

# Bond Case Briefs

*Municipal Finance Law Since 1971*

---

## Lawmakers Press Treasury Secretary Mnuchin for Opportunity Zones Oversight.

**“I want to make sure it works the way it was intended,” one Ways and Means Committee member said of the new program.**

Congressional lawmakers stressed to Treasury Secretary Steven Mnuchin on Thursday that they want to see data and metrics for the Opportunity Zones program so that the initiative is transparent and its effectiveness can be assessed.

Their comments came during a House Ways and Means Committee hearing where Mnuchin testified. He fielded other questions related to Opportunity Zones as well, like whether the program could be expanded to more places and when people could expect a second round of promised regulations for it to be released.

Opportunity Zones were created under the massive tax package President Trump signed into law in December of 2017.

Under the program people and companies can get tax breaks on capital gains by funneling money into special funds that invest in economically distressed census tracts designated as zones.

U.S. Rep. Ron Kind, a Wisconsin Democrat, was one of the lawmakers who brought up the initiative in Thursday’s hearing.

“Right now there’s no accountability or data reporting requirements as far as where these investments are going,” he said. “Nor is there government data at this time tracking the number or the characteristics of the qualified opportunity funds.”

Kind expressed optimism about the program, but added: “I want to make sure it works the way it was intended.”

Mnuchin agreed that data collection and accountability are concerns. He told the lawmaker that if there is specific information he’d like to see collected, he should send the Treasury Department a letter describing it. “We will take that into consideration,” Mnuchin said.

Terri Sewell, an Alabama Democrat, also raised data collection and reporting issues, saying she wants to make sure metrics are tracked to show whether communities are benefiting from the program.

Mnuchin told her that the only reason Treasury has not issued guidelines around reporting and data collection is that the department did not want to rush the process of coming up with them.

“We want to have the proper reporting,” Mnuchin said. “We’ll work with you very closely.”

Sewell and Kind were among 16 House and Senate members who signed onto a [letter](#) in January that

outlined concerns about the first round of proposed Opportunity Zones rules, issued last October.

One issue they addressed was to urge Treasury to include reporting requirements to prevent waste, fraud and abuse in the program and to help verify that is achieving desired results.

Sewell and a Pennsylvania Republican, Rep. Mike Kelly, both asked Mnuchin about the status of additional Opportunity Zones regulations Treasury and the IRS are working on. The secretary did not offer a specific date for when further guidelines might be issued, saying that they are going through a review process.

"I ask my team every day: 'Where are they?'" Mnuchin said. "I hope this is a matter of weeks that we can get these out," he added. "I can assure you this is on the top of my list when we have tax meetings every day."

There are currently about 8,700 census tracts designated as zones around the U.S. These areas were selected by governors and approved by the federal government.

Mnuchin told the lawmakers that he does not believe the Treasury Department has legal authority to allow for any more zones to be designated, but that the department would be willing to work with lawmakers to pass the appropriate legislation to expand the program to more tracts if that is something that Congress is interested in.

## **Route Fifty**

By Bill Lucia,  
Senior Reporter

MARCH 14, 2019