

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 157

Approved MARCH 26, 2008

RESOLVED, That the Members of the Providence City Council
hereby Endorse and Urge Passage by the General Assembly of Senate Bill 2008-S
2665 and House Bill 2008-H 7694, An Act Relating To State Affairs and
Government – Distressed Areas Economic Revitalization Act.

IN CITY COUNCIL

MAR 20 2008
READ AND PASSED

Josephine DiLuigi
PRES. PRO TEMPORE

Ann M. Steh
CLERK

APPROVED

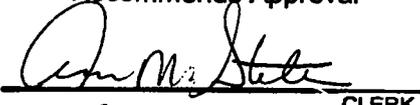
[Signature]
3/26/08
MAYOR

IN CITY COUNCIL
MAR 6 2003
FIRST READING
REFERRED TO COMMITTEE ON
STATE LEGISLATION


CLERK

Councilman Yurdin, By Request

THE COMMITTEE ON
STATE LEGISLATION
Recommends Approval


3-17-08
CLERK

2008 -- S 2665

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LC01986
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2008

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- DISTRESSED AREAS
ECONOMIC REVITALIZATION ACT

Introduced By: Senators Goodwin, Ciccone, Pichardo, Metts, and Jabour

Date Introduced: February 26, 2008

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

- 1 SECTION 1. Section 42-64.3-12 of the General Laws in Chapter 42-64.3 entitled
2 "Distressed Areas Economic Revitalization Act" is hereby amended to read as follows:
3 **42-64.3-12. Applicability to federal enterprise zones and communities.** -- Consistent
4 with the provisions of this chapter, any company whose state-based operations are within the
5 boundaries of a federal enterprise zone or enterprise community shall be deemed eligible to
6 qualify for the benefits afforded by this chapter; provided, however, that the benefits shall be
7 applicable only to that portion of the company's business which is conducted from within the
8 federal enterprise zone or enterprise community. The council may designate a federal enterprise
9 zone, enterprise community, or a state enterprise zone upon its expiration after a request by the
10 appropriate governing authority. Said designation shall be in addition to the limitations imposed
11 by subsection 42-64.3-4(b)
12 SECTION 2. This act shall take effect upon passage.

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LC01986
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO STATE AFFAIRS AND GOVERNMENT -- DISTRESSED AREAS
ECONOMIC REVITALIZATION ACT

- 1 This act would allow the designation of federal enterprise zone, enterprise community, or
- 2 state enterprise upon specific request of a governing authority.
- 3 This act would take effect upon passage.

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LC01986
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2008 -- H 7694

LC01984

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2008

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- DISTRESSED AREAS
ECONOMIC REVITALIZATION ACT

Introduced By: Representatives Williams, Slater, Segal, Handy, and Ajello

Date Introduced: February 26, 2008

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-64.3-12 of the General Laws in Chapter 42-64.3 entitled
2 "Distressed Areas Economic Revitalization Act" is hereby amended to read as follows:

3 **42-64.3-12. Applicability to federal enterprise zones and communities.** -- Consistent
4 with the provisions of this chapter, any company whose state-based operations are within the
5 boundaries of a federal enterprise zone or enterprise community shall be deemed eligible to
6 qualify for the benefits afforded by this chapter; provided, however, that the benefits shall be
7 applicable only to that portion of the company's business which is conducted from within the
8 federal enterprise zone or enterprise community. The council may designate a federal enterprise
9 zone, enterprise community, or a state enterprise zone upon its expiration after a request by the
10 appropriate governing authority. Said designation shall be in addition to the limitations imposed
11 by subsection 42-64.3-4(b)

12 SECTION 2. This act shall take effect upon passage.

LC01984

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO STATE AFFAIRS AND GOVERNMENT -- DISTRESSED AREAS
ECONOMIC REVITALIZATION ACT

- 1 This act would allow the designation of federal enterprise zone, enterprise community, or
- 2 state enterprise upon specific request of a governing authority.
- 3 This act would take effect upon passage.

LC01984

Enterprise Zone Amendment

S 2665/H 7694

- The Enterprise Zone legislation allows businesses in State Enterprise Zones to take a state income tax credit for each new employee hired in a calendar year. Any business located in a state enterprise zone that grows its employment base by 5% with full-time Rhode Island residents may be eligible for the **Rhode Island Enterprise Zone Business Tax Credit**. The tax credit is equal to 50% of the annual wages paid to new employees to a maximum of \$2,500 per employee. If new employees reside in an enterprise zone, then the tax credit is equal to 75% of the annual wages paid to those new employees to a maximum credit of \$5,000 per employee.
- When the law was created, a provision was included that any business located in a Federal Enterprise Zone was eligible for the state tax credit. The Federal Enterprise Zone in the City of Providence expired last year and the federal has ceased reauthorizing old enterprise zones or creating new zones.
- As a result of the expiration of this the Federal Enterprise Zone, an area the General Assembly originally intended to be eligible for this economic development benefit is no longer eligible. The expired Federal Enterprise Zone was in South Providence and Smith Hill.
- The state Enterprise Committee interprets the state law to limit the number of zones that can be created. Further, the law limits the number of census tracts that can be included in a zone to five contiguous tracts. Because of this, the area originally a Federal Enterprise Zone, which encompassed twelve tracts, is not effectively eligible for designation as a State Enterprise Zone under current law.
- Any company whose state-based operations are within the boundaries of a federal enterprise zone or enterprise community will be eligible to qualify for the benefits afforded to the State Enterprise Zones. These benefits, however, will be applicable only to the portion of the company's business that is conducted within the federal enterprise zone or enterprise community. The council may designate a federal enterprise zone a state enterprise zone upon its expiration after a request of the appropriate governing authority.
- With the expiration of the Federal EC, some of the most distressed census tracts of the city are no longer eligible for the tax credits and therefore these areas are no longer afforded the opportunity to attract businesses, promote job growth, and achieve the area development/redevelopment and revitalization needed to address the economic distress and other social issues that exist in these areas.
- Lost opportunities from the expiration of the zone include the loss of the tax credits for the member businesses in the zone, which in turn prevents or impacts the ability of these businesses to expand and create job growth. In addition, companies that have located in some of the most distressed census tracts of the city, (due to the tax credit incentives of the Enterprise Zone), may look elsewhere to locate or relocate their business. Finally, these businesses most likely would have hired local residents, some of whom are the most underprivileged and underserved in the State.

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 156

Approved MARCH 26, 2008

RESOLVED, That the Members of the Providence City Council
hereby Endorse and Urge Passage by the General Assembly of Senate Bill 2008-S
2702 and House Bill 2008-H 7662, An Act Relating to Towns and Cities – General
Powers.

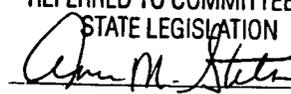
IN CITY COUNCIL
MAR 20 2008
READ AND PASSED

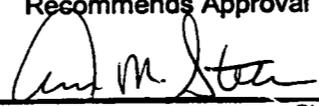
Josephine DiLuzzo
PRES. PRO TEMPORE

Ann M. Steh
CLERK

APPROVED

[Signature]
MAYOR

IN CITY COUNCIL
MAR 6 2000
FIRST READING
REFERRED TO COMMITTEE ON
STATE LEGISLATION

CLERK

THE COMMITTEE ON
STATE LEGISLATION
Recommends Approval

CLERK

2008 -- S 2702

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LC01997
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2008

A N A C T

RELATING TO TOWNS AND CITIES -- GENERAL POWERS

Introduced By: Senators Goodwin, Ciccone, Metts, Jabour, and Ruggerio

Date Introduced: February 26, 2008

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-2-23 of the General Laws in Chapter 45-2 entitled "General
2 Powers" is hereby repealed.

3 ~~45-2-23. City of Providence—Bureau of licenses.~~ Notwithstanding the provisions of
4 section 45-6-2 or any other general or special law to the contrary, the bureau of licenses of the
5 city of Providence is authorized to impose a fine not to exceed five hundred dollars (\$500) upon
6 any person, firm, or corporation which holds a license issued by the bureau for the violation of
7 any law, ordinance, condition, rule, or regulation applicable to the license.

8 SECTION 2. This act shall take effect upon passage.

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LC01997
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TOWNS AND CITIES -- GENERAL POWERS

- 1 This act would remove the fine of five hundred dollars (\$500) that the bureau of licenses
- 2 of the city of Providence is authorized to impose as a fine upon any person, firm, or corporation
- 3 for the violation of any law, ordinance, condition, rule, or regulation applicable to the license.
- 4 This act would take effect upon passage.

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LC01997
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2008 -- H 7662

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LC01996
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2008

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A N A C T

RELATING TO TOWNS AND CITIES -- GENERAL POWERS

Introduced By: Representatives Diaz, Slater, and Almeida

Date Introduced: February 26, 2008

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 45-2-23 of the General Laws in Chapter 45-2 entitled "General
2 Powers" is hereby repealed.

3 ~~45-2-23. City of Providence — Bureau of licenses.~~ Notwithstanding the provisions of
4 section 45-6-2 or any other general or special law to the contrary, the bureau of licenses of the
5 city of Providence is authorized to impose a fine not to exceed five hundred dollars (\$500) upon
6 any person, firm, or corporation which holds a license issued by the bureau for the violation of
7 any law, ordinance, condition, rule, or regulation applicable to the license.

8 SECTION 2. This act shall take effect upon passage.

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LC01996
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N · A C T
RELATING TO TOWNS AND CITIES -- GENERAL POWERS

1 This act would remove the fine of five hundred dollars (\$500) that the bureau of licenses
2 of the city of Providence is authorized to impose as a fine upon any person, firm, or corporation
3 for the violation of any law, ordinance, condition, rule, or regulation applicable to the license.

4 This act would take effect upon passage.

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LC01996
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Repeal Providence \$500 Maximum License Fine
S 2702/H 7662

- § 45-2-23 states that disregarding any other law to the contrary, the bureau of licenses of *the City of Providence can only impose fines up to five hundred dollars* (\$500) on any person, firm or corporation for any violation of any law, ordinance, rule or regulation having to do with the license.
- For all other cities and towns, § 3-5-21 allows fines of up to \$1000 for subsequent offenses.
- For all other cities and towns, according to § 3-8-5, any person who sells alcoholic beverages to a person under 21, either for his or her own use or any other person, or allows someone under 21 to drink beverages on a licensed premise, will for the first offense be fined up to two hundred fifty dollars (\$250); for the second offense, be subject to a fine of five hundred dollars (\$500); and for the third and any subsequent offense, be subject to a fine of seven hundred fifty dollars (\$750). The fine for this license violation is in direct disagreement with the statutes that limit fines in Providence to \$500 for each offense.
- Providence cannot fine license violations at the same amounts as other cities and towns in Rhode Island, because of this statute § 45-2-23.
- In a 2004 case brought to the Rhode Island Supreme Court between the City of Providence and an adult entertainment establishment, the establishment had violated on two separate occasions the provisions of Providence Ordinance 14-1, which pertains to closing hours, license fees, and regulations concerning commercial establishments, by remaining open past 1:00 A.M. The board fined the establishment \$2500 for its violations. The establishment argued that the amount of the fine could not be reconciled with the provisions of §45-2-23, which state that the bureau of licenses cannot impose a fine greater than \$500 for each offense. Ultimately, the establishment paid a total of \$1000, paying \$500 for each violation.