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, it may allow 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, 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.