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

WHEREAS, A section in the recently passed 1.5 trillion dollar federal tax cut law allows for the creation at the state level of "qualified opportunity zones". These "zones" give tax incentives to those people and companies that invest long-term in distressed communities. This new law allows the States to create "qualified opportunity zones" within their distressed communities and allows those who invest in these zones to minimize their tax burden through preferential treatment of their capital gains. With more than two trillion dollars in unrealized capital gains sitting on the balance sheets of corporate America and with individuals, this new law gives these capital gains holders an incentive to roll these gains into opportunity funds and thereby defer taxes, at least temporarily, on their investments. An investor who retains a qualified opportunity zone investment for seven years will only pay 85 percent of the capital gains taxes due on their original investment. If the investor holds these opportunity zone investments beyond ten years, they avoid capital gains taxes on any proceeds from their qualified opportunity zone
WHEREAS, Rhode Island’s Blackstone River corridor is a Federally Designated National Park with a significant manufacturing history greatly contributing to our Country’s manufacturing presence in the world; and

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

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

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

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