

**ASSEMBLY CONCURRENT
RESOLUTION No. 153**

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

Sponsored by:

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

Assemblywoman ANGELA V. MCKNIGHT

District 31 (Hudson)

Assemblywoman LINDA S. CARTER

District 22 (Middlesex, Somerset and Union)

Co-Sponsored by:

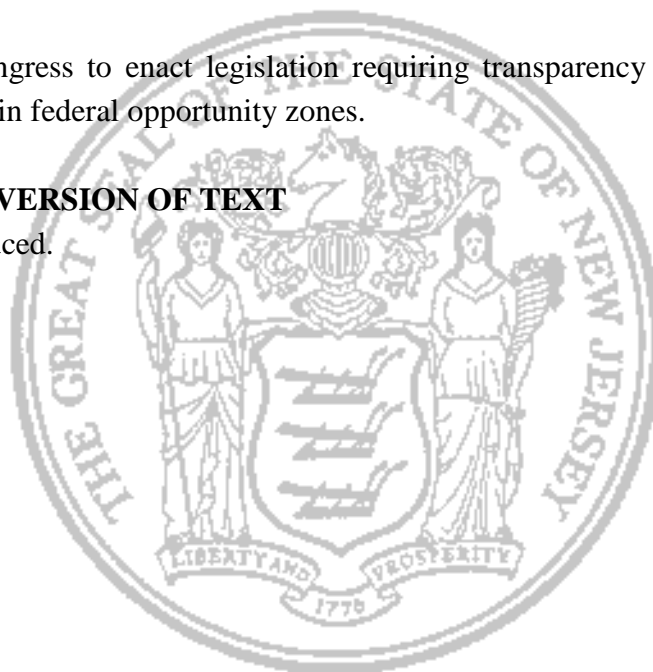
**Assemblyman Holley, Assemblywoman Timberlake, Assemblyman
Spearman, Assemblywomen Speight, Jasey and Vainieri Huttle**

SYNOPSIS

Urges Congress to enact legislation requiring transparency and promoting social equity in federal opportunity zones.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/21/2021)

1 **A CONCURRENT RESOLUTION** urging Congress to enact legislation
2 to require transparency and promote social equity in federal
3 opportunity zones.
4
5 **WHEREAS**, The tax benefits established for capital investments in
6 opportunity zones was added to the federal tax code by the
7 federal “Tax Cuts and Jobs Act of 2017,” Pub.L.115-97, to
8 promote economic development and job creation in distressed
9 communities throughout the nation; and
10 **WHEREAS**, Economically distressed communities in New Jersey
11 were nominated for designation as opportunity zones by the
12 Governor and certified by the United States Secretary of the
13 Treasury, and this designation allows new capital gain
14 investments made through opportunity funds to qualify for
15 preferential tax treatment; and
16 **WHEREAS**, Investing in an opportunity zone allows investors and
17 opportunity funds to defer gains, reduce their tax bills, and
18 exclude future gains from taxation; and
19 **WHEREAS**, Opportunity funds work to increase returns on
20 investment, but opportunity zones were also designed to increase
21 the availability of equity capital in designated communities; and
22 **WHEREAS**, In 2008, only seven percent of Americans reported
23 taxable capital gains; and
24 **WHEREAS**, The New York Times has reported that over 200
25 opportunity funds have been established in the United States,
26 with a goal of raising a total of \$57 billion; and
27 **WHEREAS**, The Congressional Joint Committee on Taxation
28 estimates the opportunity zone tax benefits will cost \$2 billion in
29 lost federal revenue annually; and
30 **WHEREAS**, State governments face additional tax losses, if, like
31 New Jersey, the states conform their capital gains tax treatment
32 to federal capital gains tax treatment; and
33 **WHEREAS**, Despite potential tax losses, the federal enabling
34 legislation did not require the United States Department of the
35 Treasury to track investments in opportunity funds or
36 investments made by funds in specific projects; and
37 **WHEREAS**, The New York Times has reported that billions of
38 dollars are being invested through opportunity funds in luxury
39 apartment buildings and hotels, student housing, and storage
40 facilities, with few employees to operate them, and many of
41 these projects were already underway before the certification of
42 opportunity zones; and
43 **WHEREAS**, There is a significant concern that opportunity zone
44 funding will go to capital investment projects that lead to
45 gentrification and community displacement; and
46 **WHEREAS**, The Congress can help ensure that investments in
47 opportunity zones have a positive social impact on local
48 communities; now, therefore,

ACR153 REYNOLDS-JACKSON, SUMTER

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1 **BE IT RESOLVED** *by the General Assembly of the State of New*
2 *Jersey (the Senate concurring):*

1. The United States Congress is urged to enact legislation that improves transparency, program design, and performance measurements for opportunity funds and investments by those funds in federal opportunity zones. The legislation should require that the United State Department of the Treasury analyze the impact of opportunity fund investments on individual opportunity zones related to race, employment, homeownership, affordable housing, minority-owned businesses, minority entrepreneurship, gentrification, sustainability, and economic development, and to report the findings from that analysis annually to the several states, along with information related to returns on investment, lost federal tax revenue, and deferred federal tax revenue.

2. Duly authenticated copies of this resolution, as filed with the Secretary of State, shall be transmitted by the Clerk of the General Assembly or the Secretary of the Senate to the President of the United States, the United States Department of the Treasury, and every member of the New Jersey Congressional delegation.

STATEMENT

26 This concurrent resolution urges the United States Congress to
27 enact legislation to improve transparency, program design, and
28 performance measurement for opportunity funds and investments by
29 those funds in federal opportunity zones. The concurrent resolution
30 specifies that the federal legislation should require that the United
31 State Department of the Treasury analyze the impact of opportunity
32 fund investments on individual opportunity zones related to race,
33 employment, homeownership, affordable housing, minority-owned
34 businesses, minority entrepreneurship, gentrification, sustainability,
35 and economic development, and to report the findings annually,
36 along with information related to returns on investment, lost federal
37 tax revenue, and deferred federal tax revenue.