

2018 -- S 2676

LC005230

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

SENATE RESOLUTION

RESPECTFULLY REQUESTING THAT THE GOVERNOR AND RHODE ISLAND COMMERCE CORPORATION, IN CONSULTATION AND COLLABORATION WITH THE RHODE ISLAND CONGRESSIONAL DELEGATION, DESIGNATE THE BLACKSTONE RIVER CORRIDOR MUNICIPALITIES OF PROVIDENCE, WOONSOCKET, EAST PROVIDENCE, PAWTUCKET, AND CENTRAL FALLS AS A QUALIFIED OPPORTUNITY ZONE PURSUANT TO THE NEW FEDERAL TAX BILL AUTHORIZATIONS

Introduced By: Senators Conley, Ruggerio, Goodwin, Crowley, and Coyne

Date Introduced: March 20, 2018

Referred To: Senate Housing & Municipal Government

1 WHEREAS, One in six Americans lives in a distressed community according to the
2 Economic Innovation Group. In these areas, household incomes are far below the national level,
3 which is \$59,000, and the poverty rate remains significantly above the national level. These
4 communities have lost approximately six percent of their jobs and their business establishments
5 from 2011 to 2015; and

6 WHEREAS, A section in the recently passed 1.5 trillion dollar federal tax cut law allows
7 for the creation at the state level of "qualified opportunity zones". These "zones" give tax
8 incentives to those people and companies that invest long-term in distressed communities. This
9 new law allows the States to create "qualified opportunity zones" within their distressed
10 communities and allows those who invest in these zones to minimize their tax burden through
11 preferential treatment of their capital gains. With more than two trillion dollars in unrealized
12 capital gains sitting on the balance sheets of corporate America and with individuals, this new law
13 gives these capital gains holders an incentive to roll these gains into opportunity funds and
14 thereby defer taxes, at least temporarily, on their investments. An investor who retains a qualified
15 opportunity zone investment for seven years will only pay 85 percent of the capital gains taxes
16 due on their original investment. If the investor holds these opportunity zone investments beyond
17 ten years, they avoid capital gains taxes on any proceeds from their qualified opportunity zone

1 investment; and

2 WHEREAS, Rhode Island's Blackstone River corridor is a Federally Designated
3 National Park with a significant manufacturing history greatly contributing to our Country's
4 manufacturing presence in the world; and

5 WHEREAS, The Blackstone River corridor will soon be improved and incorporate a new
6 bike trail from Providence Harbor to Woonsocket, supported and paid for by the taxpayers of
7 Rhode Island with the recently passed Green Bond initiative; and

8 WHEREAS, Combining the economic initiatives and funding available at the Rhode
9 Island Department of Environmental Management for Brownfield cleaning and water quality, in
10 partnership with the Rhode Island Commerce Corporation Jobs Development Act economic
11 opportunities, and a newly designated Qualified Opportunity Zone, may help create a catalyst for
12 increasing the median income levels of those aforementioned city residents within this corridor to
13 meet and exceed the current national level of \$59,000 and lower the poverty rates for years to
14 follow; now, therefore be it

15 RESOLVED, That this Senate of the State of Rhode Island and Providence Plantations
16 hereby respectfully requests that the Governor, and the Rhode Island Commerce Corporation, in
17 consultation and collaboration with the Rhode Island Congressional delegation, utilize all
18 available resources to designate the Blackstone River corridor municipalities of Providence,
19 Woonsocket, East Providence, Pawtucket, and Central Falls as a Qualified Opportunity Zone, and
20 to make the appropriate nominations or request a 30-day extension, on or before March 21, 2018;
21 and be it further

22 RESOLVED, That the Secretary of State be and hereby is authorized and directed to
23 transmit duly certified copies of this resolution to Governor Gina M. Raimondo, Stefan Pryor,
24 Secretary of Commerce, and to the Rhode Island Congressional Delegation.

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