

15-201



**COMMUNITY AND ECONOMIC DEVELOPMENT STEERING COMMITTEE**

**PROPOSED RESOLUTION IN SUPPORT OF PERMANENT AUTHORIZATION FOR EB-5 REGIONAL CENTER PROGRAM**

**Issue:** The EB-5 Regional Center Program (the "Program") authorization expires on September 30, 2015. Permanent authorization by the U.S. Congress is needed to ensure the Program can achieve maximum economic impact and job creation.

**Proposed Policy:** NACo supports federal legislation to permanently authorize the EB-5 Regional Center Program and to maximize its capacity for economic impact and job creation. NACo promotes EB-5 as an important tool for economic development, public private partnerships, job creation and infrastructure development. NACo also supports EB-5 education at NACo events, coordinated with IIUSA, to educate counties on how the Program can benefit them.

**Background:** Congress created the fifth employment-based preference (EB-5) immigrant visa category in 1990 for qualified foreigners seeking to invest in a business that will benefit the U.S. economy and create or save at least 10 full-time jobs for U.S. workers. It is Section 203(b)(5) of the [Immigration and Nationality Act](#). The basic amount required to invest is \$1 million, although that amount is reduced to \$500,000 if the investment is made in a rural or high unemployment area (*i.e.* "Targeted Employment Area (TEA)"). Because of market forces, virtually all EB-5 investments are in rural areas or TEAs at the \$500,000 level. Of the 10,000 EB-5 green cards available each year over 95% go to foreign nationals who invest through a Regional Center. A Regional Center is a private enterprise/corporation or a regional governmental agency with a targeted investment program within a defined geographic region. The Regional Center Investment Program allocates 3,000 green cards each year for people who invest in designated Regional Centers. The 3,000 is not a limit, just the amount reserved specifically for Regional Center based investments. The Program has been renewed several times, and is currently due to expire September 30, 2015.

Recent authorizations have been for 3 year terms. This is not sufficient time for a project developer to secure the required project approvals from USCIS, secure the financing and build the project. Permanent authorization will improve predictability and increase utilization of the program to support economic development projects in TEAs in counties all over the country.

**Fiscal/Urban/Rural Impact:** According to a peer-reviewed economic impact study, in 2010-2011 the Program contributed over \$2.21 billion to gross domestic product (GDP), supported over 28,000 jobs, and generated over \$290 million in federal and over \$178 million in state/local taxes. In 2012, another peer-review study found that the Program contributed over \$2.53 billion to GDP, supported over 33,000 American jobs, and generated over \$381 million in federal and over \$200 million in state/local taxes. The most recent peer-review study from 2013 showed a \$2.58 billion contribution to GDP, supported over 30,000 American jobs, and generated \$381 million in federal and \$200 million in state/local tax revenue.

Industries benefiting the most included construction, food service, wholesale trade, real estate, financial services, legal services, architecture/engineering, and healthcare.

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