

Summary of 2020 State and Local Opportunity Zones Legislation

Following the Treasury Department's release of the final Opportunity Zones regulations in December 2019, a plethora of legislation has been introduced at the state and local level in the new year. The proposed legislation includes providing further clarity on the formation and structure of QOFs, facilitating investments into operating businesses, and creating interstate task force and/or appointing individuals to serve as points of contact for OZ-related activities. These proposals indicate that communities are continuing to use OZs to address their community's unique needs, catalyze investments, and further the nationwide growth of the OZ ecosystem.

Colorado

[Rural Development Grant Program Creation \(S.B. 54\)](#)

State/Locality: Colorado

Synopsis of bill: Requires grant recipients to secure a certain portion of the grant in matching funds from non-government sources to help stimulate private sector investment and drive interest in the federal Opportunity Zone program.

Status of bill: 1/8/20 - Introduced

Florida

[Opportunity Zones \(H.B. 1429\)](#)

State/Locality: Florida

Synopsis of bill: Revives & renames Florida Enterprise Act as Florida Opportunity Act; revives & amends substantive procedures formerly related to enterprise zones; defines "opportunity zone;" provides mechanisms for opportunity zones to receive specified state incentives.

Status of bill: 1/17/20 - Referred to the Workforce Development and Tourism Subcommittee, Ways and Means Committee, and the Commerce Committee

[Opportunity Zones \(S.B. 1612\)](#) - companion to HB 1429

State/Locality: Florida

Synopsis of bill: Renames the Florida Enterprise Zone Act as the Florida Opportunity Zone Act; provides an approval procedure allowing certain opportunity zones to receive certain state incentives; requires a county or municipality to create an opportunity zone development agency; provides that certain enterprise zones may still receive certain state incentives for a specified amount of time; authorizes local governments to review their ordinances to encourage the economic viability and profitability of business and commerce in opportunity zones, etc.

Status of bill: 1/17/20 - Referred to Commerce and Tourism; Community Affairs; Appropriations

Hawai'i

[Relating to Business Development at Barbers Point \(HB1966\)](#)

State/Locality: Kalaeola Opportunity Zone (Hawai'i)

Synopsis of bill: Intends to promote and incentivize business development within the Kalaeola Opportunity Zone; authorizes GET exemption; provides tax credit for upgrading infrastructure.

Status of bill: 1/21/20 - Introduced and passed first reading

Maryland

[Economic Development - Opportunity Zone Incentives - Alteration of the More Jobs for Marylanders and Opportunity Zone Enhancement Programs \(H.B. 45\)](#)

State/Locality: Maryland

Synopsis of bill: Alters certain terms relating to eligibility for benefits under the More Jobs for Marylanders and Opportunity Zone Enhancement programs; applicable to taxable years beginning after December 31, 2018, but before January 1, 2022, the time for which enhancements under the Opportunity Zone Enhancement Program are applicable; limits eligibility for certain Opportunity Zone Enhancement Program benefits to investments in biotechnology and cybersecurity companies established in Opportunity Zones on or after March 1, 2018; etc.

Status of bill: Introduced on 7/8/19, referred to the Ways and Means Committee; a hearing has been scheduled for 1/28.

[Economic Development - Opportunity Zone Incentives - Alteration of the More Jobs for Marylanders and Opportunity Zone Enhancement Programs \(S.B. 122\)](#)

companion to H.B. 45

State/Locality: Maryland

Synopsis of bill: Provides an exemption from the sales and use tax for certain construction material or warehousing equipment purchased solely for use in a qualified opportunity zone in Baltimore County under certain circumstances; requires a buyer claiming the exemption to provide a vendor evidence of eligibility issued by the Comptroller; etc.

Status of bill: 1/8/20 - First reading, hearing scheduled for 1/16

[Opportunity Zone Tax Deduction Reform Act of 2020 \(S.B. 263\)](#)

State/Locality: Maryland

Synopsis of bill: Requires certain taxpayers to add a certain deduction for gains from sales or exchanges of qualified opportunity zone property back to federal adjusted gross income to determine Maryland adjusted gross income; requires certain taxpayers to add a certain deduction for gains from sales or exchanges of qualified opportunity zone property back to federal adjusted gross income to determine Maryland modified income; and applies the Act to taxable years beginning after December 31, 2019.

Status of bill: Has undergone a first reading by the Senate Budget and Taxation Committee and a hearing has been set for 2/5

[Opportunity Zone Tax Deduction Reform Act of 2020 \(H.B. 224\)](#) - companion to S.B. 263

State/Locality: Maryland

Synopsis of bill: Requires certain taxpayers to add a certain deduction for gains from sales or exchanges of qualified opportunity zone property back to federal adjusted gross income to determine Maryland adjusted gross income; requires certain taxpayers to add a certain deduction for gains from sales or exchanges of qualified opportunity zone property back to federal adjusted gross income to determine Maryland modified income; and applies the Act to taxable years beginning after December 31, 2019.

Status of bill: 1/16/20 - First reading in Ways and Means

[Baltimore County - Sales and Use Tax Exemption - Qualified Opportunity Zones \(S.B. 185\)](#)

State/Locality: Baltimore County (Maryland)

Synopsis of bill: Provides an exemption from the sales and use tax for certain construction material or warehousing equipment purchased solely for use in a qualified opportunity zone in Baltimore County under certain circumstances; requires a buyer claiming the exemption to provide a vendor evidence of eligibility issued by the Comptroller; etc.

Status of bill: 1/29/20 - Scheduled for referral to Committee and second reading

[End Ineffective Business Subsidies Act of 2020 \(H.B. 223\)](#)

State/Locality: Maryland

Synopsis of bill: Provides for the “application of certain enhancements offered under the Opportunity Zone Enhancement Program to certain taxable years and certain provisions relating to the enterprise zone program.”

Status of bill: 1/16/20 - First reading in Ways and Means

Missouri

[S.B. 570](#)

State/Locality: Missouri

Synopsis of bill: Provides that redevelopment plans approved or amended after December 31, 2020, by a city not within a county may deposit up to ten percent of the tax increment financing revenues into a strategic infrastructure for economic growth fund established by the city in lieu of deposit into the special allocation fund. Moneys deposited into the strategic infrastructure for economic growth fund pursuant to this section may be expended by the city establishing the fund for the purpose of funding capital investments in public infrastructure in a low-income census tract or Opportunity Zone.

Status of bill: 1/21/20 - SCS voted to pass to Senate Ways and Means Committee

New Hampshire

[H.B. 1474](#)

State/Locality: New Hampshire

Synopsis of bill: Establishes a deduction from gross business profits under the business profits tax for income invested in an Opportunity Zone located in New Hampshire.

Status of bill: In Ways and Means Committee - due out of Committee by 3/5/20

New Jersey

[A. 1190](#)

State/Locality: New Jersey

Synopsis of bill: Establishes the New Jersey Innovation Assistance Program to provide tax credits to certain businesses. For a qualified business facility located in a population census tract that is certified and designated as an opportunity zone, the bill stipulates an increase of \$500 per year.

Status of bill: 1/14/2020 - Referred to Assembly Science, Innovation and Technology Committee

[S. 496](#)

State/Locality: New Jersey

Synopsis of bill: Obligates the Department of Community Affairs to appoint a point person within the Department to act as a point of contact between a qualified opportunity business and all appropriate State government entities providing assistance to qualified opportunity businesses. The bill also allows qualified OZ businesses to undertake public-private partnerships with local governments, school districts and other government entities as provided for under state law.

Status of bill: 1/14/2020 - Introduced in the Senate, referred to Senate Economic Growth Committee

Oregon

[H.B. 2727](#)

State/Locality: Oregon

Synopsis of bill: Allows subtraction from federal taxable income of gain from sale of opportunity zone property, defined as property in low-income census tract developed for affordable housing and held for stated period of time.

Status of bill: In the House Committee on Human Services and Housing and was referred to the House Committee on Revenue

Rhode Island

[An Act relating to taxation - Sales and Use Taxes - Personal Income Tax \(S2050\)](#)

State/Locality: Rhode Island

Synopsis of bill: Modifies Rhode Island’s investment in opportunity zones; for purposes of a taxpayer's state tax liability, in the case of any investment in a Rhode Island opportunity zone by the taxpayer for at least seven years, a modification to income shall be allowed for the incremental difference between the benefit allowed under 26 U.S.C. § 1400Z-2(b)(2)(B)(iv) and the federal benefit allowed under 26 U.S.C. § 1400Z-2(c).

Status of bill: Introduced on 1/21 and referred to Senate Finance Committee

South Carolina

[SC Opportunity Zone Enhancement Act of 2020 \(H. 4657\)](#)

State/Locality: South Carolina

Synopsis of bill: Adds sections to provide an income tax credit to taxpayers investing in new projects located in an OZ in SC; allows a taxpayer to be eligible for a federal low-income housing tax credit to claim a low-income state tax credit, if the property is located in a designated OZ; provides additional credit for full-time jobs created in tier III and tier IV counties with designated opportunity zones; provides for a sales tax rebate and credit to a grocery store vendor that locates a store in an OZ in an area that is defined as a “food desert;” establishes a grant program in the Department of Commerce to provide nonrecurring aid to taxpayers investing in new projects in a designated OZ in tier III or tier IV counties on a priority basis; establishes a South Carolina OZ leadership task force within the Department of Commerce and provides funds for its duties and functions.

Status of bill: 1/14/20 - Referred to the Ways and Means Committee

Vermont

[An Act relating to reducing student loan debt for Rural Vermont workers \(S. 331\)](#)

State/Locality: Vermont

Synopsis of bill: Proposes that the Agency of Commerce and Community Development, in coordination with the Vermont Housing Finance Authority, shall design and implement a Rural Vermont Workforce Incentive Program to provide additional down payment assistance to qualifying buyers who purchase a home in a Vermont Opportunity Zone and participate in the Down Payment Assistance Program.

Status of bill: Introduced on 1/22 and referred to the Economic Development, Housing and General Affairs Committee

Virginia

[Virginia Growth and Opportunity Fund; regional grant awards \(SB 639\)](#)

State/Locality: Virginia

Synopsis of bill: Requires that at least 25 percent of grants received by a region from the Virginia Growth and Opportunity Fund be used to support the creation of jobs in qualified opportunity zones in the region.

Status of bill: 1/7/20 - Introduced and referred to the Senate Committee on Finance and Appropriations