



Legislation Text

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Introductory*

City of Baltimore Council Bill R (Resolution)

Introduced by: Councilmember Henry

A Resolution Entitled

A Council Resolution concerning **Request for State Action - Designating Federal Opportunity Zones**

For the purpose of calling on the Governor to create an open process which will allow for comprehensive and transparent consideration of which census tracts in the State of Maryland should be designated as Opportunity Zones, participating in the new federal tax deferral program intended to spur private investment in underserved communities.

Recitals

Recent changes to federal tax laws included the introduction of a new program allowing state governors to designate low-income census tracts in their states as “Opportunity Zones” in which investments from the private sector receive favorable federal tax treatment. The goal of the program is to incentivize investments in distressed communities through capital gains deferrals, thereby reducing inequalities in access to capital and spurring growth in underserved areas.

In each state, the governor may designate up to 25% of the census tracts that meet the income and economic distress criteria for the program as Opportunity Zones. This approach is intended to both help ensure local needs and opportunities are being met and encourage concentration of capital in targeted, geographically contiguous areas where it can be most impactful.

State governors have until March 21, 2018 to make nominations to the U.S. Secretary of the Treasury for Opportunity Zones to be designated. Governors may request one 30-day extension to the March 21st deadline. To date, the State of Maryland has made no effort to describe or share any form of public process which will be used to determine which census tracts will be designated.

Many census tracts in Baltimore City are eligible to be designated as Opportunity Zones under this program and such designation would be both in keeping with the program’s goals and most effective in steering new capital investment into parts of our City that have traditionally been underserved. Having the Governor make those designations as part of an open, comprehensive and transparent process would be a win for both the City and the State.

Now, therefore, be it resolved by the City Council of Baltimore, That the Council calls on the Governor to create an open process which will allow for comprehensive and transparent consideration of which census

tracts in the State of Maryland should be designated as Opportunity Zones, participating in the new federal tax deferral program intended to spur private investment in underserved communities.

And be it further resolved, That a copy of this Resolution be sent to the Governor, the Honorable Chairs and Members of the Baltimore City House and Senate Delegations to the Maryland General Assembly, the President of the Maryland Senate, the Maryland House Speaker, the Mayor, and the Mayor's Legislative Liaison to the City Council.