



NATIONAL CONFERENCE of STATE LEGISLATURES

The Forum for America's Ideas

Michael Gronstal
Senate Majority Leader
Iowa
President, NCSL

Raúl E. Burciaga
Director
Legislative Council Service
New Mexico
Staff Chair, NCSL

William T. Pound
Executive Director

September 6, 2016

The Honorable Paul D. Ryan
Speaker
United States House of Representatives
U.S. Capitol, H-232
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
U.S. Capitol, S-230
Washington, DC 20510

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
U.S. Capitol, H-204
Washington, DC 20515

The Honorable Harry Reid
Minority Leader
United States Senate
U.S. Capitol, S-221
Washington, DC 20510

Dear Speaker Ryan, Leader McConnell, Leader Pelosi, and Leader Reid:

On behalf of the nation's more than 7,300 state legislators, I am writing to urge action on the reauthorization of the EB-5 Regional Center Program before its expiration on Sept. 30, 2016. At our most recent annual meeting, the National Conference of State Legislatures (NCSL) passed a resolution (attached below) noting the economic benefits of the EB-5 Regional Center Program and calling for its continuation.

In the resolution, NCSL recognizes the \$16 billion in investment that the program has produced, supporting more than 170,000 American jobs in our members' districts. With about 22,000 applications representing nearly \$11 billion in potential investment and more than 200,000 jobs awaiting a determination, it is critical that Congress act to reauthorize the regional center program. Without congressional action before Sept. 30, the states our members represent will face the loss of the billions of dollars in investment that EB-5 brings to their districts, along with the loss of tens of thousands of jobs that would have otherwise been created as a result of this investment.

As with many programs, NCSL also recognizes the concerns of our members regarding areas in which the EB-5 Regional Center Program can be improved. Our resolution acknowledges the need for reforms throughout the program, and we therefore ask that Congress work to include improved accountability, transparency and other program integrity measures in its reauthorization. NCSL's membership further calls for state involvement in the process of designating and overseeing specific

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projects in targeted employment areas, and to ensure that resources are being utilized in ways they are most needed.

In all, NCSL values the extensive economic benefits that the EB-5 program brings to our country, to our states and to our districts. We therefore ask that Congress honor these benefits by working together in the coming weeks to address the need for reauthorization, to put into place sensible reforms and to act swiftly on legislation before a lapse of the program's authority.

If you have any questions or need additional information, please contact NCSL's Labor & Economic Development Senior Committee Director, Jon Jukuri, at 202-624-8663 or Jon.Jukuri@ncsl.org.

Sincerely,

A handwritten signature in black ink that reads "William T. Pound". The signature is fluid and cursive, with a large loop at the end of the last name.

William T. Pound
Executive Director, NCSL

cc: Members of the Judiciary Committees of the U.S. House of Representatives and U.S. Senate

Enclosed: NCSL Resolution: "EB-5 Regional Center Program Reauthorization"

COMMITTEE: LABOR AND ECONOMIC DEVELOPMENT

POLICY: EB-5 REGIONAL CENTER PROGRAM
REAUTHORIZATION

TYPE: RESOLUTION

WHEREAS, EB-5 is the designation for the fifth employment-based preference immigrant visa category established by Congress in 1990; and

WHEREAS, Congress established the Immigrant Investor Pilot Program in 1992 to create regional centers which aid foreign investors, by directing and professionally managing their investments while concentrating pooled investments in defined distressed economic zones; and

WHEREAS, EB-5 allocates 10,000 visas annually to foreign investors and their families who invest at least \$1 million (or \$500,000 in a targeted employment area) which must generate at least 10 jobs; and

WHEREAS, EB-5 has become a vital source of regional economic development funds; and

WHEREAS, from FY1992 to present, the EB-5 visa has generated more than \$16.2 billion in investments; and

WHEREAS, that investment has supported over 171,000 American jobs; and

WHEREAS, as of February 2016, there were 796 approved regional centers across the United States; and

WHEREAS, at the end of Q1 FY2016 there were about 22,000 pending applications for EB-5 related visas, representing nearly \$11 billion in potential direct investment and 220,000 American jobs; and

WHEREAS, the EB-5 Program had record-breaking capital formation in FY2015 and Q1 FY2016 with over \$4.3 billion and \$628.5 million in foreign direct investment respectively; and

WHEREAS, in 2015 Congress passed legislation to reauthorize the EB-5 regional center program through September 30, 2016; and

WHEREAS, states and localities are working with private parties to use EB-5 foreign direct investment to finance job creating projects; and

WHEREAS, the rationale behind the EB-5 Program is to create jobs, so those jobs should be direct jobs, including construction jobs lasting less than two years, indirect and/or induced jobs, and they should meet or exceed local wage, benefit and health and safety standards and help strengthen the communities deemed to be in need of economic stimulus and workforce development; and

WHEREAS, the law allows for a state level input in designating targeted employment areas for EB-5 development, allowing for state oversight of specific projects within those targeted employment areas would help ensure compliance with community and industry labor standards; and

WHEREAS, the EB-5 Program is in need of reform to increase accountability and transparency and enhance program integrity; and

WHEREAS, any effort to extend or make permanent the EB-5 regional center program must balance investment in urban centers and rural areas in recognition of the potential benefits of the program in both; and

WHEREAS, without Congressional action the EB-5 regional center program will sunset on September 30, 2016.

NOW, THEREFORE, BE IT RESOLVED, that The National Conference of State Legislatures urges Congress to reauthorize the EB-5 regional center program through legislation to include additional visa capacity, ensuring any reform of the EB-5 regional center program maintains the ability to deliver job-creating capital to American communities, including mechanisms to ensure the creation of quality jobs, permanent authorization of the regional center program, avoid retroactive application of new law on matters already filed, allow for economic impact models to be used in measuring job creation, improved processing systems to address backlogged petitions, streamlined approvals for all applications, and enhanced program integrity measures through improved reporting requirements and oversight that is not unduly burdensome.