

CONCISE EXPLANATORY STATEMENT

In accordance with the Administrative Procedures Act, R.I. Gen. Laws § 42-35-2.6, following is a concise explanatory statement:

AGENCY: Rhode Island Commerce Corporation

DIVISION: *(If any)*

RULE IDENTIFIER: 870-RICR-30-00-9

RULE TITLE: Rules and Regulations for the City of Pawtucket Downtown
Redevelopment Project Act

REASON FOR RULEMAKING: As part of the budget act passed in 2019, the General Assembly amended Chapter 33.4 of Title 45 of the Rhode Island General Laws known as the City of Pawtucket Downtown Redevelopment Project Act (the "Act"). The Act provides for the establishment of three districts in Pawtucket (Arts District, Ballpark District and Growth Center District) from which certain "State Economic Activity Taxes" can be pledged for the purposes of financing projects in those districts. The definition of State Economic Activity Taxes in the Act limits the state tax revenues available to be pledged to only incremental tax revenues over the amount of existing baseline tax revenues as established by the Division of Taxation as of September 2019, which is similar to many tax increment financing statutes. The Act further provides that the Corporation shall establish, by regulation, the documentation that shall be required to verify compliance under the subsection listing the four eligibility criteria. As such, the Corporation is obligated to adopt regulations in relation to the establishment of documentation and a verification process for the review and approval of the use of existing baseline revenues in relation to projects in the districts.

ANY FINDING REQUIRED BY LAW AS A PREREQUISITE TO THE

EFFECTIVENESS OF THE RULE: N/A

TESTIMONY AND COMMENTS: N/A

CHANGE TO TEXT OF THE RULE: NONE

REGULATORY ANALYSIS: No additional analysis was undertaken for this amendment.