

2018 -- S 2816

=====
LC005485
=====

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 SPECIFIC, ELIGIBLE
CITY OF NEWPORT CENSUS TRACTS AS QUALIFIED OPPORTUNITY ZONES
PURSUANT TO THE NEW FEDERAL TAX BILL AUTHORIZATIONS

Introduced By: Senators Euer, DiPalma, Metts, P Fogarty, and Satchell

Date Introduced: April 12, 2018

Referred To: Recommended for Immediate Consideration

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

1 WHEREAS, Newport is an internationally recognized destination - home to Naval
2 Station Newport, the Newport County Campus of the Community College of RI (CCRI) and the
3 Newport Hospital - with a significant tourism and defense industry economy that greatly
4 contributes to our Country's presence in the world; and

5 WHEREAS, The City of Newport has benefited from a collaboration between the Rhode
6 Island Department of Health's Health Equity Zone, the Federal Reserve Bank of Boston's
7 Working Cities Challenge, and local government and individual residents working together to
8 increase economic opportunities and improve health outcomes for area residents; and

9 WHEREAS, The City of Newport recently celebrated its newly reconstructed Gateway
10 Transportation Center - financed with federal Hurricane Sandy resiliency funds and city and state
11 funding - as one of the main hubs in Rhode Island's transportation system; and

12 WHEREAS, The City of Newport has entered into a public/private partnership funded by
13 the taxpayers of Newport and private companies, which is working to diversify the city's
14 economy; and

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

22 RESOLVED, That this Senate of the State of Rhode Island and Providence Plantations
23 hereby respectfully requests that the Governor, and the Rhode Island Commerce Corporation, in
24 consultation and collaboration with the Rhode Island Congressional Delegation, utilize all
25 available resources to designate specific, eligible city of Newport Census tracts as Qualified
26 Opportunity Zones, and to make the appropriate nominations on or before April 20, 2018; and be
27 it further

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

=====
LC005485
=====