with other borrowing. No state revenue estimate exists because this is a federal proposal.
- **Need:** The American Society of Civil Engineers' 2025 Report Card gave U.S. infrastructure a C and estimated a $3.7 trillion funding gap over 10 years (AASHTO Journal).
- **Job and growth figures:** The proposal's estimates (2.9 percent added GDP, 20 million jobs) come from advocates and other sources and have not been verified by staff.
- **Federal: Uncertain.** No Congressional Budget Office estimate was found. Because the bill includes tax breaks, a $100 billion Treasury commitment, and a federal guarantee against losses, the claim of no new federal spending is not verified (CRS IF12585).

Unfunded Mandate (Art. VII, s. 18, Fla. Const.): No.

VI. LEGISLATIVE & FAC HISTORY:

Passed Florida legislation

- None.

Recent Florida bills (all died in committee)

- HM 245 (2022), Rep. Hinson, urging Congress to pass an earlier NIB bill. Died March 14, 2022.
- SM 1738 (2022), Sen. Torres, Senate version of HM 245. Died March 14, 2022.
- SM 1536 (2024), Sen. Torres, urging Congress to pass a different infrastructure bank bill (H.R. 490). Died March 8, 2024.

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Federal bills

- H.R. 5356 (current): no action since filing. 48 cosponsors, all Democrats, including Florida Reps. Maxwell Frost and Frederica Wilson. Supporters report 61, and the proposal says "over 60" (NIB Coalition).
- H.R. 4052 (2023): 45 cosponsors, all Democrats; no action.
- Florida Rep. Daniel Webster (R) filed a different infrastructure bank bill, H.R. 490, in 2023 (CRS IF12585).

NACo and other organizations

- NACo adopted a resolution supporting a $5 trillion NIB at its July 2025 Annual Conference (American System Now) and an earlier one in March 2020 (American System Now). NACo also supports the BUILD America 250 Act.
- The proposal also lists support from the U.S. Conference of Mayors, the National Conference of State Legislatures, the National Association of Development Organizations, and Florida's regional planning councils. Staff has not verified these.

Submitting County BoCC action

- Alachua County adopted a resolution supporting the NIB on April 28, 2021 (NIB Coalition). However, the BoCC will not take a position until the end of October.

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