

2019 -- H 5151 SUBSTITUTE A AS AMENDED

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LC000763/SUB A
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N A C T

RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2020

Introduced By: Representative Marvin L. Abney

Date Introduced: January 17, 2019

Referred To: House Finance

(Governor)

It is enacted by the General Assembly as follows:

- 1 ARTICLE 1 RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2020
- 2 ARTICLE 2 RELATING TO STATE FUNDS
- 3 ARTICLE 3 RELATING TO GOVERNMENT REFORM
- 4 ARTICLE 4 RELATING TO GOVERNMENT REORGANIZATION
- 5 ARTICLE 5 RELATING TO TAXES, REVENUE AND FEES
- 6 ARTICLE 6 RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS
- 7 ARTICLE 7 RELATING TO MOTOR VEHICLES
- 8 ARTICLE 8 RELATING TO TRANSPORTATION
- 9 ARTICLE 9 RELATING TO EDUCATION
- 10 ARTICLE 10 RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT
- 11 OF FY 2019
- 12 ARTICLE 11 RELATING TO HEALTHCARE MARKET STABILITY
- 13 ARTICLE 12 RELATING TO ECONOMIC DEVELOPMENT
- 14 ARTICLE 13 RELATING TO HUMAN SERVICES
- 15 ARTICLE 14 RELATING TO LEASE AGREEMENTS FOR LEASED OFFICE AND
- 16 OPERATING SPACE
- 17 ARTICLE 15 RELATING TO MARIJUANA
- 18 ARTICLE 16 RELATING TO CENTRAL FALLS RETIREES' BENEFICIARIES
- 19 ARTICLE 17 RELATING TO EFFECTIVE DATE

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LC000763/SUB A
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ARTICLE 1 AS AMENDED

RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2020

SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained in this act, the following general revenue amounts are hereby appropriated out of any money in the treasury not otherwise appropriated to be expended during the fiscal year ending June 30, 2020. The amounts identified for federal funds and restricted receipts shall be made available pursuant to section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For the purposes and functions hereinafter mentioned, the state controller is hereby authorized and directed to draw his or her orders upon the general treasurer for the payment of such sums or such portions thereof as may be required from time to time upon receipt by him or her of properly authenticated vouchers.

Administration

Central Management

General Revenues	2,389,232
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Legal Services

General Revenues	2,294,340
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Accounts and Control

General Revenues	5,412,043
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Restricted Receipts – OPEB Board Administration	149,966
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Total – Accounts and Control	5,562,009
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Office of Management and Budget

General Revenues	8,220,142
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Restricted Receipts	300,000
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Other Funds	1,321,384
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Total – Office of Management and Budget	9,841,526
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Purchasing

General Revenues	3,335,156
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Restricted Receipts	459,389
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Other Funds	503,353
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Total – Purchasing	4,297,898
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Human Resources

1	General Revenues	788,541
2	<i>Personnel Appeal Board</i>	
3	General Revenues	151,521
4	<i>Information Technology</i>	
5	General Revenues	1,647,418
6	Federal Funds	114,000
7	Restricted Receipts	6,622,092
8	Provided that \$343,000 of this amount is for the Division of Motor Vehicles for license	
9	plates reissuance initial costs.	
10	Total – Information Technology	8,383,510
11	<i>Library and Information Services</i>	
12	General Revenues	1,457,501
13	Federal Funds	1,155,921
14	Restricted Receipts	1,404
15	Total – Library and Information Services	2,614,826
16	<i>Planning</i>	
17	General Revenues	1,530,465
18	Provided that \$500,000 is for the Rhode Island Statewide Complete Count Committee.	
19	Federal Funds	15,448
20	Other Funds	
21	Air Quality Modeling	24,000
22	Federal Highway – PL Systems Planning	3,775,979
23	FTA – Metro Planning Grant	1,107,450
24	Total – Planning	6,453,342
25	<i>General</i>	
26	General Revenues	
27	Miscellaneous Grants/Payments	130,000
28	Provided that this amount be allocated to City Year for the Whole School Whole Child	
29	Program, which provides individualized support to at-risk students.	
30	Torts – Courts/Awards	900,000
31	Resource Sharing and State Library Aid	9,562,072
32	Library Construction Aid	1,937,230
33	Restricted Receipts	700,000
34	Other Funds	

1	Rhode Island Capital Plan Funds	
2	Security Measures State Buildings	500,000
3	Energy Efficiency Improvements	500,000
4	Cranston Street Armory	500,000
5	State House Renovations	2,201,684
6	Zambarano Utilities & Infrastructure	2,242,000
7	Replacement of Fueling Tanks	330,000
8	Environmental Compliance	200,000
9	Big River Management Area	100,000
10	Veterans Memorial Auditorium	90,000
11	Shepard Building	250,000
12	Pastore Center Water Tanks & Pipes	280,000
13	RI Convention Center Authority	5,500,000
14	Dunkin Donuts Center	1,500,000
15	Pastore Center Power Plant Rehabilitation	2,350,000
16	Accessibility – Facility Renovations	1,000,000
17	DoIT Enterprise Operations Center	500,000
18	BHDDH DD & Community Facilities – Asset Protection	200,000
19	BHDDH DD & Community Homes – Fire Code	1,600,000
20	BHDDH DD Regional Facilities – Asset Protection	300,000
21	BHDDH Substance Abuse Asset Protection	250,000
22	BHDDH Group Homes	500,000
23	Expo Center (Springfield)	250,000
24	Hospital Consolidation	13,132,000
25	McCoy Stadium	200,000
26	Statewide Facility Master Plan	250,000
27	Cannon Building	1,250,000
28	Old Colony House	25,000
29	Old State House	500,000
30	State Office Building	350,000
31	State Office Reorganization & Relocation	1,750,000
32	William Powers Building	1,250,000
33	Pastore Center Utilities Upgrade	387,000
34	Pastore Center Medical Buildings Asset Protection	3,487,500

1	Pastore Center Non-Medical Buildings Asset Protection	4,350,388
2	Washington County Government Center	1,050,000
3	Chapin Health Laboratory	275,000
4	Total – General	62,629,874
5	<i>Debt Service Payments</i>	
6	General Revenues	158,777,282
7	Out of the general revenue appropriations for debt service, the General Treasurer is	
8	authorized to make payments for the I-195 Redevelopment District Commission loan up to the	
9	maximum debt service due in accordance with the loan agreement.	
10	Federal Funds	1,870,830
11	Other Funds	
12	Transportation Debt Service	36,322,259
13	Investment Receipts – Bond Funds	100,000
14	Total - Debt Service Payments	197,070,371
15	<i>Energy Resources</i>	
16	Federal Funds	
17	Federal Funds	547,176
18	Stimulus – State Energy Plan	449,498
19	Restricted Receipts	7,817,428
20	Total – Energy Resources	8,814,102
21	<i>Rhode Island Health Benefits Exchange</i>	
22	General Revenues	1,591,498
23	Restricted Receipts	8,361,899
24	Total – Rhode Island Health Benefits Exchange	9,953,397
25	<i>Office of Diversity, Equity & Opportunity</i>	
26	General Revenues	1,304,197
27	Other Funds	122,303
28	Total – Office of Diversity, Equity & Opportunity	1,426,500
29	<i>Capital Asset Management and Maintenance</i>	
30	General Revenues	9,817,305
31	<i>Statewide Savings Initiatives</i>	
32	General Revenues	
33	Fraud and Waste Detection	(1,950,518)
34	Injured-on-Duty Savings	(1,657,000)

1	Overtime Savings	(1,000,000)
2	Total – Statewide Savings Initiatives	(4,607,518)
3	Grand Total – Administration	327,880,776
4	Business Regulation	
5	<i>Central Management</i>	
6	General Revenues	2,529,586
7	<i>Banking Regulation</i>	
8	General Revenues	1,659,819
9	Restricted Receipts	75,000
10	Total – Banking Regulation	1,734,819
11	<i>Securities Regulation</i>	
12	General Revenues	1,083,495
13	Restricted Receipts	15,000
14	Total – Securities Regulation	1,098,495
15	<i>Insurance Regulation</i>	
16	General Revenues	3,919,342
17	Restricted Receipts	2,011,929
18	Total – Insurance Regulation	5,931,271
19	<i>Office of the Health Insurance Commissioner</i>	
20	General Revenues	1,717,106
21	Federal Funds	376,948
22	Restricted Receipts	478,223
23	Total – Office of the Health Insurance Commissioner	2,572,277
24	<i>Board of Accountancy</i>	
25	General Revenues	5,883
26	<i>Commercial Licensing and Gaming and Athletics Licensing</i>	
27	General Revenues	1,135,403
28	Restricted Receipts	950,957
29	Total – Commercial Licensing and Gaming and Athletics	
30	Licensing	2,086,360
31	<i>Building, Design and Fire Professionals</i>	
32	General Revenues	5,846,047
33	Federal Funds	378,840
34	Restricted Receipts	2,267,456

1	Other Funds	
2	Quonset Development Corporation	71,199
3	Rhode Island Capital Plan Funds	
4	Fire Academy	495,160
5	Total – Building, Design and Fire Professionals	9,058,702
6	<i>Office of Cannabis Regulation</i>	
7	Restricted Receipts	1,346,264
8	Grand Total – Business Regulation	26,363,657
9	Executive Office of Commerce	
10	<i>Central Management</i>	
11	General Revenues	1,921,663
12	<i>Housing and Community Development</i>	
13	General Revenues	841,208
14	Federal Funds	17,611,003
15	Restricted Receipts	4,754,319
16	Total – Housing and Community Development	23,206,530
17	<i>Quasi-Public Appropriations</i>	
18	General Revenues	
19	Rhode Island Commerce Corporation	7,431,022
20	Airport Impact Aid	1,010,036
21	Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be	
22	distributed to each airport serving more than 1,000,000 passengers based upon its percentage of the	
23	total passengers served by all airports serving more than 1,000,000 passengers. Forty percent (40%)	
24	of the first \$1,000,000 shall be distributed based on the share of landings during calendar year 2019	
25	at North Central Airport, Newport-Middletown Airport, Block Island Airport, Quonset Airport,	
26	T.F. Green Airport and Westerly Airport, respectively. The Rhode Island Commerce Corporation	
27	shall make an impact payment to the towns or cities in which the airport is located based on this	
28	calculation. Each community upon which any part of the above airports is located shall receive at	
29	least \$25,000.	
30	STAC Research Alliance	900,000
31	Innovative Matching Grants/Internships	1,000,000
32	I-195 Redevelopment District Commission	761,000
33	Chafee Center at Bryant	476,200
34	Polaris Manufacturing Grant	350,000

1	Urban Ventures	140,000
2	East Providence Waterfront Commission	50,000
3	Other Funds	
4	Rhode Island Capital Plan Funds	
5	I-195 Redevelopment District Commission	450,000
6	Quonset Piers	5,000,000
7	Quonset Point Infrastructure	4,000,000
8	Total – Quasi–Public Appropriations	21,568,258
9	<i>Economic Development Initiatives Fund</i>	
10	General Revenues	
11	Innovation Initiative	1,000,000
12	Rebuild RI Tax Credit Fund	10,000,000
13	Competitive Cluster Grants	100,000
14	P-tech	200,000
15	Small Business Promotion	300,000
16	Small Business Assistance	500,000
17	Total – Economic Development Initiatives Fund	12,100,000
18	<i>Commerce Programs</i>	
19	General Revenues	
20	Wavemaker Fellowship	1,200,000
21	Grand Total – Executive Office of Commerce	59,996,451
22	Labor and Training	
23	<i>Central Management</i>	
24	General Revenues	797,120
25	Restricted Receipts	222,508
26	Total – Central Management	1,019,628
27	<i>Workforce Development Services</i>	
28	General Revenues	6,276,757
29	Provided that \$100,000 be allocated to support the Opportunities Industrialization Center.	
30	Federal Funds	25,449,292
31	Restricted Receipts	16,843,397
32	Other Funds	197,142
33	Total – Workforce Development Services	48,766,588
34	<i>Workforce Regulation and Safety</i>	

1	General Revenues	3,231,560
2	<i>Income Support</i>	
3	General Revenues	3,932,826
4	Federal Funds	12,835,359
5	Restricted Receipts	2,383,219
6	Other Funds	
7	Temporary Disability Insurance Fund	203,094,524
8	Employment Security Fund	162,735,000
9	Total – Income Support	384,980,928
10	<i>Injured Workers Services</i>	
11	Restricted Receipts	10,573,722
12	<i>Labor Relations Board</i>	
13	General Revenues	441,669
14	Grand Total – Labor and Training	449,014,095
15	Department of Revenue	
16	<i>Director of Revenue</i>	
17	General Revenues	2,141,620
18	<i>Office of Revenue Analysis</i>	
19	General Revenues	841,407
20	<i>Lottery Division</i>	
21	Other Funds	420,149,414
22	<i>Municipal Finance</i>	
23	General Revenues	2,465,897
24	<i>Taxation</i>	
25	General Revenues	27,326,969
26	Federal Funds	1,424,338
27	Restricted Receipts	990,653
28	Other Funds	
29	Motor Fuel Tax Evasion	172,961
30	Temporary Disability Insurance Fund	1,035,798
31	Total – Taxation	30,950,719
32	<i>Registry of Motor Vehicles</i>	
33	General Revenues	29,140,414
34	Federal Funds	545,243

1	Restricted Receipts	1,692,587
2	Total – Registry of Motor Vehicles	31,378,244
3	<i>State Aid</i>	
4	General Revenues	
5	Distressed Communities Relief Fund	12,384,458
6	Payment in Lieu of Tax Exempt Properties	46,089,504
7	Motor Vehicle Excise Tax Payments	94,275,463
8	Property Revaluation Program	688,856
9	Restricted Receipts	922,013
10	Total – State Aid	154,360,294
11	<i>Collections</i>	
12	General Revenues	899,649
13	Grand Total – Revenue	643,187,244
14	Legislature	
15	General Revenues	43,804,101
16	Restricted Receipts	1,832,014
17	Grand Total – Legislature	45,636,115
18	Lieutenant Governor	
19	General Revenues	1,147,816
20	Secretary of State	
21	<i>Administration</i>	
22	General Revenues	3,875,528
23	<i>Corporations</i>	
24	General Revenues	2,291,898
25	<i>State Archives</i>	
26	General Revenues	112,670
27	Restricted Receipts	426,672
28	Total – State Archives	539,342
29	<i>Elections and Civics</i>	
30	General Revenues	2,117,101
31	Federal Funds	1,016,230
32	Total – Elections and Civics	3,133,331
33	<i>State Library</i>	
34	General Revenues	683,490

1 Provided that \$125,000 be allocated to support the Rhode Island Historical Society
 2 pursuant to Rhode Island General Law, Section 29-2-1 and \$18,000 be allocated to support the
 3 Newport Historical Society, pursuant to Rhode Island General Law, Section 29-2-2.

4 *Office of Public Information*

5	General Revenues	452,568
6	Receipted Receipts	25,000
7	Total – Office of Public Information	477,568
8	Grand Total – Secretary of State	11,001,157

9 **General Treasurer**

10 *Treasury*

11	General Revenues	2,643,533
12	Federal Funds	287,818
13	Other Funds	
14	Temporary Disability Insurance Fund	249,940
15	Tuition Savings Program – Administration	413,919
16	Total –Treasury	3,595,210

17 *State Retirement System*

18	Restricted Receipts	
19	Admin Expenses – State Retirement System	9,898,528
20	Retirement – Treasury Investment Operations	1,838,053
21	Defined Contribution – Administration	231,632
22	Total – State Retirement System	11,968,213

23 *Unclaimed Property*

24	Restricted Receipts	25,350,100
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25 *Crime Victim Compensation Program*

26	General Revenues	394,018
27	Federal Funds	711,156
28	Restricted Receipts	636,944
29	Total – Crime Victim Compensation Program	1,742,118

30	Grand Total – General Treasurer	42,655,641
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31 **Board of Elections**

32	General Revenues	2,748,855
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33 **Rhode Island Ethics Commission**

34	General Revenues	1,845,298
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1	Office of Governor	
2	General Revenues	
3	General Revenues	5,943,211
4	Contingency Fund	150,000
5	Grand Total – Office of Governor	6,093,211
6	Commission for Human Rights	
7	General Revenues	1,353,591
8	Federal Funds	563,414
9	Grand Total – Commission for Human Rights	1,917,005
10	Public Utilities Commission	
11	Federal Funds	178,002
12	Restricted Receipts	11,204,978
13	Grand Total – Public Utilities Commission	11,382,980
14	Office of Health and Human Services	
15	<i>Central Management</i>	
16	General Revenues	25,723,262
17	Of this appropriation, \$415,860 is for the Medicaid program’s contribution to the per-	
18	member/per-month payment to RI Quality Institute for operation of the statewide Health	
19	Information Exchange, \$120,000 is for upgrades to the Health Information Exchange infrastructure,	
20	and \$100,000 is for the state share of financing for continued operation of the statewide clinical	
21	quality measurement system developed using federal funding from the State Innovation Models	
22	(SIM) Initiative. Each of the aforementioned appropriations is subject to the approval of the	
23	Secretary of the Executive Office of Health and Human Services and the Director of the Office of	
24	Management and Budget prior to being obligated.	
25	Federal Funds	141,787,047
26	Of this appropriation, \$4,781,599 is for the Medicaid program’s contribution to the per-	
27	member/per-month payment to RI Quality Institute for operation of the statewide Health	
28	Information Exchange, \$1,080,000 is for upgrades to the Health Information Exchange	
29	infrastructure, and \$900,000 is for financing the state share of the continued operation of the	
30	statewide clinical quality measurement system developed using federal funding from the State	
31	Innovation Models (SIM) Initiative. Each of the aforementioned appropriations is subject to the	
32	approval of the Secretary of the Executive Office of Health and Human Services and the Director	
33	of the Office of Management and Budget prior to being obligated.	
34	Restricted Receipts	13,834,987

1	Total – Central Management	181,345,296
2	<i>Medical Assistance</i>	
3	General Revenues	
4	Managed Care	324,386,393
5	Hospitals	92,157,641
6	Nursing Facilities	166,188,054
7	Home and Community Based Services	35,641,620
8	Other Services	92,836,397
9	Pharmacy	74,388,617
10	Rhody Health	190,960,427
11	Federal Funds	
12	Managed Care	423,298,954
13	Hospitals	102,772,850
14	Nursing Facilities	186,316,185
15	Home and Community Based Services	39,958,380
16	Other Services	516,507,768
17	Pharmacy	(314,978)
18	Rhody Health	211,156,378
19	Other Programs	43,038,580
20	Restricted Receipts	10,094,200
21	Total – Medical Assistance	2,509,387,466
22	Grand Total – Office of Health and Human Services	2,690,732,762
23	Children, Youth, and Families	
24	<i>Central Management</i>	
25	General Revenues	11,389,069
26	Provided that of this amount, \$500,000 is for costs associated with accreditation pursuant	
27	to Rhode Island General Law, Section 42-72-5.3 and provided further that all unexpended or	
28	unencumbered balances as of June 30, 2020 are hereby reappropriated to fiscal year 2021.	
29	Federal Funds	3,729,331
30	Total – Central Management	15,118,400
31	<i>Children's Behavioral Health Services</i>	
32	General Revenues	7,185,060
33	Federal Funds	6,563,808
34	Total – Children's Behavioral Health Services	13,748,868

1	<i>Juvenile Correctional Services</i>	
2	General Revenues	22,111,978
3	Federal Funds	184,338
4	Restricted Receipts	28,675
5	Other Funds	
6	Rhode Island Capital Plan Funds	
7	Training School Asset Protection	750,000
8	Training School Generators	610,000
9	Female Residential Facility	1,500,000
10	Total – Juvenile Correctional Services	25,184,991
11	<i>Child Welfare</i>	
12	General Revenues	
13	General Revenues	123,785,957
14	18 to 21 Year Olds	452,521
15	Federal Funds	49,509,471
16	Restricted Receipts	1,858,882
17	Total – Child Welfare	175,606,831
18	<i>Higher Education Incentive Grants</i>	
19	General Revenues	200,000
20	Grand Total – Children, Youth, and	
21	Families	229,859,090
22	Health	
23	<i>Central Management</i>	
24	General Revenues	3,644,060
25	Federal Funds	4,318,002
26	Restricted Receipts	7,258,617
27	Total – Central Management	15,220,679
28	<i>Community Health and Equity</i>	
29	General Revenues	645,497
30	Federal Funds	68,387,298
31	Restricted Receipts	38,129,080
32	Total – Community Health and Equity	107,161,875
33	<i>Environmental Health</i>	
34	General Revenues	5,441,319

1	Federal Funds	7,433,183
2	Restricted Receipts	341,479
3	Total – Environmental Health	13,215,981
4	<i>Health Laboratories and Medical Examiner</i>	
5	General Revenues	10,170,047
6	Federal Funds	2,012,392
7	Other Funds	
8	Rhode Island Capital Plan Funds	
9	Health Laboratories & Medical Examiner Equipment	400,000
10	Total – Health Laboratories and Medical Examiner	12,582,439
11	<i>Customer Services</i>	
12	General Revenues	8,145,908
13	Federal Funds	4,064,441
14	Restricted Receipts	1,369,576
15	Total – Customer Services	13,579,925
16	<i>Policy, Information and Communications</i>	
17	General Revenues	924,067
18	Federal Funds	3,238,593
19	Restricted Receipts	2,354,232
20	Total – Policy, Information and Communications	6,516,892
21	<i>Preparedness, Response, Infectious Disease & Emergency Services</i>	
22	General Revenues	1,998,023
23	Federal Funds	16,362,030
24	Total – Preparedness, Response, Infectious Disease &	
25	Emergency Services	18,360,053
26	Grand Total - Health	186,637,844
27	Human Services	
28	<i>Central Management</i>	
29	General Revenues	4,676,879
30	Of this amount, \$300,000 is to support the Domestic Violence Prevention Fund to provide	
31	direct services through the Coalition Against Domestic Violence, \$250,000 is to support Project	
32	Reach activities provided by the RI Alliance of Boys and Girls Clubs, \$217,000 is for outreach and	
33	supportive services through Day One, \$175,000 is for food collection and distribution through the	
34	Rhode Island Community Food Bank, \$500,000 for services provided to the homeless at Crossroads	

1	Rhode Island, \$600,000 for the Community Action Fund and \$200,000 is for the Institute for the	
2	Study and Practice of Nonviolence's Reduction Strategy.	
3	Federal Funds	4,987,351
4	Restricted Receipts	200,000
5	Total – Central Management	9,864,230
6	<i>Child Support Enforcement</i>	
7	General Revenues	2,822,190
8	Federal Funds	6,926,373
9	Total – Child Support Enforcement	9,748,563
10	<i>Individual and Family Support</i>	
11	General Revenues	19,421,725
12	Federal Funds	113,244,345
13	Restricted Receipts	25,226,090
14	Other Funds	
15	Food Stamp Bonus Funding	170,000
16	Intermodal Surface Transportation Fund	4,428,478
17	Rhode Island Capital Plan Funds	
18	Blind Vending Facilities	165,000
19	Total – Individual and Family Support	162,655,638
20	<i>Office of Veterans Services</i>	
21	General Revenues	25,478,689
22	Of this amount, \$200,000 is to provide support services through Veterans' organizations	
23	and \$200 is to pay the Vietnam bonus of James A. Falcon of 50 Jay Street, East Providence, Rhode	
24	Island, who served in the United States Navy during the Vietnam Conflict under serial No. 697-61-	
25	48.	
26	Federal Funds	13,459,517
27	Restricted Receipts	1,152,000
28	Other Funds	
29	Rhode Island Capital Plan Funds	
30	Veterans Home Asset Protection	250,000
31	Total – Office of Veterans Services	40,340,206
32	<i>Health Care Eligibility</i>	
33	General Revenues	1,231,216
34	Federal Funds	10,598,378

1	Total – Health Care Eligibility	11,829,594
2	<i>Supplemental Security Income Program</i>	
3	General Revenues	19,487,100
4	<i>Rhode Island Works</i>	
5	General Revenues	10,039,632
6	Federal Funds	87,246,054
7	Total – Rhode Island Works	97,285,686
8	<i>Other Programs</i>	
9	General Revenues	996,600
10	Of this appropriation, \$90,000 shall be used for hardship contingency payments.	
11	Federal Funds	265,157,901
12	Total – Other Programs	266,154,501
13	<i>Office of Healthy Aging</i>	
14	General Revenues	8,024,596
15	Of this amount, \$325,000 is to provide elder services, including respite, through the	
16	Diocese of Providence, \$40,000 for ombudsman services provided by the Alliance for Long Term	
17	Care in accordance with Rhode Island General Laws, Chapter 42-66.7, \$85,000 for security for	
18	housing for the elderly in accordance with Rhode Island General Law, Section 42-66.1-3, \$800,000	
19	for Senior Services Support and \$580,000 for elderly nutrition, of which \$530,000 is for Meals on	
20	Wheels.	
21	Federal Funds	12,780,657
22	Restricted Receipts	172,609
23	Total – Office of Healthy Aging	20,977,862
24	Grand Total – Human Services	638,343,380
25	Behavioral Healthcare, Developmental Disabilities, and Hospitals	
26	<i>Central Management</i>	
27	General Revenues	3,495,795
28	Federal Funds	1,316,004
29	Total – Central Management	4,811,799
30	<i>Hospital and Community System Support</i>	
31	General Revenues	2,241,946
32	Federal Funds	23,377
33	Total – <i>Hospital and Community System Support</i>	2,265,323
34	<i>Services for the Developmentally Disabled</i>	

1	General Revenues	132,870,111
2	Of this general revenue funding, \$4.5 million shall be expended on certain community-	
3	based BHDDH developmental disability private provider and self-directed consumer direct care	
4	service worker raises and associated payroll costs as authorized by the Department of Behavioral	
5	Healthcare, Developmental Disabilities and Hospitals. Any increases for direct support staff in	
6	residential or other community-based settings must first receive the approval of the Office of	
7	Management and Budget and the Executive Office of Health and Human Services.	
8	Of this general revenue funding, \$750,000 is to support technical and other assistance for	
9	community-based agencies to ensure they transition to providing integrated services to adults with	
10	developmental disabilities that comply with the consent decree.	
11	Federal Funds	162,204,286
12	Of this funding, \$841,006 is to support technical and other assistance for community-based	
13	agencies to ensure they transition to providing integrated services to adults with developmental	
14	disabilities that comply with the consent decree.	
15	Restricted Receipts	1,525,800
16	Other Funds	
17	Rhode Island Capital Plan Funds	
18	DD Residential Development	300,000
19	Total – Services for the Developmentally Disabled	296,900,197
20	<i>Behavioral Healthcare Services</i>	
21	General Revenues	3,077,675
22	Federal Funds	34,042,755
23	Of this federal funding, \$900,000 shall be expended on the Municipal Substance	
24	Abuse Task Forces and \$128,000 shall be expended on NAMI of RI. Also included is	
25	\$250,000 from Social Services Block Grant funds and/or the Mental Health Block Grant funds to	
26	be provided to The Providence Center to coordinate with Oasis Wellness and Recovery Center for	
27	its supports and services program offered to individuals with behavioral health issues.	
28	Restricted Receipts	149,600
29	Total – Behavioral Healthcare Services	37,270,030
30	<i>Hospital and Community Rehabilitative Services</i>	
31	General Revenues	54,695,713
32	Federal Funds	62,839,447
33	Restricted Receipts	4,412,947
34	Total - Hospital and Community Rehabilitative Services	121,948,107

1	Grand Total – Behavioral Healthcare, Developmental	
2	Disabilities, and Hospitals	463,195,456
3	Office of the Child Advocate	
4	General Revenues	986,701
5	Federal Funds	247,356
6	Grand Total – Office of the Child Advocate	1,234,057
7	Commission on the Deaf and Hard of Hearing	
8	General Revenues	533,338
9	Restricted Receipts	130,000
10	Grand Total – Comm. On Deaf and Hard of Hearing	663,338
11	Governor’s Commission on Disabilities	
12	General Revenues	
13	General Revenues	555,672
14	Livable Home Modification Grant Program	499,397
15	Provided that this will be used for home modification and accessibility enhancements to	
16	construct, retrofit, and/or renovate residences to allow individuals to remain in community settings.	
17	This will be in consultation with the Executive Office of Health and Human Services.	
18	Federal Funds	458,689
19	Restricted Receipts	44,901
20	Total – Governor’s Commission on Disabilities	1,558,659
21	Office of the Mental Health Advocate	
22	General Revenues	602,411
23	Elementary and Secondary Education	
24	<i>Administration of the Comprehensive Education Strategy</i>	
25	General Revenues	21,574,338
26	Provided that \$90,000 be allocated to support the hospital school at Hasbro Children’s	
27	Hospital pursuant to Rhode Island General Law, Section 16-7-20 and that \$395,000 be allocated to	
28	support child opportunity zones through agreements with the Department of Elementary and	
29	Secondary Education to strengthen education, health and social services for students and their	
30	families as a strategy to accelerate student achievement.	
31	Federal Funds	211,371,326
32	Restricted Receipts	
33	Restricted Receipts	3,022,335
34	HRIC Adult Education Grants	3,500,000

1	Total – Admin. of the Comprehensive Ed. Strategy	239,467,999
2	<i>Davies Career and Technical School</i>	
3	General Revenues	13,694,981
4	Federal Funds	1,416,084
5	Restricted Receipts	3,784,140
6	Other Funds	
7	P-Tech Grant	100,000
8	Rhode Island Capital Plan Funds	
9	Davies School HVAC	200,000
10	Davies School Asset Protection	150,000
11	Total – Davies Career and Technical School	19,345,205
12	<i>RI School for the Deaf</i>	
13	General Revenues	6,701,193
14	Federal Funds	506,048
15	Restricted Receipts	837,032
16	Other Funds	
17	School for the Deaf Transformation Grants	59,000
18	Rhode Island Capital Plan Funds	
19	School for the Deaf Asset Protection	50,000
20	Total – RI School for the Deaf	8,153,273
21	<i>Metropolitan Career and Technical School</i>	
22	General Revenues	9,342,007
23	Other Funds	
24	Rhode Island Capital Plan Funds	
25	MET School Asset Protection	250,000
26	Total – Metropolitan Career and Technical School	9,592,007
27	<i>Education Aid</i>	
28	General Revenues	954,125,587
29	Provided that the criteria for the allocation of early childhood funds shall prioritize	
30	prekindergarten seats and classrooms for four-year-olds whose family income is at or below one	
31	hundred eighty-five percent (185%) of federal poverty guidelines and who reside in communities	
32	with higher concentrations of low performing schools.	
33	Restricted Receipts	26,283,985
34	Other Funds	

1	Permanent School Fund	300,000
2	Total – Education Aid	980,709,572
3	<i>Central Falls School District</i>	
4	General Revenues	41,476,650
5	<i>School Construction Aid</i>	
6	General Revenues	
7	School Housing Aid	78,984,971
8	School Building Authority Capital Fund	1,015,029
9	Total – School Construction Aid	80,000,000
10	<i>Teachers' Retirement</i>	
11	General Revenues	112,337,502
12	Grand Total – Elementary and Secondary Education	1,491,082,208
13	Public Higher Education	
14	<i>Office of Postsecondary Commissioner</i>	
15	General Revenues	16,509,011
16	Provided that \$355,000 shall be allocated the Rhode Island College Crusade pursuant to	
17	the Rhode Island General Law, Section 16-70-5 and that \$75,000 shall be allocated to Best Buddies	
18	Rhode Island to support its programs for children with developmental and intellectual disabilities.	
19	It is also provided that \$6,976,425 shall be allocated to the Rhode Island Promise Scholarship	
20	program and \$147,000 shall be used to support Rhode Island's membership in the New England	
21	Board of Higher Education.	
22	Federal Funds	
23	Federal Funds	3,600,000
24	Guaranty Agency Administration	400,000
25	Provided that an amount equivalent to not more than ten (10) percent of the guaranty	
26	agency operating fund appropriated for direct scholarship and grants in fiscal year 2020 shall be	
27	appropriated for guaranty agency administration in fiscal year 2020. This limitation	
28	notwithstanding, final appropriations for fiscal year 2020 for guaranty agency administration may	
29	also include any residual monies collected during fiscal year 2020 that relate to guaranty agency	
30	operations, in excess of the foregoing limitation.	
31	Guaranty Agency Operating Fund-Scholarships & Grants	4,000,000
32	Restricted Receipts	3,134,496
33	Other Funds	
34	Tuition Savings Program – Dual Enrollment	2,300,000

1	Tuition Savings Program – Scholarships and Grants	5,595,000
2	Nursing Education Center – Operating	3,034,680
3	Rhode Island Capital Plan Funds	
4	Higher Education Centers	3,800,000
5	Provided that the state fund no more than 50.0 percent of the total project	
6	cost.	
7	Asset Protection	341,000
8	Total – Office of Postsecondary Commissioner	42,714,187
9	<i>University of Rhode Island</i>	
10	General Revenues	
11	General Revenues	83,390,529
12	Provided that in order to leverage federal funding and support economic development,	
13	\$350,000 shall be allocated to the Small Business Development Center and that \$50,000 shall be	
14	allocated to Special Olympics Rhode Island to support its mission of providing athletic	
15	opportunities for individuals with intellectual and developmental disabilities.	
16	Debt Service	30,535,395
17	RI State Forensics Laboratory	1,299,182
18	Other Funds	
19	University and College Funds	677,435,028
20	Debt – Dining Services	1,062,129
21	Debt – Education and General	4,830,975
22	Debt – Health Services	792,955
23	Debt – Housing Loan Funds	12,867,664
24	Debt – Memorial Union	323,009
25	Debt – Ryan Center	2,393,006
26	Debt – Alton Jones Services	102,525
27	Debt – Parking Authority	1,126,020
28	Debt – Restricted Energy Conservation	521,653
29	Debt – URI Energy Conservation	2,103,157
30	Rhode Island Capital Plan Funds	
31	Asset Protection	8,326,839
32	Fine Arts Center Renovation	7,070,064
33	Biological Resources Lab	2,855,486
34	Total – University of Rhode Island	837,035,616

1 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
2 unencumbered balances as of June 30, 2020 relating to the University of Rhode Island are hereby
3 reappropriated to fiscal year 2021.

4 *Rhode Island College*

5	General Revenues	
6	General Revenues	51,839,615
7	Debt Service	6,180,718
8	Other Funds	
9	University and College Funds	132,924,076
10	Debt – Education and General	880,433
11	Debt – Housing	366,667
12	Debt – Student Center and Dining	153,428
13	Debt – Student Union	206,000
14	Debt – G.O. Debt Service	1,642,121
15	Debt Energy Conservation	635,275
16	Rhode Island Capital Plan Funds	
17	Asset Protection	3,669,050
18	Infrastructure Modernization	3,000,000
19	Phase III Master Plan	300,000
20	Total – Rhode Island College	201,797,383

21 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
22 unencumbered balances as of June 30, 2020 relating to Rhode Island College are hereby
23 reappropriated to fiscal year 2021.

24 *Community College of Rhode Island*

25	General Revenues	
26	General Revenues	51,998,378
27	Debt Service	1,898,030
28	Restricted Receipts	633,400
29	Other Funds	
30	University and College Funds	104,605,016
31	CCRI Debt Service – Energy Conservation	805,312
32	Rhode Island Capital Plan Funds	
33	Asset Protection	2,439,076
34	Knight Campus Renewal	3,500,000

1	Data, Cabling, and Power Infrastructure	500,000
2	Total – Community College of RI	166,379,212
3	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or	
4	unencumbered balances as of June 30, 2020 relating to the Community College of Rhode Island	
5	are hereby reappropriated to fiscal year 2021.	
6	Grand Total – Public Higher Education	1,247,926,398
7	RI State Council on the Arts	
8	General Revenues	
9	Operating Support	839,748
10	Grants	1,165,000
11	Provided that \$375,000 be provided to support the operational costs of WaterFire	
12	Providence art installations.	
13	Federal Funds	762,500
14	Restricted Receipts	45,000
15	Other Funds	
16	Art for Public Facilities	626,000
17	Grand Total – RI State Council on the Arts	3,438,248
18	RI Atomic Energy Commission	
19	General Revenues	1,059,094
20	Restricted Receipts	99,000
21	Other Funds	
22	URI Sponsored Research	287,000
23	Rhode Island Capital Plan Funds	
24	RINSC Asset Protection	50,000
25	Grand Total – RI Atomic Energy Commission	1,495,094
26	RI Historical Preservation and Heritage Commission	
27	General Revenues	1,488,293
28	Provided that \$30,000 support the operational costs of the Fort Adams Trust’s restoration	
29	activities.	
30	Federal Funds	557,028
31	Restricted Receipts	421,439
32	Other Funds	
33	RIDOT Project Review	128,570
34	Grand Total – RI Historical Preservation and Heritage Comm.	2,595,330

1	Attorney General	
2	<i>Criminal</i>	
3	General Revenues	17,969,266
4	Federal Funds	3,552,999
5	Restricted Receipts	79,335
6	Total – Criminal	21,601,600
7	<i>Civil</i>	
8	General Revenues	5,595,839
9	Restricted Receipts	830,181
10	Total – Civil	6,426,020
11	<i>Bureau of Criminal Identification</i>	
12	General Revenues	1,769,535
13	<i>General</i>	
14	General Revenues	3,340,563
15	Other Funds	
16	Rhode Island Capital Plan Funds	
17	Building Renovations and Repairs	150,000
18	Total – General	3,490,563
19	Grand Total – Attorney General	33,287,718
20	Corrections	
21	<i>Central Management</i>	
22	General Revenues	16,392,761
23	Federal Funds	44,649
24	Total – Central Management	16,437,410
25	<i>Parole Board</i>	
26	General Revenues	1,501,549
27	Federal Funds	116,872
28	Total – Parole Board	1,618,421
29	<i>Custody and Security</i>	
30	General Revenues	146,044,847
31	Federal Funds	920,960
32	Total – Custody and Security	146,965,807
33	<i>Institutional Support</i>	
34	General Revenues	21,166,690

1	Other Funds	
2	Rhode Island Capital Plan Funds	
3	Asset Protection	8,578,328
4	Correctional Facilities – Renovations	4,875,000
5	Total – Institutional Support	34,620,018
6	<i>Institutional Based Rehab./Population Management</i>	
7	General Revenues	14,202,484
8	Provided that \$1,050,000 be allocated to Crossroads Rhode Island for sex offender	
9	discharge planning.	
10	Federal Funds	844,026
11	Restricted Receipts	44,473
12	Total – Institutional Based Rehab/Population Mgt.	15,090,983
13	<i>Healthcare Services</i>	
14	General Revenues	25,497,603
15	<i>Community Corrections</i>	
16	General Revenues	17,282,125
17	Federal Funds	84,437
18	Restricted Receipts	14,896
19	Total – Community Corrections	17,381,458
20	Grand Total – Corrections	257,611,700
21	Judiciary	
22	<i>Supreme Court</i>	
23	General Revenues	
24	General Revenues	29,638,091
25	Provided however, that no more than \$1,392,326 in combined total shall be offset to the	
26	Public Defender’s Office, the Attorney General’s Office, the Department of Corrections, the	
27	Department of Children, Youth, and Families, and the Department of Public Safety for square-	
28	footage occupancy costs in public courthouses and further provided that \$230,000 be allocated to	
29	the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy	
30	project pursuant to Rhode Island General Law, Section 12-29-7 and that \$90,000 be allocated to	
31	Rhode Island Legal Services, Inc. to provide housing and eviction defense to indigent individuals.	
32	Defense of Indigents	4,403,487
33	Federal Funds	133,759
34	Restricted Receipts	3,603,699

1	Other Funds	
2	Rhode Island Capital Plan Funds	
3	Judicial Complexes - HVAC	1,000,000
4	Judicial Complexes Asset Protection	1,000,000
5	Licht Chillers Replacement	1,200,000
6	Licht Judicial Complex Restoration	750,000
7	Noel Shelled Courtroom Building	2,176,073
8	Total - Supreme Court	43,905,109
9	<i>Judicial Tenure and Discipline</i>	
10	General Revenues	154,616
11	<i>Superior Court</i>	
12	General Revenues	24,945,630
13	Federal Funds	33,500
14	Restricted Receipts	400,983
15	Total – Superior Court	25,380,113
16	<i>Family Court</i>	
17	General Revenues	22,958,064
18	Federal Funds	2,977,481
19	Total – Family Court	25,935,545
20	<i>District Court</i>	
21	General Revenues	13,895,597
22	Restricted Receipts	60,000
23	Total - District Court	13,955,597
24	<i>Traffic Tribunal</i>	
25	General Revenues	9,218,475
26	<i>Workers' Compensation Court</i>	
27	Restricted Receipts	8,943,104
28	Grand Total – Judiciary	127,492,559
29	Military Staff	
30	General Revenues	3,219,493
31	Federal Funds	34,354,996
32	Restricted Receipts	
33	RI Military Family Relief Fund	55,000
34	Other Funds	

1	Rhode Island Capital Plan Funds	
2	Asset Protection	700,000
3	Armory of Mounted Command Roof Replacement	536,575
4	Bristol Readiness Center	125,000
5	Joint Force Headquarters Building	2,157,896
6	Grand Total – Military Staff	41,148,960
7	Public Safety	
8	<i>Central Management</i>	
9	General Revenues	928,740
10	Federal Funds	14,579,673
11	Total – Central Management	15,508,413
12	<i>E-911 Emergency Telephone System</i>	
13	General Revenues	1,698,063
14	Restricted Receipts	5,316,198
15	Total – E-911 Emergency Telephone System	7,014,261
16	<i>Security Services</i>	
17	General Revenues	26,773,619
18	<i>Municipal Police Training Academy</i>	
19	General Revenues	296,254
20	Federal Funds	419,790
21	Total – Municipal Police Training Academy	716,044
22	<i>State Police</i>	
23	General Revenues	76,222,276
24	Federal Funds	4,986,942
25	Restricted Receipts	820,000
26	Other Funds	
27	Rhode Island Capital Plan Funds	
28	DPS Asset Protection	600,000
29	Training Academy Upgrades	425,000
30	Facilities Master Plan	350,000
31	Headquarters Roof Project	2,000,000
32	Airport Corporation Assistance	146,832
33	Road Construction Reimbursement	2,244,969
34	Weight and Measurement Reimbursement	400,000

1	Total – State Police	88,196,019
2	Grand Total – Public Safety	138,208,356
3	Office of Public Defender	
4	General Revenues	12,824,871
5	Federal Funds	75,665
6	Grand Total – Office of Public Defender	12,900,536
7	Emergency Management Agency	
8	General Revenues	2,364,647
9	Federal Funds	9,295,523
10	Restricted Receipts	468,005
11	Other Funds	
12	Rhode Island Capital Plan Funds	
13	RI Statewide Communications Network	1,494,414
14	Grand Total – Emergency Management Agency	13,622,589
15	Environmental Management	
16	<i>Office of the Director</i>	
17	General Revenues	6,927,580
18	Of this general revenue amount, \$50,000 is appropriated to the Conservation Districts.	
19	Federal Funds	212,741
20	Restricted Receipts	3,841,345
21	Total – Office of the Director	10,981,666
22	<i>Natural Resources</i>	
23	General Revenues	23,505,888
24	Federal Funds	21,990,427
25	Restricted Receipts	3,977,991
26	Other Funds	
27	DOT Recreational Projects	762,000
28	Blackstone Bikepath Design	1,000,000
29	Transportation MOU	10,286
30	Rhode Island Capital Plan Funds	
31	Blackstone Valley Park Improvements	800,000
32	Fort Adams Rehabilitation	300,000
33	Recreational Facilities Improvements	2,600,000
34	Recreation Facility Asset Protection	500,000

1	Galilee Piers Upgrade	2,790,000
2	Marine Infrastructure and Pier Development	1,275,000
3	Total – Natural Resources	59,511,592
4	<i>Environmental Protection</i>	
5	General Revenues	13,190,507
6	Federal Funds	10,106,352
7	Restricted Receipts	8,241,512
8	Other Funds	
9	Transportation MOU	87,269
10	Total – Environmental Protection	31,625,640
11	Grand Total – Environmental Management	102,118,898
12	Coastal Resources Management Council	
13	General Revenues	2,883,195
14	Federal Funds	1,557,735
15	Restricted Receipts	250,000
16	Other Funds	
17	Rhode Island Capital Plan Funds	
18	Rhode Island Coastal Storm Risk Study	500,000
19	Green Hill Pond	30,000
20	Grand Total – Coastal Resources Mgmt. Council	5,220,930
21	Transportation	
22	<i>Central Management</i>	
23	Federal Funds	5,955,305
24	Other Funds	
25	Gasoline Tax	7,643,867
26	Total – Central Management	13,599,172
27	<i>Management and Budget</i>	
28	Other Funds	
29	Gasoline Tax	2,353,268
30	<i>Infrastructure Engineering</i>	
31	Federal Funds	319,120,190
32	Restricted Receipts	3,007,550
33	Other Funds	
34	Gasoline Tax	76,985,118

1	Toll Revenue	25,000,000
2	Land Sale Revenue	2,595,391
3	Rhode Island Capital Plan Funds	
4	Bike Path Facilities Maintenance	400,000
5	Highway Improvement Program	32,451,346
6	RIPTA - College Hill Bus Tunnel	800,000
7	RIPTA - Land and Buildings	390,000
8	RIPTA – Warwick Bus Hub	120,000
9	Total - Infrastructure Engineering	460,869,595
10	<i>Infrastructure Maintenance</i>	
11	Other Funds	
12	Gasoline Tax	42,305,617
13	Non-Land Surplus Property	50,000
14	Utility Access Permit Fees	500,000
15	Rhode Island Highway Maintenance Account	124,176,515
16	Rhode Island Capital Plan Funds	
17	Maintenance Facilities Improvements	1,019,349
18	Welcome Center	150,000
19	Salt Storage Facilities	1,900,000
20	Maintenance - Equipment Replacement	1,500,000
21	Train Station Maintenance and Repairs	350,000
22	Total – Infrastructure Maintenance	171,951,481
23	Grand Total – Transportation	648,773,516
24	Statewide Totals	
25	General Revenues	4,077,594,991
26	Federal Funds	3,325,364,065
27	Restricted Receipts	311,382,120
28	Other Funds	2,256,279,162
29	Statewide Grand Total	9,970,620,338

30 SECTION 2. Each line appearing in Section 1 of this Article shall constitute an
31 appropriation.

32 SECTION 3. Upon the transfer of any function of a department or agency to another
33 department or agency, the Governor is hereby authorized by means of executive order to transfer
34 or reallocate, in whole or in part, the appropriations and the full-time equivalent limits affected

1 thereby; provided, however, in accordance with Rhode Island General Law, Section 42-6-5, when
2 the duties or administrative functions of government are designated by law to be performed within
3 a particular department or agency, no transfer of duties or functions and no re-allocation, in whole
4 or part, of appropriations and full-time equivalent positions to any other department or agency shall
5 be authorized.

6 SECTION 4. From the appropriation for contingency shall be paid such sums as may be
7 required at the discretion of the Governor to fund expenditures for which appropriations may not
8 exist. Such contingency funds may also be used for expenditures in the several departments and
9 agencies where appropriations are insufficient, or where such requirements are due to unforeseen
10 conditions or are non-recurring items of an unusual nature. Said appropriations may also be used
11 for the payment of bills incurred due to emergencies or to any offense against public peace and
12 property, in accordance with the provisions of Titles 11 and 45 of the General Laws of 1956, as
13 amended. All expenditures and transfers from this account shall be approved by the Governor.

14 SECTION 5. The general assembly authorizes the state controller to establish the internal
15 service accounts shown below, and no other, to finance and account for the operations of state
16 agencies that provide services to other agencies, institutions and other governmental units on a cost
17 reimbursed basis. The purpose of these accounts is to ensure that certain activities are managed in
18 a businesslike manner, promote efficient use of services by making agencies pay the full costs
19 associated with providing the services, and allocate the costs of central administrative services
20 across all fund types, so that federal and other non-general fund programs share in the costs of
21 general government support. The controller is authorized to reimburse these accounts for the cost
22 of work or services performed for any other department or agency subject to the following
23 expenditure limitations:

<u>Account</u>	<u>Expenditure Limit</u>
State Assessed Fringe Benefit Internal Service Fund	37,377,620
Administration Central Utilities Internal Service Fund	23,055,162
State Central Mail Internal Service Fund	6,290,947
State Telecommunications Internal Service Fund	3,450,952
State Automotive Fleet Internal Service Fund	12,740,920
Surplus Property Internal Service Fund	3,000
Health Insurance Internal Service Fund	252,444,854
State Fleet Revolving Loan Fund	273,786
Other Post-Employment Benefits Fund	63,858,483
Capitol Police Internal Service Fund	1,479,703

1	Corrections Central Distribution Center Internal Service Fund	6,798,359
2	Correctional Industries Internal Service Fund	8,191,195
3	Secretary of State Record Center Internal Service Fund	969,729
4	Human Resources Internal Service Fund	14,847,653
5	DCAMM Facilities Internal Service Fund	40,091,033
6	Information Technology Internal Service Fund	44,113,005

7 SECTION 6. *Legislative Intent* - The General Assembly may provide a written "statement
8 of legislative intent" signed by the chairperson of the House Finance Committee and by the
9 chairperson of the Senate Finance Committee to show the intended purpose of the appropriations
10 contained in Section 1 of this Article. The statement of legislative intent shall be kept on file in the
11 House Finance Committee and in the Senate Finance Committee.

12 At least twenty (20) days prior to the issuance of a grant or the release of funds, which
13 grant or funds are listed on the legislative letter of intent, all department, agency and corporation
14 directors, shall notify in writing the chairperson of the House Finance Committee and the
15 chairperson of the Senate Finance Committee of the approximate date when the funds are to be
16 released or granted.

17 SECTION 7. *Appropriation of Temporary Disability Insurance Funds* -- There is hereby
18 appropriated pursuant to sections 28-39-5 and 28-39-8 of the Rhode Island General Laws all funds
19 required to be disbursed for the benefit payments from the Temporary Disability Insurance Fund
20 and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2020.

21 SECTION 8. *Appropriation of Employment Security Funds* -- There is hereby appropriated
22 pursuant to section 28-42-19 of the Rhode Island General Laws all funds required to be disbursed
23 for benefit payments from the Employment Security Fund for the fiscal year ending June 30, 2020.

24 SECTION 9. *Appropriation of Lottery Division Funds* -- There is hereby appropriated to
25 the Lottery Division any funds required to be disbursed by the Lottery Division for the purposes of
26 paying commissions or transfers to the prize fund for the fiscal year ending June 30, 2020.

27 SECTION 10. *Appropriation of CollegeBoundSaver Funds* -- There is hereby appropriated
28 to the Office of the General Treasurer designated funds received under the CollegeBoundSaver
29 program for transfer to the Division of Higher Education Assistance within the Office of the
30 Postsecondary Commissioner to support student financial aid for the fiscal year ending June 30,
31 2020.

32 SECTION 11. Departments and agencies listed below may not exceed the number of full-
33 time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do
34 not include seasonal or intermittent positions whose scheduled period of employment does not

1 exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and
 2 twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include individuals
 3 engaged in training, the completion of which is a prerequisite of employment. Provided, however,
 4 that the Governor or designee, Speaker of the House of Representatives or designee, and the
 5 President of the Senate or designee may authorize an adjustment to any limitation. Prior to the
 6 authorization, the State Budget Officer shall make a detailed written recommendation to the
 7 Governor, the Speaker of the House, and the President of the Senate. A copy of the recommendation
 8 and authorization to adjust shall be transmitted to the chairman of the House Finance Committee,
 9 Senate Finance Committee, the House Fiscal Advisor and the Senate Fiscal Advisor.

10 State employees whose funding is from non-state general revenue funds that are time
 11 limited shall receive limited term appointment with the term limited to the availability of non-state
 12 general revenue funding source.

13 FY 2020 FTE POSITION AUTHORIZATION

14	<u>Departments and Agencies</u>	<u>Full-Time Equivalent</u>
15	Administration	647.7
16	Provided that no more than 417.0 of the total authorization would be limited to positions	
17	that support internal service fund programs.	
18	Business Regulation	161.0
19	Executive Office of Commerce	14.0
20	Labor and Training	390.7
21	Revenue	602.5
22	Legislature	298.5
23	Office of the Lieutenant Governor	8.0
24	Office of the Secretary of State	59.0
25	Office of the General Treasurer	89.0
26	Board of Elections	13.0
27	Rhode Island Ethics Commission	12.0
28	Office of the Governor	45.0
29	Commission for Human Rights	14.5
30	Public Utilities Commission	52.0
31	Office of Health and Human Services	186.0
32	Children, Youth, and Families	621.5
33	Health	499.6
34	Human Services	755.0

1	Office of Veterans Services	252.1
2	Office of Healthy Aging	31.0
3	Behavioral Healthcare, Developmental Disabilities, and Hospitals	1,189.4
4	Office of the Child Advocate	10.0
5	Commission on the Deaf and Hard of Hearing	4.0
6	Governor's Commission on Disabilities	4.0
7	Office of the Mental Health Advocate	4.0
8	Elementary and Secondary Education	139.1
9	School for the Deaf	60.0
10	Davies Career and Technical School	126.0
11	Office of Postsecondary Commissioner	31.0
12	Provided that 1.0 of the total authorization would be available only for positions that are	
13	supported by third-party funds, 8.0 would be available only for positions at the State's Higher	
14	Education Centers located in Woonsocket and Westerly, and 10.0 would be available only for	
15	positions at the Nursing Education Center.	
16	University of Rhode Island	2,555.0
17	Provided that 622.8 of the total authorization would be available only for positions that are	
18	supported by third-party funds.	
19	Rhode Island College	949.2
20	Provided that 76.0 of the total authorization would be available only for positions that are	
21	supported by third-party funds.	
22	Community College of Rhode Island	849.1
23	Provided that 89.0 of the total authorization would be available only for positions that are	
24	supported by third-party funds.	
25	Rhode Island State Council on the Arts	8.6
26	RI Atomic Energy Commission	8.6
27	Historical Preservation and Heritage Commission	15.6
28	Office of the Attorney General	239.1
29	Corrections	1,411.0
30	Judicial	726.3
31	Military Staff	92.0
32	Emergency Management Agency	32.0
33	Public Safety	593.6
34	Office of the Public Defender	96.0

1	Environmental Management	394.0
2	Coastal Resources Management Council	30.0
3	Transportation	755.0
4	Total	15,074.7

5 No agency or department may employ contracted employees or employee services where
6 contract employees would work under state employee supervisors without determination of need
7 by the Director of Administration acting upon positive recommendations of the Budget Officer and
8 the Personnel Administrator and 15 days after a public hearing.

9 Nor may any agency or department contract for services replacing work done by state
10 employees at that time without determination of need by the Director of Administration acting upon
11 the positive recommendations of the Budget Officer and the Personnel Administrator and 30 days
12 after a public hearing.

13 State Employees whose funding is from non-state general revenue funds that are time
14 limited shall receive limited term appointment with the term limited to the availability of the non-
15 state general revenue funding source.

16 SECTION 12. The amounts reflected in this Article include the appropriation of Rhode
17 Island Capital Plan funds for fiscal year 2020 and supersede appropriations provided for FY 2020
18 within Section 12 of Article 1 of Chapter 047 of the P.L. of 2018.

19 The following amounts are hereby appropriated out of any money in the State’s Rhode
20 Island Capital Plan Fund not otherwise appropriated to be expended during the fiscal years ending
21 June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024. These amounts supersede
22 appropriations provided within Section 12 of Article 1 of Chapter 047 of the P.L. of 2018.

23 For the purposes and functions hereinafter mentioned, the State Controller is hereby
24 authorized and directed to draw his or her orders upon the General Treasurer for the payment of
25 such sums and such portions thereof as may be required by him or her upon receipt of properly
26 authenticated vouchers.

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	Ending	Ending	Ending	Ending
<u>Project</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>
30 DOA – Accessibility	1,000,000	1,000,000	1,000,000	1,000,000
31 DOA – BHDDH Group Homes	500,000	500,000	500,000	500,000
32 DOA – Cannon Building	1,500,000	2,200,000	2,300,000	2,950,000
33 DOA – Cranston Street Armory	500,000	1,100,000	2,000,000	2,100,000
34 DOA – Energy Efficiency	500,000	1,000,000	1,000,000	1,000,000

1	DOA – Hospital Consolidation	6,721,495	0	0	0
2	DOA – Pastore Center Medical Buildings				
3	Asset Protection	1,600,000	2,600,000	3,475,000	3,475,000
4	DOA – Pastore Center Non-Medical Buildings				
5	Asset Protection.	2,000,000	3,412,500	2,775,000	2,275,000
6	DOA – Security Measures/State Buildings	500,000	500,000	500,000	500,000
7	DOA – State House Renovations	877,169	428,000	900,000	900,000
8	DOA – State Office Reorganization &				
9	Relocation	900,000	0	0	0
10	DOA – Washington County Gov. Center	150,000	500,000	500,000	500,000
11	DOA – William Powers Building	1,000,000	3,500,000	2,500,000	3,025,000
12	DOA – Zambarano Utilities & Infrastructure	2,750,000	550,000	1,300,000	1,800,000
13	EOC – Quonset Piers	5,000,000	0	0	0
14	EOC – Quonset Point Infrastructure	6,000,000	0	0	0
15	DCYF – Training School Asset Protection	1,250,000	1,250,000	200,000	200,000
16	DHS – Veterans Home Asset Protection	300,000	350,000	400,000	500,000
17	EL SEC – Davies School Asset Protection	150,000	150,000	150,000	150,000
18	EL SEC – Davies School HVAC	1,800,000	500,000	0	0
19	EL SEC – Met School Asset Protection	250,000	250,000	250,000	250,000
20	URI – Asset Protection	8,531,280	8,700,000	8,874,000	9,094,395
21	RIC – Asset Protection	4,150,000	4,233,000	4,318,000	4,426,657
22	RIC – Infrastructure Modernization	3,500,000	4,500,000	2,000,000	2,050,327
23	CCRI – Asset Protection	2,487,857	2,537,615	2,588,000	2,653,124
24	CCRI – Knight Campus Renewal	3,500,000	0	0	0
25	CCRI – Flanagan Campus Renewal	2,000,000	2,000,000	6,000,000	2,500,000
26	CCRI – Knight Campus Lab Renovation	1,300,000	1,300,000	0	0
27	CCRI – Data Cabling and Power Infrastructure	1,500,000	3,300,000	3,700,000	4,650,000
28	DOC – Asset Protection	4,900,000	4,743,022	4,290,000	4,000,000
29	DOC – Correctional Facilities Renovations	2,000,000	5,000,000	6,000,000	3,000,000
30	Military Staff – Asset Protection	700,000	800,000	800,000	800,000
31	DPS – Asset Protection	650,000	650,000	400,000	900,000
32	DEM – Fort Adams Rehabilitation	300,000	300,000	300,000	300,000
33	DEM – Galilee Piers Upgrade	400,000	400,000	1,100,000	1,100,000
34	DEM – Marine Infrastructure &				

1	Pier Development	1,000,000	1,250,000	1,250,000	1,250,000
2	DEM – Recreational Facilities Improv.	2,100,000	2,500,000	3,500,000	3,000,000
3	DEM – Natural Resources Office &				
4	Visitor’s Center	0	2,000,000	3,000,000	0
5	DOT – Highway Improvement Program	29,951,346	34,951,346	27,200,000	27,200,000
6	DOT – Capital Equipment Replacement	1,500,000	1,500,000	1,500,000	1,500,000
7	DOT – Maintenance Facility Improv.	500,000	500,000	500,000	500,000
8	DOT – Bike Path Facilities Maintenance	400,000	400,000	400,000	400,000
9	DOT – Salt Storage Facilities Improv.	1,170,775	1,000,000	1,000,000	1,000,000

10 SECTION 13. [Reappropriation of Funding for Rhode Island Capital Plan Fund Projects.](#) –

11 Any unexpended and unencumbered funds from Rhode Island Capital Plan Fund project
12 appropriations shall be reappropriated in the ensuing fiscal year and made available for the same
13 purpose. However, any such reappropriations are subject to final approval by the General Assembly
14 as part of the supplemental appropriations act. Any unexpended funds of less than five hundred
15 dollars (\$500) shall be reappropriated at the discretion of the State Budget Officer.

16 SECTION 14. For the Fiscal Year ending June 30, 2020, the Rhode Island Housing and
17 Mortgage Finance Corporation shall provide from its resources such sums as appropriate in support
18 of the Neighborhood Opportunities Program. The Corporation shall provide a report detailing the
19 amount of funding provided to this program, as well as information on the number of units of
20 housing provided as a result to the Director of Administration, the Chair of the Housing Resources
21 Commission, the Chair of the House Finance Committee, the Chair of the Senate Finance
22 Committee and the State Budget Officer.

23 SECTION 15. Notwithstanding any general laws to the contrary, the Rhode Island Housing
24 and Mortgage Finance Corporation shall transfer to the State Controller the sum of one million
25 five-hundred thousand dollars (\$1,500,000) by June 30, 2020.

26 SECTION 16. Notwithstanding any general laws to the contrary, the Rhode Island
27 Infrastructure Bank shall transfer to the State Controller the sum of four million dollars
28 (\$4,000,000) by June 30, 2020.

29 SECTION 17. Notwithstanding any general laws to the contrary, the Rhode Island Student
30 Loan Authority shall transfer to the State Controller the sum of one million five-hundred thousand
31 dollars (\$1,500,000) by June 30, 2020.

32 SECTION 18. Notwithstanding any general laws to the contrary, the Quonset Development
33 Corporation shall transfer to the State Controller the sum of one million two hundred thousand
34 dollars (\$1,200,000) by June 30, 2020.

1 SECTION 19. Notwithstanding any provisions of Chapter 64 in Title 42 of Rhode Island
2 General Laws, the Commerce Corporation shall transfer to the State Controller the sum of five
3 million dollars (\$5,000,000) from appropriation provided for the First Wave Closing Fund program
4 in Public Law 2018-H 5175, Substitute A, as amended and Public Law 2016-H 7454, Substitute A,
5 as amended by October 1, 2019.

6 SECTION 20. This article shall take effect as of July 1, 2019.

ARTICLE 2 AS AMENDED

RELATING TO STATE FUNDS

SECTION 1. Section 5-20.7-15 of the General Laws in Chapter 5-20.7 entitled "Real Estate Appraiser Certification Act" is hereby amended to read as follows:

5-20.7-15. Fees.

(a) The director is empowered and directed to establish a fee schedule for the application, review, examination, and re-examination of applicants for certification and licensing and for the issuance and renewal of certificates and for late fees; provided, that the annual fee for a residential or general appraiser certificate is two hundred dollars (\$200).

(b) There is hereby created a restricted receipt account within the general fund of the state to be known as the real estate appraisers – registration – CLRA account. Fees collected pursuant to § 5-20.7-15(a) shall be deposited into this account and be used to finance costs associated with real estate appraisers registration. The restricted receipt account will be included in the budget of the department of business regulation.

SECTION 2. Section 5-20.9-7 of the General Laws in Chapter 5-20.9 entitled "Real Estate Appraisal Management Company Registration Act" is hereby amended to read as follows:

5-20.9-7. Initial registration, renewals, forms and fees.

(a) An applicant for registration as an appraisal management company shall submit to the department an application on forms prescribed by the department and pay the required fee(s).

(b) The fees for initial registration, renewal, and late renewals shall be determined by the director and established by regulation.

(c) There is hereby created a restricted receipt account within the general fund of the state to be known as the appraisal management company – registration account. Fees collected pursuant to § 5-20.9-7 shall be deposited into this account and be used to finance costs associated with appraisal management company registration and operations. The restricted receipt account will be included in the budget of the department of business regulation.

~~(e)~~(d) Every appraisal management company that desires to renew a registration for the next term shall apply for the renewal of the registration upon a form furnished by the director and containing information that is required by this chapter. Renewal of a registration is subject to the same provisions as the initial registration.

1 ~~(e)~~(e) The department shall receive applications for registration for initial licensing and
2 renewal and establish administrative procedures for processing applications and issuing and
3 renewing registrations.

4 ~~(f)~~(f) The department shall have the authority to assess and collect from registered entities,
5 the AMC federal registry fee in any amount assessed by the appraisal subcommittee of the Federal
6 Financial Institutions Examination Council or its successor entity, and transmit the fee to the
7 Federal Financial Institutions Examinations Council.

8 ~~(g)~~(g) A federally regulated appraisal management company operating in this state shall
9 report to the department any information necessary for the department to assess, collect, and
10 forward the AMC federal registry fee in any amount assessed by the appraisal subcommittee of the
11 Federal Financial Institutions Examination Council or its successor entity.

12 SECTION 3. Sections 22-13-1 and 22-13-4 of the General Laws in Chapter 22-13 entitled
13 "Auditor General" are hereby amended to read as follows:

14 **22-13-1. Appointment -- Qualifications -- Oath -- Bond -- Office space -- Rules and**
15 **regulations.**

16 (a) The auditor general shall be appointed by the joint committee on legislative services,
17 referred to in this chapter as "the committee." At the time of appointment, the auditor general shall
18 have had active experience in general accounting principles and practices in this state for a total
19 period of at least five (5) years. Vacancies in the office shall be filled in the same manner as the
20 original appointment.

21 (b)(1) The committee shall employ qualified persons necessary for the efficient operation
22 of the office and shall fix their duties and compensation and those persons shall be in the
23 unclassified service.

24 (2) No person shall be employed as an auditor who does not have adequate technical
25 training and proficiency, and a baccalaureate degree from a college or university, and no person
26 shall be employed or retained as legal advisor on either a full-time or a part-time basis who is not
27 a member of the Rhode Island bar.

28 (c) The auditor general before entering upon the duties of his or her office, shall take and
29 subscribe to the oath of office required of state officers by the state constitution.

30 (d) The auditor general shall be covered by the state's blanket position bond and
31 conditioned that he or she will well and faithfully discharge the duties of his or her office, promptly
32 report any delinquency or shortage discovered in any accounts and records audited by him or her,
33 and promptly pay over and account for any and all funds that shall come into his or her hands as
34 auditor.

1 (e)(1) All auditors employed by the auditor general shall be covered by a blanket position
2 bond. The bonds or bond shall meet and contain the same conditions as are required in the bond of
3 the auditor general.

4 (2) All bonds shall be filed with the committee. If an auditor is not covered in the blanket
5 position bond, an individual bond shall be filed within thirty (30) days after the employee received
6 notice of his or her employment. The amount of the bond shall be determined by the auditor general.
7 Failure to file an individual bond or to be covered in the blanket position bond shall terminate his
8 or her employment.

9 (f) The annual premium of all bonds shall be paid out of any funds provided for the
10 operation of the office.

11 (g) The auditor general shall be provided with suitable quarters, but to facilitate auditing
12 and to eliminate unnecessary traveling, the joint committee on legislative services may establish
13 divisions, [including a performance investigation division](#), and assign auditors to each division and
14 determine their duties and the areas of the state to be served by the respective divisions. The auditor
15 general shall be provided and furnished with any space that may be necessary to carry out his or
16 her functions in other areas of the state.

17 (h) The auditor general may make and enforce reasonable rules and regulations necessary
18 to facilitate audits [and investigations](#) which the joint committee on legislative services authorizes
19 the auditor general to perform. This includes the post-audit of the financial transactions and
20 accounts of the state that is provided for by the finance committee of the house of representatives.

21 (i) No full-time employee of the office of auditor general shall serve as an executive,
22 officer, or employee of any political party committee, organization, or association. Neither the
23 auditor general nor any employee of the auditor general shall become a candidate for election to
24 public office unless he or she shall first resign from his or her office or employment.

25 **22-13-4. Definitions -- Duties of auditor general -- Investigations by committee.**

26 (a) The following words and phrases have the following meanings unless a different
27 meaning is required by the context:

28 (1) "Performance audit" means an examination of the effectiveness of administration and
29 its efficiency and adequacy in terms of the program of the state agency authorized by law to be
30 performed. The "performance audit" may also include a review of the agency in terms of
31 compliance with federal and state laws and executive orders relating to equal employment
32 opportunities and the set aside for minority businesses.

33 (2) "Political subdivision" means a separate agency or unit of local government created or
34 established by law and includes, but is not limited to, the following and the officers of the following:

1 authority, board, branch, bureau, city, commission, council, consolidated government, county,
2 department, district, institution, metropolitan government, municipality, office, officer, public
3 corporation, town, or village.

4 (3) "Post-audit" means an audit made at some point after the completion of a transaction
5 or a group of transactions.

6 (4) "State agency" means a separate agency or unit of state government created or
7 established by law and includes, but is not limited to, the following and the officers of the following:
8 authority, board, branch, bureau, commission, council, department, division, institution, office,
9 officer, or public corporation, as the case may be, except any agency or unit within the legislative
10 branch of state government.

11 (b) The auditor general shall make post-audits and performance audits of public records
12 and perform related duties as prescribed by the committee. He or she shall perform his or her duties
13 independently but under the general policies established by the committee.

14 (c)(1) The auditor general shall have the power and duty to make post-audits and
15 performance audits of the accounts and records of all state agencies, including the board of
16 governors for higher education and the board of regents for elementary and secondary education,
17 as defined in this section.

18 (2) The auditor general shall have the power, when requested by a majority of the
19 committee, to make post-audits and performance audits of accounts and records of any other public
20 body or political subdivision, or any association or corporation created or established by any
21 general or special law of the general assembly, or any person, association, or corporation to which
22 monies of the state have been appropriated by the general assembly. Nothing in the subdivision
23 shall be construed to apply to public utilities.

24 (3) The auditor general shall perform or have performed annually a complete post-audit of
25 the financial transactions and accounts of the state when approved by the chairperson of the joint
26 committee on legislative services.

27 (d) The committee may at any time, without regard to whether the legislature is then in
28 session or out of session, take under investigation any matter within the scope of an audit either
29 completed or then being conducted by the auditor general, and in connection with that investigation
30 may exercise the powers of subpoena vested by law in a standing committee of the legislature.

31 (e)(1) The auditor general may, when directed by the committee, designate and direct any
32 auditor employed by him or her to audit any accounts or records within the power of the auditor
33 general to audit. The auditor shall report his or her findings for review by the auditor general, who
34 shall prepare the audit report.

1 (2) The audit report shall make special mention of:

2 (i) Any violation of the laws within the scope of the audit; and

3 (ii) Any illegal or improper expenditure, any improper accounting procedures, all failures
4 to properly record financial transactions, and all other inaccuracies, irregularities, shortages, and
5 defalcations.

6 (3) At the conclusion of the audit, the auditor general or his or her designated representative
7 will conduct an exit conference with the official whose office or department is subject to audit and
8 submit to him or her a draft report which includes a list of findings and recommendations. If an
9 official is not available for the exit conference, delivery of the draft report is presumed to be
10 sufficient notice. The official must submit to the auditor general within sixty (60) days after the
11 receipt of the draft report his or her written reply as to:

12 (i) Acceptance and plan of implementation of each recommendation;

13 (ii) Reason(s) for non-acceptance of a recommendation.

14 (4) Should the auditor general determine that the written explanation or rebuttal of the
15 official whose office is subject to audit is unsatisfactory, he or she shall, as soon as practicable,
16 report his or her findings to the joint committee on legislative services.

17 (f) A copy of the audit report shall be submitted to each member of the committee.

18 (g) If the auditor general discovers any errors, unusual practices, or any other discrepancies
19 in connection with his or her audit or post-audit of a state agency or state officers, the auditor
20 general shall, as soon as practicable, notify in writing the president of the senate and the speaker of
21 the house of representatives, respectively.

22 (h) The auditor general shall annually review the capital development program to
23 determine: (1) the status of all projects included in the program; (2) whether the funds are being
24 properly expended for their intended purposes; (3) the completion date or projected completion
25 date of the projects; (4) which projects require professional services and to determine the identity
26 of individuals or firms appointed; and (5) the expended and unexpended funds. This report shall be
27 annually submitted to the general assembly on the first Wednesday in February.

28 (i) The auditor general shall supervise, coordinate, and/or conduct investigations and
29 inspections or oversight reviews with the purpose of preventing and detecting fraud, waste, abuse
30 and mismanagement in the expenditure of public funds.

31 SECTION 4. Section 23-77-2 of the General Laws in Chapter 23-77 entitled "Healthcare
32 Information Technology and Infrastructure Development Fund" is hereby amended to read as
33 follows:

34 **23-77-2. Establishment of the healthcare information technology and infrastructure**

1 **development fund.**

2 (a) There is established in the department of health, the healthcare information technology
3 and infrastructure development fund to be administered by the director of the department of health
4 for the purpose of promoting the development and adoption of healthcare information technologies
5 designed to improve the quality, safety and efficiency of healthcare services and the security of
6 individual patient data.

7 (b) Moneys in the fund shall be used for projects authorized by the director of health and
8 may be expended by contract, loan, or grant, to develop, maintain, expand, and improve the state's
9 healthcare information technology infrastructure and to assist healthcare facilities and health
10 service providers in adopting healthcare information technologies shown to improve healthcare
11 quality, safety or efficiency. Such projects shall incorporate the goal of maintaining the security
12 and confidentiality of individual patient data, and separate projects for that purpose may also be
13 authorized from the fund. The director of health shall develop criteria for the selection of projects
14 to be funded from the fund in consultation with the healthcare information technology and
15 infrastructure advisory committee created in § 23-77-4.

16 (c) Any moneys provided by loan shall be disbursed for periods not exceeding twenty-five
17 (25) years and at an annual rate of interest not exceeding five percent (5%).

18 (d) The director of the department of health, in consultation with the state healthcare
19 information technology advisory committee, shall establish criteria for eligible healthcare
20 information technology and infrastructure projects to be funded under this chapter.

21 (e) The healthcare information technology and infrastructure development fund, as herein
22 described, shall constitute a restricted receipt account within the general fund of the state and
23 housed within the budget of the department of health. The short title of the restricted receipt
24 account shall henceforth be designated as "health information technology".

25 SECTION 5. ~~Section~~ Sections 35-3-8 and 35-3-24 of the General Laws in Chapter 35-3
26 entitled "State Budget" is hereby amended to read as follows:

27 **35-3-8. Recommendations to meet deficiencies -- Submission of appropriation bills.**

28 (a) The budget shall also contain the recommendations of the governor to the general
29 assembly for new taxes, loans, or other appropriate actions to meet any estimated deficiency for
30 the ensuing fiscal year. It shall also be accompanied by a bill or bills for all proposed appropriations.

31 (b) In the event that any departments of state government are expected to incur a deficiency
32 within the current fiscal year, the governor shall, on or before the third Thursday in January each
33 year, submit a request for supplemental appropriations on their behalf. Provided, however, in those
34 years that a new governor is inaugurated, the new governor shall submit the request on or before

1 the first Thursday in February. In the event that, prior to or subsequent to the request, the governor
2 determines that additional deficiencies are expected to be incurred, the governor shall submit
3 requests for additional appropriations upon notice of these deficiencies.

4 (c) The request presented to the general assembly shall identify the proposed increases and
5 decreases to the original amounts provided in the annual appropriation act provided, that no action
6 shall be taken which will cause an excess of appropriations for revenue expenditures over expected
7 revenue receipts.

8 **35-3-24. Control of state spending.**

9 (a) All department and agency heads and their employees are responsible for ensuring that
10 financial obligations and expenditures for which they have responsibility do not exceed amounts
11 appropriated and are spent in accordance with state laws.

12 (b) Persons with the authority to obligate the state contractually for goods and services
13 shall be designated in writing by department and agency heads.

14 (c) In the event of an obligation, encumbrance, or expenditure in excess of amounts
15 appropriated, the department or agency head with oversight responsibility shall make a written
16 determination of the amount and the cause of the overobligation or overexpenditure, the person(s)
17 responsible, and corrective actions taken to prevent reoccurrence. The plan of corrective actions
18 contained within the report shall detail an appropriate plan to include, but not limited to, such issues
19 as the implementation of waiting lists, pro-rata reduction in payments and changes in eligibility
20 criteria as methods to address the shortfall. The report will be filed within thirty (30) days of the
21 discovery of the overobligation or overexpenditure with the budget officer, the controller, the
22 auditor general, and the chairpersons of the house and senate finance committees.

23 (d) In the event a quarterly report demonstrates an obligation, encumbrance, or expenditure
24 in excess of amounts appropriated, the department or agency head with oversight responsibility
25 shall file monthly budget reports with the chairpersons of the house and senate finance committees
26 for the remainder of the fiscal year. The monthly budget reports shall detail steps taken towards
27 corrective actions and other measures to bring spending in line with appropriations. In addition, the
28 budget officer and controller shall ensure that the department's or agency's obligations,
29 encumbrances, and expenditures for the remainder of the fiscal year result in the department or
30 agency ending the fiscal year within amounts appropriated.

31 (e) The controller shall not authorize payments for additional staff, contracts, or purchases
32 for any department or agency not projected to end a fiscal year within amounts appropriated unless
33 necessitated by immediate health and safety reasons, which shall be documented upon discovery
34 and reported, along with anticipated or actual expenditures, to the chairpersons of the house and

1 [senate finance committees within fifteen \(15\) days.](#)

2 ~~(f)~~ A state employee who has knowingly and willingly encumbered, obligated, or
3 authorized the expenditure of state funds in excess of amounts appropriated for those purposes or
4 entered into contracts without proper authorization may be placed on disciplinary suspension
5 without pay for up to thirty (30) days in accordance with § 36-4-36.

6 ~~(g)~~ A state employee who knowingly, willfully, and repeatedly authorizes actions
7 resulting in encumbrances or spending of state funds in excess of amounts appropriated may be
8 fined up to one thousand dollars (\$1,000) and/or terminated from employment.

9 [\(h\) Upon receipt of any budgetary information indicating an obligation, encumbrance, or](#)
10 [expenditure in excess of the amounts appropriated, the chairperson of the house or senate finance](#)
11 [committee may request a written report to be submitted by the director of administration within ten](#)
12 [\(10\) calendar days. The report shall indicate if the obligation, encumbrance, or expenditure in](#)
13 [excess of the amounts appropriated resulted in any disciplinary action or other penalty in](#)
14 [accordance with subsection \(f\) or \(g\). If not, the report shall explain why no disciplinary action or](#)
15 [other penalty was imposed in accordance subsection \(f\) or \(g\).](#)

16 SECTION 6. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds"
17 is hereby amended to read as follows:

18 **35-4-27. Indirect cost recoveries on restricted receipt accounts.**

19 Indirect cost recoveries of ten percent (10%) of cash receipts shall be transferred from all
20 restricted-receipt accounts, to be recorded as general revenues in the general fund. However, there
21 shall be no transfer from cash receipts with restrictions received exclusively: (1) From contributions
22 from non-profit charitable organizations; (2) From the assessment of indirect cost-recovery rates
23 on federal grant funds; or (3) Through transfers from state agencies to the department of
24 administration for the payment of debt service. These indirect cost recoveries shall be applied to all
25 accounts, unless prohibited by federal law or regulation, court order, or court settlement. The
26 following restricted receipt accounts shall not be subject to the provisions of this section:

27 Executive Office of Health and Human Services

28 Organ Transplant Fund

29 HIV Care Grant Drug Rebates

30 [Health System Transformation Project](#)

31 Department of Human Services

32 Veterans' home -- Restricted account

33 Veterans' home -- Resident benefits

34 Pharmaceutical Rebates Account

1 Demand Side Management Grants
2 Veteran's Cemetery Memorial Fund
3 Donations -- New Veterans' Home Construction
4 Department of Health
5 Pandemic medications and equipment account
6 Miscellaneous Donations/Grants from Non-Profits
7 State Loan Repayment Match
8 [Healthcare Information Technology](#)
9 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
10 Eleanor Slater non-Medicaid third-party payor account
11 Hospital Medicare Part D Receipts
12 RICLAS Group Home Operations
13 Commission on the Deaf and Hard of Hearing
14 Emergency and public communication access account
15 Department of Environmental Management
16 National heritage revolving fund
17 Environmental response fund II
18 Underground storage tanks registration fees
19 [De Coppet Estate Fund](#)
20 Rhode Island Historical Preservation and Heritage Commission
21 Historic preservation revolving loan fund
22 Historic Preservation loan fund -- Interest revenue
23 Department of Public Safety
24 [E-911 Uniform Emergency Telephone System](#)
25 Forfeited property -- Retained
26 Forfeitures -- Federal
27 Forfeited property -- Gambling
28 Donation -- Polygraph and Law Enforcement Training
29 Rhode Island State Firefighter's League Training Account
30 Fire Academy Training Fees Account
31 Attorney General
32 Forfeiture of property
33 Federal forfeitures
34 Attorney General multi-state account

1 Forfeited property -- Gambling
2 Department of Administration
3 OER Reconciliation Funding
4 [Health Insurance Market Integrity Fund](#)
5 RI Health Benefits Exchange
6 Information Technology Investment Fund
7 Restore and replacement -- Insurance coverage
8 Convention Center Authority rental payments
9 Investment Receipts -- TANS
10 OPEB System Restricted Receipt Account
11 Car Rental Tax/Surcharge-Warwick Share
12 Executive Office of Commerce
13 Housing Resources Commission Restricted Account
14 Department of Revenue
15 DMV Modernization Project
16 Jobs Tax Credit Redemption Fund
17 Legislature
18 Audit of federal assisted programs
19 Department of Children, Youth and Families
20 Children's Trust Accounts -- SSI
21 Military Staff
22 RI Military Family Relief Fund
23 RI National Guard Counterdrug Program
24 Treasury
25 Admin. Expenses -- State Retirement System
26 Retirement -- Treasury Investment Options
27 Defined Contribution -- Administration - RR
28 Violent Crimes Compensation -- Refunds
29 Treasury Research Fellowship
30 Business Regulation
31 Banking Division Reimbursement Account
32 Office of the Health Insurance Commissioner Reimbursement Account
33 Securities Division Reimbursement Account
34 Commercial Licensing and Racing and Athletics Division Reimbursement Account

1 Insurance Division Reimbursement Account
2 Historic Preservation Tax Credit Account
3 Judiciary
4 Arbitration Fund Restricted Receipt Account
5 Third-Party Grants
6 RI Judiciary Technology Surcharge Account
7 Department of Elementary and Secondary Education
8 Statewide Student Transportation Services Account
9 School for the Deaf Fee-for-Service Account
10 School for the Deaf -- School Breakfast and Lunch Program
11 Davies Career and Technical School Local Education Aid Account
12 Davies -- National School Breakfast & Lunch Program
13 School Construction Services
14 Office of the Postsecondary Commissioner
15 Higher Education and Industry Center
16 Department of Labor and Training
17 Job Development Fund

18 SECTION 7. Section 39-1-62 of the General Laws in Chapter 39-1 entitled "Public Utilities
19 Commission" is hereby repealed.

20 ~~**39-1-62. Geographic information system (GIS) and technology fund.**~~

21 ~~(a) Preamble. To allow Rhode Island emergency and first response agencies to associate~~
22 ~~latitude and longitude coordinates provided by wireless carriers with physical locations throughout~~
23 ~~the state, the agency must establish and maintain a GIS database of street addresses and landmarks.~~
24 ~~The database will allow local emergency response personnel to dispatch police, fire, and rescue~~
25 ~~personnel to a specific address or landmark of a cellular caller in the event the caller is unaware of~~
26 ~~his or her location, or is physically unable to communicate it. Because more than half of the 530,000~~
27 ~~9-1-1 phone calls received in 2003 came from cellular phones, it is critical that the GIS database~~
28 ~~be developed and maintained in order to improve caller location identification and reduce~~
29 ~~emergency personnel response times.~~

30 ~~(b) Definitions. As used in this section, the following terms have the following meanings:~~

- 31 ~~(1) "System" means emergency 911 uniform telephone system.~~
32 ~~(2) "Agency" means Rhode Island 911 emergency telephone system.~~
33 ~~(3) "Division" means the division of public utilities and carriers.~~
34 ~~(4) "GIS and technology fund" means the programs and funding made available to the~~

1 ~~emergency 911 uniform telephone system to assist in paying the costs of the GIS database~~
2 ~~development project and GIS systems maintenance, which will enable the system to locate cellular~~
3 ~~phone callers by geocoding all addresses and landmarks in cities and towns throughout the state.~~
4 ~~GIS and technology fund also includes programs and funding to create system redundancy, fund~~
5 ~~the construction of a new E-911 facility, and operate and maintain other state-of-the-art equipment~~
6 ~~in public safety agencies.~~

7 ~~(5) "Prepaid wireless telecommunications service" means a wireless telecommunications~~
8 ~~service that allows a caller to dial 911 to access the 911 system, which service must be paid for in~~
9 ~~advance and is sold in predetermined units or dollars of which the number declines with use in a~~
10 ~~known amount.~~

11 ~~(c) Purpose. The purpose of the GIS and technology fund shall be to:~~

12 ~~(1) Implement and maintain a geographic information system database to assist in locating~~
13 ~~wireless phone callers for emergency purposes in a manner consistent and in coordination with the~~
14 ~~Rhode Island geographic information system administered by the division of planning as provided~~
15 ~~for in § 42-11-10(g)(3);~~

16 ~~(2) Create system redundancy to ensure the reliability of 9-1-1 service to the public;~~

17 ~~(3) Operate and maintain other state-of-the-art equipment in public safety agencies;~~

18 ~~(4) Fund the construction of a new E-911 facility; and~~

19 ~~(5) Encourage the development of opportunities for and agreements on the sharing and~~
20 ~~integration of services across municipalities in the implementation of the E-911 uniform emergency~~
21 ~~telephone system.~~

22 ~~(d) Authority. The agency shall establish, by rule or regulation, an appropriate funding~~
23 ~~mechanism to recover from the general body of ratepayers the costs of funding GIS and technology~~
24 ~~projects.~~

25 ~~(1) The general assembly shall determine the amount of a monthly surcharge to be levied~~
26 ~~upon each wireless instrument, device, or means including cellular, telephony, internet, voice over~~
27 ~~internet protocol (VoIP), satellite, computer, radio, communication, data, or any other wireless~~
28 ~~instrument, device, or means that has access to, connects with, interfaces with, or is capable of~~
29 ~~delivering two-way interactive communications services to the Rhode Island uniform emergency~~
30 ~~telephone system. Prepaid wireless E911 telecommunications services shall not be included in this~~
31 ~~act, but shall be governed by chapter 21.2 of this title. The agency will provide the general assembly~~
32 ~~with information and recommendations regarding the necessary level of funding to effectuate the~~
33 ~~purposes of this article. The surcharge shall be billed monthly by each wireless telecommunications~~
34 ~~services provider as defined in § 39-21.1-3, which shall not include prepaid wireless~~

1 ~~telecommunications service, and shall be payable to the wireless telecommunications services~~
2 ~~provider by the subscriber of the telecommunications services. Each telecommunication services~~
3 ~~provider shall establish a special (escrow) account to which it shall deposit on a monthly basis the~~
4 ~~amounts collected as a surcharge under this section. The money collected by each wireless~~
5 ~~telecommunication services provider shall be transferred within sixty (60) days after its inception~~
6 ~~of wireless, cellular, telephony, voice over internet protocol (VoIP), satellite, computer, internet,~~
7 ~~or communications, information, or data services in this state and every month thereafter. Any~~
8 ~~money not transferred in accordance with this paragraph shall be assessed interest at the rate set~~
9 ~~forth in § 44-1-7 from the date the money should have been transferred. State, local, and quasi-~~
10 ~~governmental agencies shall be exempt from the surcharge. The surcharge shall be deposited in a~~
11 ~~restricted receipt account, hereby created within the agency and known as the GIS and technology~~
12 ~~fund, to pay any and all costs associated with the provisions of subsection (c). Beginning July 1,~~
13 ~~2007, the surcharge shall be deposited in the general fund as general revenues to pay any and all~~
14 ~~costs associated with the provisions of subsection (c). The GIS and technology fund restricted-~~
15 ~~receipt account shall be terminated June 30, 2008. The amount of the surcharge under this section~~
16 ~~shall not exceed thirty five cents (\$.35) per wireless phone.~~

17 (2) ~~The surcharge is hereby determined to be twenty six cents (\$.26) per wireless phone,~~
18 ~~cellular, telephony, voice over internet protocol (VoIP), satellite, computer, data or data only~~
19 ~~wireless lines or internet communication or data instrument, device, or means that has access to,~~
20 ~~connects with, activates or interfaces with or any combination of the above, with the Rhode Island~~
21 ~~E-911 uniform emergency telephone system per month and shall be in addition to the wireless~~
22 ~~surcharge charged under § 39-21.1-14. The twenty six cents (\$.26) is to be billed to all wireless~~
23 ~~telecommunication service providers' subscribers upon the inception of services.~~

24 (3) ~~The amount of the surcharge shall not be subject to the sales and use tax imposed under~~
25 ~~chapter 18 of title 44 nor be included within the gross earnings of the telecommunications~~
26 ~~corporation providing telecommunications service for the purpose of computing the tax under~~
27 ~~chapter 13 of title 44.~~

28 (4) ~~[Deleted by P.L. 2010, ch. 23, art. 9, § 10].~~

29 (e) ~~Administration. The division of taxation shall collect monthly from the wireless~~
30 ~~telecommunications service providers as defined in § 39-21.1-3, and which shall not include~~
31 ~~prepaid wireless telecommunications service, the amounts of the surcharge collected from their~~
32 ~~subscribers. The division of taxation shall deposit such collections in the general fund as general~~
33 ~~revenues for use in developing and maintaining the geographic information system database,~~
34 ~~creating system redundancy, funding the construction of a new E-911 facility, and operating and~~

1 ~~maintaining other state-of-the-art equipment for public safety agencies. The agency is further~~
2 ~~authorized and encouraged to seek matching funds from all local, state, and federal public or private~~
3 ~~entities and shall coordinate its activities and share all information with the state division of~~
4 ~~planning.~~

5 ~~(f) Effective date. The effective date of assessment for the GIS and technology fund shall~~
6 ~~be July 1, 2004.~~

7 ~~(g) Nothing in this section shall be construed to constitute rate regulation of wireless~~
8 ~~communications services carriers, nor shall this section be construed to prohibit wireless~~
9 ~~communications services carriers from charging subscribers for any wireless service or feature.~~

10 ~~(h) Except as otherwise provided by law, the agency shall not use, disclose, or otherwise~~
11 ~~make available call location information for any purpose other than as specified in subsection (c).~~

12 ~~(i) The attorney general shall, at the request of the E-911 uniform emergency telephone~~
13 ~~system division, or any other agency that may replace it, or on its own initiative, commence judicial~~
14 ~~proceedings in the superior court against any telecommunication services provider as defined in §~~
15 ~~39-21.1-3(12) providing communication services to enforce the provisions of this chapter.~~

16 SECTION 8. Section 39-21.1-14 of the General Laws in Chapter 39-21.1 entitled "911
17 Emergency Telephone Number Act" is hereby amended to read as follows:

18 **39-21.1-14. Emergency services and first response surcharge** ~~Emergency services E-~~
19 ~~911 surcharge and first response surcharge.~~

20 (a)(i) A monthly E-911 surcharge of ~~one dollar (\$1.00)~~ fifty cents (\$.50) cents is hereby
21 levied upon each residence and business telephone line or trunk or path and data, telephony,
22 internet, voice over internet protocol (VoIP) wireline, line, trunk or path in the state including PBX
23 trunks and centrex equivalent trunks and each line or trunk serving, and upon each user interface
24 number or extension number or similarly identifiable line, trunk, or path to or from a digital network
25 (such as, but not exclusive of, integrated services digital network (ISDN), Flexpath, or comparable
26 digital private branch exchange, or connecting to or from a customer-based or dedicated telephone
27 switch site (such as, but not exclusive of, a private branch exchange (PBX)), or connecting to or
28 from a customer-based or dedicated central office (such as, but not exclusive of, a centrex system
29 but exclusive of trunks and lines provided to wireless communication companies) that can access
30 to, connect with, or interface with the Rhode Island E-911 uniform emergency telephone system
31 (RI E-911). In each instance where a surcharge is levied pursuant to this subsection (a)(i) above
32 there shall also be a monthly first response surcharge of fifty cents (\$.50). The ~~surcharge~~ surcharges
33 shall be billed by each telecommunication services provider at the inception of services and shall
34 be payable to the telecommunication services provider by the subscriber of the services.

1 (ii) A monthly E-911 surcharge of ~~one dollar (\$1.00)~~ fifty cents (\$.50) is hereby levied
2 ~~effective July 1, 2002~~, on each wireless instrument, device, or means including prepaid, cellular,
3 telephony, internet, voice over internet protocol (VoIP), satellite, computer, radio, communication,
4 data or data only wireless lines or any other wireless instrument, device, or means that has access
5 to, connects with, or activates or interfaces or any combination thereof with the E 9-1-1 uniform
6 emergency telephone system. In each instance where a surcharge is levied pursuant to this
7 subsection (a)(ii) above there shall also be a monthly first response surcharge of seventy-five cents
8 (\$.75). The ~~surcharge surcharges shall be in addition to the surcharge collected under § 39-1-62~~
9 ~~and~~ shall be billed by each telecommunication services provider and shall be payable to the
10 telecommunication services provider by the subscriber. Prepaid wireless telecommunications
11 services shall not be included in this act, but shall be governed by chapter 21.2 of this title. The E-
12 911 uniform emergency telephone system shall establish, by rule or regulation, an appropriate
13 funding mechanism to recover from the general body of ratepayers this surcharge.

14 (b) The amount of the ~~surcharge surcharges~~ shall not be subject to the tax imposed under
15 chapter 18 of title 44 nor be included within the telephone common carrier's gross earnings for the
16 purpose of computing the tax under chapter 13 of title 44.

17 (c) Each telephone common carrier and each telecommunication services provider shall
18 establish a special account to which it shall deposit on a monthly basis the amounts collected as ~~a~~
19 ~~surcharge surcharges~~ under this section.

20 (d) The money collected by each telecommunication services provider shall be transferred
21 within sixty (60) days after its inception of wireline, wireless, prepaid, cellular, telephony, voice
22 over internet protocol (VoIP), satellite, computer, internet, or communications services in this state
23 and every month thereafter, to the division of taxation, together with the accrued interest ~~,and~~. The
24 E-911 surcharge shall be deposited in ~~the general fund as general revenue~~ a restricted receipt
25 account and used solely for the operation of the E 9-1-1 uniform emergency telephone system; The
26 first response surcharge shall be deposited in the general fund; provided, however, that ~~beginning~~
27 ~~July 1, 2015~~, ten percent (10%) of ~~such~~ money collected from the first response surcharge shall be
28 deposited in the information technology investment fund established pursuant to § 42-11-2.5. Any
29 money not transferred in accordance with this paragraph shall be assessed interest at the rate set
30 forth in § 44-1-7 from the date the money should have been transferred.

31 (e) Every billed subscriber-user shall be liable for any surcharge imposed under this section
32 until it has been paid to the telephone common carrier or telecommunication services provider. Any
33 surcharge shall be added to and ~~may~~ shall be stated separately in the billing by the telephone
34 common carrier or telecommunication services provider and shall be collected by the telephone

1 common carrier or telecommunication services provider.

2 (f) Each telephone common carrier and telecommunication services provider shall annually
3 provide the E 9-1-1 uniform emergency telephone system division or any other agency that may
4 replace it, with a list of amounts uncollected together with the names and addresses of its
5 subscriber-users who can be determined by the telephone common carrier or telecommunication
6 services provider to have not paid the [E-911](#) surcharge.

7 (g) Included within, but not limited to, the purposes for which the money collected [from](#)
8 [the E-911 surcharge](#) may be used are rent, lease, purchase, improvement, construction,
9 maintenance, repair, and utilities for the equipment and site or sites occupied by the ~~state's first~~
10 ~~responder and emergency services agencies~~ [E-911 uniform emergency telephone system](#); salaries,
11 benefits, and other associated personnel costs; acquisition, upgrade, or modification of PSAP
12 equipment to be capable of receiving E 9-1-1 information, including necessary computer hardware,
13 software, and database provisioning, addressing, and non-recurring costs of establishing emergency
14 services; network development, operation, and maintenance; database development, operation, and
15 maintenance; on-premise equipment maintenance and operation; training emergency service
16 personnel regarding use of E 9-1-1; educating consumers regarding the operations, limitations, role,
17 and responsible use of E 9-1-1; reimbursement to telephone common carriers or telecommunication
18 services providers of rates or recurring costs associated with any services, operation,
19 administration, or maintenance of E 9-1-1 services as approved by the division; reimbursement to
20 telecommunication services providers or telephone common carriers of other costs associated with
21 providing E 9-1-1 services, including the cost of the design, development, and implementation of
22 equipment or software necessary to provide E 9-1-1 service information to PSAP's, as approved by
23 the division.

24 (h) [Deleted by P.L. 2000, ch. 55, art. 28, § 1.]

25 (i) Nothing in this section shall be construed to constitute rate regulation of wireless
26 communication services carriers, nor shall this section be construed to prohibit wireless
27 communication services carriers from charging subscribers for any wireless service or feature.

28 (j) [Deleted by P.L. 2006, ch. 246, art. 4, § 1].

29 SECTION 9. Sections 39-21.2-2, 39-21.2-4 and 39-21.2-5 of the General Laws in Chapter
30 39-21.2 entitled "Prepaid Wireless Charge Act" are hereby amended to read as follows:

31 **39-21.2-2. Findings.**

32 The legislature finds that:

33 (1) Maintaining effective and efficient emergency services ~~and first responder agencies~~
34 across the state benefits all citizens;

1 (2) 911 fees imposed upon the consumers of telecommunications services that have the
2 ability to dial 911 are an important funding mechanism to assist state and local governments with
3 the deployment of emergency services to the citizens of this state;

4 (3) Prepaid wireless telecommunication services are an important segment of the
5 telecommunications industry and have proven particularly attractive to low-income, low-volume
6 consumers;

7 (4) Unlike traditional telecommunications services, prepaid wireless telecommunications
8 services are not sold or used pursuant to term contracts or subscriptions, and monthly bills are not
9 sent to consumers by prepaid wireless telecommunication services providers or retail vendors;

10 (5) Prepaid wireless consumers have the same access to emergency 911 services from their
11 wireless devices as wireless consumers on term contracts, and prepaid wireless consumers benefit
12 from the ability to access the 911 system by dialing 911;

13 (6) Consumers purchase prepaid wireless telecommunication services at a wide variety of
14 general retail locations and other distribution channels, not just through service providers;

15 (7) Such purchases are made on a "cash-and-carry" or "pay-as-you-go" basis from retailers;
16 and

17 (8) To ensure equitable contributions to the funding of emergency systems from consumers
18 of prepaid wireless telecommunication services, the collection and payment obligation of charges
19 to support ~~the state's first responder and emergency services~~ [E-911](#) should be imposed upon the
20 consumer's retail purchase of the prepaid wireless telecommunication service and should be in the
21 form of a single, statewide charge that is collected once at the time of purchase directly from the
22 consumer, remitted to the state, and distributed to E911 authorities pursuant to state law.

23 **39-21.2-4. Emergency services and first response surcharge E-911 surcharge.**

24 (a) Amount of charge. The prepaid wireless [E-911](#) charge is hereby levied at the rate of
25 two and one-half percent (2.5%) per retail transaction or, on and after the effective date of an
26 adjusted amount per retail transaction that is established under subsection (f) of this section, such
27 adjusted amount.

28 (b) Collection of charge. The prepaid wireless charge shall be collected by the seller from
29 the consumer with respect to each retail transaction occurring in this state. The amount of the
30 prepaid wireless charge shall be either separately stated on an invoice, receipt, or other similar
31 document that is provided to the consumer by the seller, or otherwise disclosed to the consumer.

32 (c) Application of charge. For purposes of subsection (b) of this section, a retail transaction
33 that is effected in person by a consumer at a business location of the seller shall be treated as
34 occurring in this state if that business location is in this state, and any other retail transaction shall

1 be treated as occurring in this state if the retail transaction is treated as occurring in this state for
2 purposes of chapter 18 of title 44.

3 (d) Liability for charge. The prepaid wireless charge is the liability of the consumer and
4 not of the seller or of any provider, except that the seller shall be liable to remit all prepaid wireless
5 charges that the seller collects from consumers as provided in § 39-21.2-5, including all such
6 charges that the seller is deemed to collect where the amount of the charge has not been separately
7 stated on an invoice, receipt, or other similar document provided to the consumer by the seller.

8 (e) Exclusion of charge from base of other taxes and fees. The amount of the prepaid
9 wireless charge that is collected by a seller from a consumer, if such amount is separately stated on
10 an invoice, receipt, or other similar document provided to the consumer by the seller, shall not be
11 included in the base for measuring any tax, fee, surcharge, or other charge that is imposed by this
12 state, any political subdivision of this state, or any intergovernmental agency, including, but not
13 limited to, the tax imposed under chapter 18 of title 44 nor be included within the telephone
14 common carrier's gross earnings for the purpose of computing the tax under chapter 13 of title 44.

15 ~~(f) Re-setting of charge. The prepaid wireless charge shall be proportionately increased or~~
16 ~~reduced, as applicable, upon any change to the state charge on postpaid wireless~~
17 ~~telecommunications service under § 39-21.1-14 or § 39-1-62(d)(2). The adjusted amount shall be~~
18 ~~determined by dividing the sum of the surcharges imposed under § 39-21.1-14 and § 39-1-62(d)(2)~~
19 ~~by fifty dollars (\$50.00). Such increase or reduction shall be effective on the effective date of the~~
20 ~~change to the postpaid charge or, if later, the first day of the first calendar month to occur at least~~
21 ~~sixty (60) days after the enactment of the change to the postpaid charge. The division shall provide~~
22 ~~not less than thirty (30) days of advance notice of such increase or reduction on the division's~~
23 ~~website.~~

24 ~~(e)(f)~~ Bundled transactions. When prepaid wireless telecommunications service is sold
25 with one or more other products or services for a single, non-itemized price, then the percentage
26 specified in subsection (a) of this section shall apply to the entire non-itemized prices unless the
27 seller elects to apply such percentage (1) If the amount of prepaid wireless telecommunications
28 service is disclosed to the consumer as a dollar amount, such dollar amount, or (2) If the retailer
29 can identify the portion of the price that is attributable to the prepaid wireless telecommunications
30 service, by reasonable and verifiable standards from its books and records that are kept in the
31 regular course of business for other purposes, including, but not limited to, non-tax purposes, such
32 portion.

33 However, if a minimal amount of prepaid wireless telecommunications service is sold with
34 a prepaid wireless device for a single, non-itemized price, then the seller may elect not to apply the

1 percentage specified in subsection (a) of this section to such transaction. For purposes of this
2 paragraph, an amount of service denominated as ten (10) minutes or less, or five dollars (\$5.00) or
3 less, is minimal.

4 **39-21.2-5. Administration of E911 charge.**

5 (a) Time and manner of payment. Prepaid wireless E911 charges collected by sellers shall
6 be remitted to the division at the times and in the manner provided by the streamlined sales and use
7 tax as described in § 44-18.1-34. The division shall establish registration and payment procedures
8 that substantially coincide with the registration and payment procedures that apply to the
9 streamlined sales and use tax.

10 (b) Seller administrative deduction. A seller shall be permitted to deduct and retain one
11 percent (1%) of prepaid wireless E911 charges that are collected by the seller from consumers.

12 (c) Audit and appeal procedures. The audit and appeal procedures applicable to sales and
13 use tax under § 44-19-18 of the general laws shall apply to prepaid wireless E911 charges.

14 (d) Exemption documentation. The division shall establish procedures by which a seller of
15 prepaid wireless telecommunications service may document that a sale is not a retail transaction,
16 which procedures shall substantially coincide with the procedures form documenting sale for resale
17 transactions for sales tax purposes under § 44-19-18 of the general laws.

18 (e) All [E-911](#) fees collected pursuant to this section shall be deposited ~~as general revenues~~
19 [in a restricted receipt account and used solely for the operation of the E 9-1-1 uniform emergency](#)
20 [telephone system.](#)

21 SECTION 10. Section 42-7.2-10 of the General Laws in Chapter 42-7.2 entitled "Office of
22 Health and Human Services" is hereby amended to read as follows:

23 **42-7.2-10. Appropriations and disbursements.**

24 (a) The general assembly shall annually appropriate such sums as it may deem necessary
25 for the purpose of carrying out the provisions of this chapter. The state controller is hereby
26 authorized and directed to draw his or her orders upon the general treasurer for the payment of such
27 sum or sums, or so much thereof as may from time to time be required, upon receipt by him or her
28 of proper vouchers approved by the secretary of the executive office of health and human services,
29 or his or her designee.

30 (b) [For the purpose of recording federal financial participation associated with qualifying](#)
31 [healthcare workforce development activities at the state's public institutions of higher education,](#)
32 [and pursuant to the Rhode Island Designated State Health Programs \(DSHP\), as approved by CMS](#)
33 [October 20, 2016 in the 11-W-00242/1 amendment to Rhode Island's section 1115 Demonstration](#)
34 [Waiver, there is hereby established a restricted receipt account entitled "Health System](#)

1 [Transformation Project” in the general fund of the state and included in the budget of the office of](#)
2 [health and human services.](#)

3 SECTION 11. Section 42-9-19 of the General Laws in Chapter 42-19 entitled "Department
4 of Attorney General" is hereby amended to read as follows:

5 **42-9-19. Acceptance of settlements - Attorney General settlement restricted account.**

6 (a) The attorney general is hereby authorized and empowered to accept in the name of the
7 state any settlement resulting from a multi-state initiative. [The attorney general is additionally](#)
8 [authorized and empowered to recover attorneys' fees and costs which shall be considered settlement](#)
9 [proceeds for purposes of this chapter.](#)

10 (b) Such settlement proceeds shall be transferred to the general treasurer for deposit in the
11 general fund. The general treasurer shall transfer ten percent (10%) of such proceeds, up to sixty
12 five thousand dollars (\$65,000) in any fiscal year, to the "attorney general multi-state initiative
13 [restricted receipt](#) account." The restricted [receipt](#) account shall be used ~~solely~~ to pay for ~~any fees or~~
14 ~~membership dues~~ [staff, operational, and litigation costs](#) associated with multi-state initiatives.

15 (c) [Expenditure of all settlement proceeds accepted by the attorney general as part of the](#)
16 [terms of the relevant master settlement agreement shall be subject to the annual appropriation](#)
17 [process and approval by the general assembly.](#)

18 SECTION 12. Section 42-11-2.5 of the General Laws in Chapter 42-11 entitled
19 "Department of Administration" is hereby amended to read as follows:

20 **42-11-2.5. Information technology investment fund.**

21 (a) All sums from the sale of any land and the buildings and improvements thereon, and
22 other real property, title to which is vested in the state, except as provided in §§ 37-7-15(b) and 37-
23 7-15(c), shall be transferred to an information technology investment fund restricted-receipt
24 account that is hereby established. This fund shall consist of such sums from the sale of any land
25 and the buildings and improvements thereon, and other real property, title to which is vested in the
26 state, except as provided in §§ 37-7-15(b) and 37-7-15(c), as well as a share of ~~emergency services~~
27 ~~and~~ first response surcharge revenues collected under the provisions of § 39-21.1-14. This fund
28 may also consist of such sums as the state may from time to time appropriate; as well as money
29 received from the disposal of information technology equipment, loan, interest, and service charge
30 payments from benefiting state agencies; as well as interest earnings, money received from the
31 federal government, gifts, bequest, donations, or otherwise from any public or private source. Any
32 such funds shall be exempt from the indirect cost recovery provisions of § 35-4-27.

33 (b) This fund shall be used for the purpose of acquiring information technology
34 improvements, including, but not limited to: hardware, software, consulting services, and ongoing

1 maintenance and upgrade contracts for state departments and agencies.

2 (c) The division of enterprise technology strategy and service of the Rhode Island
3 department of administration shall adopt rules and regulations consistent with the purposes of this
4 chapter and chapter 35 of title 42, in order to provide for the orderly and equitable disbursement of
5 funds from this account.

6 (d) For all requests for proposals that are issued for information technology projects, a
7 corresponding information technology project manager shall be assigned.

8 SECTION 13. Sections 7, 8, 9 and 12 shall take effect October 1, 2019. The remaining
9 sections of this article shall take effect upon passage.

ARTICLE 3 AS AMENDED

RELATING TO GOVERNMENT REFORM

SECTION 1. Sections 1-6-1 and 1-6-3 of the General Laws in Chapter 1-6 entitled "Warwick Airport Parking District" are hereby amended to read as follows:

1-6-1. Definitions.

As used in this chapter:

(1) "Administrator" means the state tax administrator.

(2) "District" means the Warwick airport parking district, being the district that runs from a point on Main Avenue in the city of Warwick at the southerly boundary of T.F. Green state airport, and westerly along Main Avenue to a point one-third (1/3) mile west of the intersection of Main Avenue with Post Road; turning thence northerly running along a line parallel to and one-third (1/3) mile west of Post Road to a point one mile north of the line of Airport Road; thence turning east running along a line parallel to and one-third (1/3) mile north of the line of Airport Road to Warwick Avenue; thence turning south along Warwick Avenue to Airport Road; thence turning west along Airport Road to the boundary of T.F. Green state airport; thence running southerly along the boundary of T.F. Green state airport to the point of beginning. If any parking facility (including entrances, driveways, or private access roads) is constructed partly within the district as so defined, the entire facility shall be treated as though within the district.

(3) "Operator" means any person providing transient parking within the district.

(4) "Permit fee" means the fee payable annually by an operator to the tax administrator ~~in an amount equal to ten dollars (\$10.00) for each space made, or to be made, available by the operator for transient parking during the period of a permit's effectiveness, but not more than two hundred fifty dollars (\$250) for each permit.~~

(5) "Transient parking" means any parking for motor vehicles at a lot, garage, or other parking facility within the district for which a fee is collected by the operator, but excludes:

- (i) Parking for which the fee is charged and paid on a monthly or less frequent basis;
- (ii) Parking for any employee of the operator of the facility;
- (iii) Parking provided by any hotel or motel for registered guests;
- (iv) Parking provided by validation or having a validated rate, where the person providing

the validation does not maintain a place of business at T.F. Green state airport.

1 (6) "Transient parking receipts" means the gross receipts collected by an operator
2 (excluding the surcharge imposed by this chapter) in consideration of the provision of transient
3 parking.

4 **1-6-3. Permits for parking operations in district.**

5 (a) Every person desiring to provide transient parking in the district shall file with the tax
6 administrator an application for a permit for each place of business where transient parking will be
7 provided. The application shall be in a form, include information, and bear any signatures that the
8 tax administrator may require. ~~There shall be no fee for this permit. At the time of making an~~
9 ~~application, the applicant shall pay to the tax administrator the permit fee.~~ Every permit issued
10 under this chapter shall expire on June 30 of each year. Every permit holder desiring to renew a
11 permit shall annually, on or before February 1 of each year, apply for renewal of its permit ~~and file~~
12 ~~with it the appropriate permit fee.~~ The renewal permit shall be valid for the period of July 1 of that
13 calendar year through June 30 of the subsequent calendar year, unless sooner canceled, suspended,
14 or revoked. Upon receipt of the required application ~~and permit fee~~, the tax administrator shall issue
15 to the applicant a permit. Provided, that if the applicant, at the time of making the application, owes
16 any fee, surcharge, penalty, or interest imposed under the authority of this chapter, the applicant
17 shall pay the amount owed. ~~An operator whose permit has been previously suspended or revoked~~
18 ~~shall pay to the tax administrator a permit fee for the renewal or issuance of a permit.~~

19 (b) Whenever any person fails to comply with any provision of this chapter, the tax
20 administrator upon hearing, after giving the person at least five (5) days notice in writing,
21 specifying the time and place of hearing and requiring the person to show cause why his or her
22 permit or permits should not be revoked, may revoke or suspend any one or more of the permits
23 held by the person. The notice may be served personally or by mail. The tax administrator shall not
24 issue a new permit after the revocation of a permit unless the administrator is satisfied that the
25 former holder of the permit will comply with the provisions of the ordinance.

26 (c) The superior court of this state has jurisdiction to restrain and enjoin any person from
27 engaging in business as an operator of a transient parking facility in the district without a parking
28 operator's permit or permits or after a transient parking facility operator's permit has been
29 suspended or revoked. The tax administrator may institute proceedings to prevent and restrain
30 violations of this chapter. In any proceeding instituted under this section, proof that a person
31 continues to operate a transient parking facility from the location to which a revoked parking
32 operator's permit was assigned, is prima facie evidence that the person is engaging in business as a
33 parking operator without a parking operator's permit.

34 (d) Permit fees collected under the authority of this section shall be deposited into the

1 general fund of the state.

2 SECTION 2. Section 11-18-12 of the General Laws in Chapter 11-18 entitled "Fraud and
3 False Dealing" is hereby amended to read as follows:

4 **11-18-12. Injunction of false advertising.**

5 (a) Except as provided in subsection (b) of this section, when ~~When~~ it appears to the
6 director of business regulation of the state of Rhode Island that any person, firm, corporation, or
7 association is violating any of the provisions of § 11-18-10, the director of business regulation may
8 cause to be instituted an action, commenced in the name of the director of business regulation in
9 his or her capacity as director of business regulation, to enjoin the violation in the superior court
10 and the court shall have jurisdiction to enjoin and/or restrain any person, firm, corporation or
11 association from violating any of the provisions of § 11-18-10 without regard to whether criminal
12 proceedings have been or may be instituted.

13 (b) When it appears to the director of labor and training of the state of Rhode Island that
14 any person, firm, corporation, or association is violating any of the provisions of § 11-18-10 with
15 respect to the offer or sale of liquid fuels, lubricating oils or other similar products, the director of
16 labor and training may cause to be instituted an action, commenced in the name of the director of
17 labor and training in his or her capacity as director of labor and training, to enjoin the violation in
18 the superior court and the court shall have jurisdiction to enjoin and/or restrain any person, firm,
19 corporation, or association from violating any of the provisions of § 11-18-10 with respect to the
20 offer or sale of liquid fuels, lubricating oils or other similar products without regard to whether
21 criminal proceedings have been or may be instituted.

22 SECTION 3. Section 31-36.1-3 of the General Laws in Chapter 31-36.1 entitled "Fuel Use
23 Reporting Law" is hereby amended to read as follows:

24 **31-36.1-3. Motor carrier license and identification -- Temporary licenses.**

25 (a) Each carrier operating a qualified motor vehicle in two (2) or more jurisdictions shall
26 apply to the administrator for a motor carrier fuel use license upon forms approved by the
27 administrator and there shall be no fee for this license ~~be shall upon application, pay a license fee~~
28 ~~of ten dollars (\$10.00)~~. The license shall remain in effect until surrendered or revoked under the
29 provisions of § 31-36.1-4. The tax administrator shall, in addition, provide identification devices in
30 the quantity requested to each licensed motor carrier. One such device must be displayed on the
31 exterior portion of each side of the cab of each qualified motor vehicle. ~~The fee for such~~
32 ~~identification device shall be ten dollars (\$10.00) per qualified motor vehicle~~. Identification devices
33 shall be issued each year by the administrator and shall be displayed on or before March 1.

34 (b) The administrator may refuse to issue a license if the application for it:

1 (1) Is filed by a motor carrier whose license at any time theretofore has been revoked by
2 the administrator.

3 (2) Contains any misrepresentation, misstatement, or omission of material information
4 required by the application.

5 (3) Is filed by some other motor carrier as a subterfuge of the real motor carrier in interest
6 whose license or registration previously has been revoked for cause by the administrator.

7 (4) Is filed by any motor carrier who is delinquent in the payment of any fee, tax, penalty,
8 or other amount due the administrator for its account.

9 The finding may be made by the administrator after granting the applicant a hearing of
10 which the applicant shall be given ten (10) days notice in writing, and in which the applicant shall
11 have the right to appear in person or by counsel and present testimony.

12 (c) Temporary license. Upon application to the administrator ~~and payment of a fee of ten~~
13 ~~dollars (\$10.00)~~, an unlicensed motor carrier may obtain a temporary license which will authorize
14 one qualified motor vehicle to be operated on the highways of this state, for a period not to exceed
15 ten (10) days, without compliance with the fees imposed in this section, the tax imposed in § 31-
16 36.1-5, and the bond required in § 31-36.1-6. [There shall be no fee for this license.](#)

17 (d) The administrator may adopt rules and regulations specifying the conditions under
18 which temporary licenses will be issued and providing for their issuance.

19 SECTION 4. Sections 31-37-10 and 31-37-21 of the General Laws in Chapter 31-37
20 entitled "Retail Sale of Gasoline" are hereby amended to read as follows:

21 **31-37-10. Term of licenses -- Fee.**

22 (a) Any license issued by the tax administrator to an owner for the operation of a retail
23 filling station, or to a peddler of gasoline, shall, from the date of the issuance of the license, be and
24 remain in full force and effect until or unless:

25 (1) Suspended or revoked by the tax administrator,

26 (2) The business with respect to which the license was issued shall change ownership, or

27 (3) The owner or peddler shall cease to transact the business for which the license was
28 issued.

29 (b) In any of which cases the license shall expire and terminate, and its holder shall
30 immediately return the license to the tax administrator. [There shall be no fee for this license.](#)

31 ~~The charge or fee for the license shall be five dollars (\$5.00).~~

32 **31-37-21. Enforcement.**

33 The tax administrator shall enforce the provisions of this chapter and chapter 36 of this
34 title, except that the director of ~~business regulation~~ [labor and training](#) shall enforce the provisions

1 of §§ 31-37-11 -- 31-37-17 and §§ 11-18-13 -- 11-18-18. The department of ~~business regulation~~
2 [labor and training](#) shall cause any violation subject to its jurisdiction under this chapter to be
3 referred to law enforcement officials in the city or town where the violation has or is occurring for
4 prosecution.

5 SECTION 5. Effective September 1, 2019, Section 36-3-5 of the General Laws in Chapter
6 36-3 entitled "Division of Personnel Administration" is hereby amended to read as follows:

7 **36-3-5. Powers and duties of the administrator.**

8 In addition to the duties imposed upon the personnel administrator elsewhere in the law
9 and the personnel rules, it shall be the duty of the personnel administrator:

10 (1) As executive head of the division of personnel administration, to direct, supervise,
11 develop, and authorize all personnel related administrative and technical activities including
12 personnel administration and personnel management.

13 (2) To prepare and recommend to the director of administration such rules as are deemed
14 necessary to carry out the provisions of the law.

15 (3) To supervise the operation of the classification plan and to recommend to the director
16 amendments and additions thereto.

17 (4) To supervise the operation of the pay plan and to recommend to the director
18 amendments and additions thereto.

19 (5) To establish and supervise the maintenance of employment lists, promotion lists, and
20 reemployment lists; to develop recruitment procedures, monitor agency recruitment processes for
21 compliance with the statutes and policies, and make available to state agencies qualified candidates
22 as vacancies occur; direct and supervise equal opportunity programs; manage employee benefit
23 plans including the coordination of health insurance, prescription/vision care, group life insurance,
24 dental care, prepaid legal services, deferred compensation and cancer programs, and any other
25 programs established by the legislature related to employee benefits; and to manage career awards
26 programs and state and local enforcement firefighters incentive training programs.

27 (6) To perform any other lawful act which he or she may consider necessary or desirable
28 to carry out the purposes and provisions of this chapter, and chapter 4 of this title, and the rules and
29 to conduct innovative demonstration projects to improve state personnel management.

30 [\(7\) To facilitate and/or coordinate state and national background checks for applicants](#)
31 [and/or employees in state positions with access to federal tax information, as defined in § 36-3-](#)
32 [16\(a\)\(6\).](#)

33 SECTION 6. Effective September 1, 2019, Chapter 36-3 of the General Laws entitled
34 "Division of Personnel Administration" is hereby amended by adding thereto the following section:

1 **36-3-16. Authority to conduct state and national background checks for applicants**
2 **and employees in state positions with access to federal tax information.**

3 (a) Definitions. As used in this section, the following terms are hereby defined as follows:

4 (1) “Access,” shall mean the direct use, contact, handling or viewing of federal tax
5 information, as defined herein, in paper or electronic form, regardless of the frequency, likelihood
6 or extent of such access.

7 (2) “Agency” or “state agency,” shall mean a Rhode Island state agency within the
8 executive branch.

9 (3) “Agency head,” shall mean the director or designee of a state agency holding the
10 position with access (as defined herein).

11 (4) “Applicant for employment,” shall mean an individual who has applied for or may be
12 offered employment, transfer or promotional opportunities with a state agency, including
13 employment as a full-time or part-time employee, intern, temporary or seasonal employee, or
14 volunteer, in a position with access (as defined herein).

15 (5) “Current agency employee,” shall mean a full-time or part-time state employee, intern,
16 temporary or seasonal employee or volunteer in a position with access (as defined herein).

17 (6) “Federal tax information” or “FTI” shall mean:

18 i) Federal tax returns or information created or derived from federal tax returns that is in
19 an agency’s possession or control, which is covered by the confidentiality protections of the Internal
20 Revenue Code and subject to 26 U.S.C. section 6103 (p)(4) safeguarding requirements, including
21 oversight by the Internal Revenue Service (“IRS”); and received directly from the IRS or obtained
22 through an authorized secondary source, such as the Social Security Administration (SSA), Federal
23 Office of Child Support Enforcement (OCSE), Bureau of the Fiscal Service (BFS), Centers for
24 Medicare and Medicaid Services (CMS), or another entity acting on behalf of the IRS pursuant to
25 an Internal Revenue Code (“IRC”) 6103(p)(2)(B) agreement; and

26 (ii) FTI shall expressly not include federal tax returns or information created or derived
27 from federal tax returns received from taxpayers or other third-parties.

28 (7) “Law enforcement authorized agency” shall mean a government entity authorized to
29 conduct national background checks using the federal bureau of investigation’s fingerprinting
30 national background check system.

31 (b) The personnel administrator or designee shall require to be obtained a state and national
32 fingerprint-based criminal background check initially and at least every ten years, as authorized by
33 Public Law 92-544, to determine the suitability of an applicant for employment prior to hiring or a
34 current agency employee, if the position applied for or held requires or includes access to FTI.

1 (c) An applicant for employment or current agency employee who refuses to comply with
2 the fingerprint-based background check requirements shall be considered unsuitable for serving in
3 a position requiring or involving, or which may require or involve, access to FTI.

4 (d) The national fingerprint-based criminal background check shall be facilitated through
5 the office of the attorney general or another law enforcement authorized agency and forwarded to
6 the federal bureau of investigation for a national criminal history check, according to the policies,
7 procedures, and/or regulations established by the office of the attorney general or another law
8 enforcement authorized agency.

9 (1) For current agency employees, the agency shall pay the applicable fee charged through
10 the office attorney general or other law enforcement authorized agency to conduct state and national
11 background checks. However, applicants for employment shall be required to pay the fee charged
12 through the office attorney general or other law enforcement authorized agency.

13 (2) Fingerprint submissions may be retained by the federal bureau of Investigation and the
14 office of the attorney general or other law enforcement authorized agency to assist the personnel
15 administrator authorized pursuant to this section to ensure the continued suitability of an applicant
16 for employment or a current agency employee for access to FTI.

17 (3) The office of the attorney general or other law enforcement authorized agency may
18 disseminate the results of the state and national criminal background checks to the personnel
19 administrator or designee of the personnel administrator.

20 (4) Notwithstanding any law to the contrary, solely for the purposes of this chapter, the
21 personnel administrator, agency head and authorized staff of an agency may receive criminal
22 offender record information to the extent required by federal law and the results of checks of
23 national criminal history information databases under Public Law 92-544.

24 (5) Upon receipt of the results of state and national criminal background checks, the
25 personnel administrator, agency head and other authorized staff shall treat the information as non-
26 public and exempt from disclosure in accordance with the Rhode Island Access to Public Records
27 Act, R.I. Gen. Laws 38-2-2(4)(A)(I)(b). Information acquired by any agency in the background
28 check process pursuant to this section shall be used solely for the purposes of making a
29 determination as to the suitability of a particular current employee or applicant for employment for
30 and assignment to duties in a position that requires or includes, or may require or include, access
31 to FTI.

32 (e) If the office of the attorney general or other law enforcement authorized agency receives
33 criminal record information from the state or national fingerprint-based criminal background
34 checks that includes no disposition or is otherwise incomplete, the office of the attorney general or

1 other law enforcement authorized agency shall notify the personnel administrator and the subject
2 person. The applicant for employment or the current agency employee shall be responsible for
3 resolving any issues in other jurisdictions causing an incomplete background check. Within fifteen
4 (15) business days from being notified, the applicant for employment or current agency employee
5 must resolve any incomplete background check. For the purposes of this chapter, the personnel
6 administrator, in his or her sole discretion, may extend the amount of time to resolve an incomplete
7 report. Once resolved, the applicant's suitability for employment in a position requiring or
8 involving, or which may require or involve, access to FTI shall be determined in accordance with
9 subsection (f).

10 (1) In the event that an applicant for employment fails to resolve an issue with an
11 incomplete background check by the deadline stated herein, the person shall no longer be
12 considered for employment to the position with access.

13 (2) In the event that a current agency employee fails to resolve an issue with an incomplete
14 background check by the deadline provided herein, along with any extension, the employee may
15 be terminated or discharged from employment; provided, however, that a current agency employee
16 may be placed on administrative leave or reassigned to a position that does not require access to
17 FTI if that position is available and subject to the business needs of the agency at the discretion of
18 the personnel administrator and agency head. Any such employment action shall be subject to same
19 appeal or grievance procedures as normally authorized.

20 (f) The personnel administrator or designee shall review the results to determine the
21 suitability of the applicant for employment or current agency employee, based on criteria
22 established through regulation, to serve in a position requiring or involving, or which may require
23 or involve, access to FTI. In making such a determination of suitability, the personnel administrator
24 or designee may consult with the agency head and consider mitigating factors relevant to the current
25 agency employee's employment and the nature of any disqualifying offense.

26 (1) In the event that an applicant for employment receives a final determination that the
27 person is unsuitable, the person shall no longer be considered for employment into a position with
28 access.

29 (2) A current employee may appeal a determination of unsuitability to the personnel
30 administrator. While the appeal is pending, the employee may be placed on administrative leave in
31 the discretion of the personnel administrator. A final determination of unsuitability after appeal
32 may result in termination or discharge from employment; provided, however, that subject to the
33 discretion of the personnel administrator and the agency head, a current agency employee may be
34 reassigned to a position that does not require access to FTI if that position is available and subject

1 to the business needs of the agency. Any such employment action shall be subject to further appeal
2 or grievance procedures as normally authorized.

3 (g) Nothing in this section shall limit or preclude an agency’s right to carry on a background
4 investigation of an applicant for employment or a current agency employee using other authorized
5 means.

6 (h) The Department of Administration is hereby authorized to promulgate and adopt
7 regulations necessary to carry out this section.

8 (i) The judicial branch is hereby authorized to comply with the provisions herein related to
9 employees with access to FTL.

10 SECTION 7. Effective September 1, 2019, Chapter 37-2 of the General Laws entitled
11 "State Purchases" is hereby amended by adding thereto the following section:

12 **37-2-81. Authority to conduct state and national background checks for vendors with**
13 **access to federal tax information.**

14 (a) Definitions. As used in this section, the following terms shall be defined as follows:

15 (1) “Access,” shall mean the direct and indirect use, contact, handling or viewing of federal
16 tax information, as defined herein, in paper or electronic form, regardless of the frequency,
17 likelihood or extent of such access or whether the access is intentional or inadvertent.

18 (2) “Agency” or “state agency,” shall mean a Rhode Island state department within the
19 executive branch.

20 (3) “Agency head” shall mean the director or designee of a state department for which the
21 vendor is providing services.

22 (4) “Division” shall mean the division of purchases.

23 (5) “Federal tax information” or “FTI” shall mean:

24 (i) Federal tax returns or information created or derived from federal tax returns that is in
25 an agency’s possession or control, which is covered by the confidentiality protections of the Internal
26 Revenue Code and subject to 26 U.S.C. section 6103 (p)(4) safeguarding requirements, including
27 oversight by the Internal Revenue Service (“IRS”); and is received directly from the IRS or
28 obtained through an authorized secondary source, such as the Social Security Administration
29 (SSA), Federal Office of Child Support Enforcement (OCSE), Bureau of the Fiscal Service (BFS),
30 Centers for Medicare and Medicaid Services (CMS), or another entity acting on behalf of the IRS
31 pursuant to an Internal Revenue Code (“IRC”) 6103(p)(2)(B) agreement; and

32 (ii) Shall not include federal tax returns or information created or derived from federal tax
33 returns received directly from taxpayers or other third-parties.

34 (6) “Vendor” shall mean any individual, firm, corporation, partnership or other corporate

1 entity, including employees, subcontractors, who are performing services for the state and has
2 access, as defined herein, to FTI.

3 (b) The agency head shall require a vendor to complete a state and national fingerprint-
4 based criminal background check, as authorized by Public Law 92-544, to determine the suitability
5 of a vendor's employees and subcontractors if the services to the state requires or includes, or may
6 require or include, access to FTI. This requirement for a vendor shall be incorporated by reference
7 into the vendor's agreement with the state. No new vendor employee or subcontractor who has or
8 may have access to FTI shall perform services for the State until the person is deemed suitable by
9 the agency head. Existing vendor employees and subcontractors, as of the effective date of this
10 statute, shall complete the background check requirement within a reasonable time as approved by
11 the agency head.

12 (c) The national fingerprint-based criminal background check shall be facilitated through
13 the Rhode Island office of the attorney general or other law enforcement authorized agency, using
14 the same criteria established under § 36-3-16 for applicants and current state employees. The
15 information shall be forwarded to the Federal Bureau of Investigation (FBI) for a national criminal
16 history check, according to the policies, procedures, and/or regulations established by the office of
17 the attorney general or other law enforcement authorized agency. The office of the attorney general
18 or other law enforcement authorized agency may disseminate the results of the national criminal
19 background checks to the Department of Administration and/or the agency head where the services
20 are being provided.

21 (d) Reciprocity. Nothing herein shall prevent the agency head, at his or her discretion, from
22 accepting a recent national fingerprint-based criminal background check for a vendor related to FTI
23 access conducted in another suitable jurisdiction.

24 (e) The agency head may receive criminal offender record information to the extent
25 required by federal law and the results of checks of national criminal history information databases
26 under Public Law 92-544. Upon receipt of the results of state and national criminal background
27 checks, the agency head shall treat the information as non-public and exempt from disclosure in
28 accordance with the Rhode Island Access to Public Records Act, R.I. Gen. Laws 38-2-2(4)(B).
29 Information acquired by any agency in the background check process pursuant to this section shall
30 be used solely for the purpose of making a determination as to the suitability of a vendor in a
31 position which requires or includes, or may require or include, access to FTI.

32 (f) The state shall not be responsible for any fees charged through the office attorney
33 general, other law enforcement authorized agency or other jurisdiction to conduct the state and
34 national background check for vendor.

1 (g) A vendor who refuses to comply with the fingerprint-based background check
2 requirement shall be considered unsuitable for services requiring or involving, or which may
3 require or involve, access to FTL. Refusal to comply by the vendor may result in termination of the
4 contract with the State and/or other procurement sanctions if appropriate. Nothing herein shall
5 prevent the vendor from replacing an employee or subcontractor who refuses to comply with this
6 requirement, subject to written approval by the agency head.

7 (h) Upon receipt of the results of a state and national criminal background check for the
8 vendor the agency head shall review the results and determine the suitability of the person with
9 regard to service in a position requiring or involving, or which may require or involve, access to
10 FTL. In making a determination of suitability, the agency head may consider mitigating factors
11 relevant to the vendor's scope of work and the nature of any disqualifying offense. Unsuitability of
12 a vendor may result in termination of the contract with the State and/or a requirement that the
13 vendor to replace the employee or subcontractor, with a suitable person, subject to written approval
14 by the agency head.

15 (i) If the office of the attorney general or other law enforcement authorized agency receives
16 criminal record information from the state or national fingerprint-based criminal background
17 checks that includes no disposition or is otherwise incomplete, the subject person shall be
18 responsible for resolving any issues in other jurisdictions causing an incomplete background check.
19 The vendor shall immediately notify the state in writing the name and circumstances of any
20 employees or subcontractors who have received an incomplete background check. Failure to
21 establish suitability of a vendor employee, subcontractor or other agent may result in termination
22 of the contract with the State and/or a requirement that the vendor to replace the employee,
23 subcontractor or other agent with a suitable person, subject to written approval by the agency head.

24 (j) Nothing in this section shall limit or preclude an agency's right to carry on a background
25 investigation of a vendor using other authorized means.

26 (k) The department of administration is hereby authorized to promulgate and adopt
27 regulations necessary to carry out this section.

28 (l) The judicial branch is hereby authorized to comply with the provisions herein related to
29 vendors working on behalf of the judiciary receiving access to FTL.

30 SECTION 8. Effective September 1, 2019, sections 40-13.2-2, 40-13.2-4 and 40-13.2-5 in
31 Chapter 40-13.2 entitled "Certification of Child Care and Youth Serving Agency Workers" are
32 hereby amended to read as follows:

33 **40-13.2-2. Qualification for childcare employment.**

34 Notwithstanding any other provisions of law to the contrary, any person seeking to operate

1 or seeking employment in any facility which is, or is required to be, licensed or registered with the
2 department [of children youth and families, the department of human services](#), or seeking
3 employment at the training school for youth if that employment involves supervisory or disciplinary
4 power over a child or children or involves routine contact with a child or children without the
5 presence of other employees, shall undergo an employment background check, a CANTS (child
6 abuse and neglect tracking system) check of substantiated complaints, and criminal records check
7 as provided for in this chapter. The director of the department of children, youth, and families [and](#)
8 [the director of the department of human services](#) may by rule identify those positions requiring
9 background checks, CANTS checks and criminal records checks.

10 **40-13.2-4. Criminal records check -- Operators of child care facilities which must be**
11 **licensed or registered with the department.**

12 Any person seeking to operate a facility, that is, or is required to be, licensed or registered
13 with the department [of human services or the department of children, youth and families](#), shall
14 apply to the Rhode Island bureau of criminal identification, [attorney general's office](#), or the
15 department of children, youth and families [or the state or local police department](#), for a nationwide,
16 criminal-records check. The check will conform to the applicable federal standards, including the
17 taking of fingerprints to identify the applicant, and any expense associated with providing the
18 criminal-records check shall be paid by the applicant and/or requesting agency. The director [of the](#)
19 [department of human services or the department of children, youth and families](#) will determine by
20 rule those items of information appearing on a criminal-records check, which constitute
21 disqualifying information because that information would indicate that the employment could
22 endanger the health or welfare of a child or children. Upon the discovery of any disqualifying
23 information with respect to a proposed operator, the Rhode Island bureau of criminal identification
24 will inform the director [of the department of human services or the department of children, youth](#)
25 [and families](#), in writing, of the nature of the disqualifying information.

26 **40-13.2-5. Criminal-records check – Employees of child day care, day care centers,**
27 **family day care homes, group family day care homes, child placing agencies and residential**
28 **child-care facilities which must be licensed by the department.**

29 (a) Any person seeking employment [in a “child day care” program, a “family day care](#)
30 [home”, “group family day care home”, or in a “child day care center” as defined in section 42-12.5-](#)
31 [2 of the general laws](#), if that employment involves supervisory or disciplinary power over a child
32 or children or involves routine contact with a child or children without the presence of other
33 employees, ~~in any facility that is, or is required to be, licensed or registered with the department,~~
34 or [any adult household member of any operator of a “family day-care home” and “group family](#)

1 day-care home.”; or seeking that employment or to volunteer at the training school for youth, shall,
2 after acceptance by the employer of the affidavit required by § 40-13.2-3, apply to the bureau of
3 criminal identification of the state police or the local police department, or the office of the attorney
4 general, or the department of children, youth and families, for a nationwide, criminal-records check.
5 The check will conform to applicable federal standards including the taking of fingerprints to
6 identify the applicant. Further, any person seeking employment in a “child day care” program, in a
7 “child day care center”, and/or in a “child day care provider” as defined in section 42-12.5-2 of the
8 general laws, if that employment involves supervisory or disciplinary power over a child or children
9 or involves routine contact with a child or children without the presence of other employees shall
10 apply to the bureau of criminal identification of the state police or the local police department or
11 the office of the attorney general to conduct all necessary criminal background checks as required
12 by the Child Care and Development Block Grant of 2014 (CCDBG), Pub. L. 113-186. The
13 criminal record checks as required by this section shall be conducted for every five (5) years of
14 continuous child care employment from the date of the previous criminal background check.

15 (b) Any person seeking employment in a “child placing agency” as defined in section 42-
16 72.1-2 of the general laws, if that employment involves supervisory or disciplinary power over a
17 child or children or involves routine contact with a child or children without the presence of other
18 employees, shall, after acceptance by the employer of the affidavit required by § 40-13.2-3, apply
19 to the bureau of criminal identification of the state police or the local police department, or the
20 office of the attorney general or the department of children, youth and families, for a nationwide,
21 criminal-records check. The check will conform to applicable federal standards including the taking
22 of fingerprints to identify the applicant.

23 (c) Any person seeking employment in a “child caring agency”, “children’s behavioral
24 health program”, or in a “foster and adoptive home” as defined in section 42-72.1-2 of the general
25 laws, that is, or is required to be, licensed or registered with the department of children, youth and
26 families, shall, after acceptance by the employer of the affidavit required by § 40-13.2-3, apply to
27 the bureau of criminal identification of the state police or the local police department, or the office
28 of the attorney general, or the department of children, youth and families, for a nationwide,
29 criminal-records check. The check will conform to applicable federal standards including the taking
30 of fingerprints to identify the applicant.

31 ~~(b)~~(d) Upon the discovery of any disqualifying information as defined in accordance with
32 the rule promulgated by the director, the bureau of criminal identification of the state police or the
33 local police department or the office of the attorney general or the department of children, youth
34 and families will inform the applicant, in writing, of the nature of the disqualifying information. In

1 addition, the bureau of criminal identification of the state police or [the office of the attorney general,](#)
2 [or department of children, youth and families, or](#) the local police department will inform the
3 relevant employer, in writing, without disclosing the nature of the disqualifying information, that
4 an item of disqualifying information has been discovered.

5 ~~(e)~~(e) In those situations in which no disqualifying information has been found, the bureau
6 of criminal identification of the state police or the local police department [or the office of the](#)
7 [attorney general, or the department of children, youth and families](#) will inform both the applicant
8 and the employer, in writing, ~~of this fact~~ [that no disqualifying information has been found.](#)

9 ~~(d) The employer will maintain on file, subject to inspection by the department, evidence~~
10 ~~that criminal records checks have been initiated on all employees seeking employment after August~~
11 ~~1, 1985, and the results of the checks.~~

12 ~~(f)~~(e) Failure to ~~maintain that evidence on file~~ [show proof that the employer has initiated](#)
13 [requests for background checks required by this section](#) will be prima facie grounds to revoke the
14 license or registration of the operator of the facility.

15 ~~(g)~~~~(f)~~ It will be the responsibility of the bureau of criminal identification of the state
16 police [or the office of the attorney general,](#) or the local police department, or the department of
17 children, youth and families, to conduct the nationwide, criminal-records check pursuant to this
18 section. The nationwide, criminal-records check will be provided to the applicant for employment
19 ~~without charge.~~ [Any expense associated for providing the criminal-records check shall be paid by](#)
20 [the applicant and/or the requesting agency.](#)

21 SECTION 9. Section 42-56-10 of the General Laws in Chapter 42-56 entitled "Corrections
22 Department" is hereby amended to read as follows:

23 **42-56-10. Powers of the director.**

24 In addition to exercising the powers and performing the duties, which are otherwise given
25 to him or her by law, the director of the department of corrections shall:

26 (1) Designate, establish, maintain, and administer those state correctional facilities that he
27 or she deems necessary, and may discontinue the use of those state correctional facilities that he or
28 she deems appropriate for that action;

29 (2) Maintain security, safety, and order at all state correctional facilities, utilize the
30 resources of the department to prevent escapes from any state correctional facility, take all
31 necessary precautions to prevent the occurrence or spread of any disorder, riot, or insurrection of
32 any state correctional facility, including, but not limited to, the development, planning, and
33 coordination of emergency riot procedures, and take suitable measures for the restoration of order;

34 (3) Establish and enforce standards for all state correctional facilities;

- 1 (4) Supervise and/or approve the administration by the assistant directors of the
2 department;
- 3 (5) Manage, direct, and supervise the operations of the department;
- 4 (6) Direct employees in the performance of their official duties;
- 5 (7) Hire, promote, transfer, assign, and retain employees and suspend, demote, discharge,
6 or take other necessary disciplinary action;
- 7 (8) Maintain the efficiency of the operations of the department;
- 8 (9) Determine the methods, means, and personnel by which those operations of the
9 department are to be conducted;
- 10 (10) Relieve employees from duties because of lack of work or for other legitimate reasons;
- 11 (11) Establish, maintain, and administer programs, including, but not limited to, education,
12 training, and employment, of persons committed to the custody of the department, designed as far
13 as practicable to prepare and assist each person to assume the responsibilities and exercise the rights
14 of a citizen of this state;
- 15 (12) Establish a system of classification of persons committed to the custody of the
16 department for the purpose of developing programs for each person in order to effectively develop
17 an individualized program for each sentenced inmate that will address each offender's individual
18 treatment and rehabilitative needs, the department of corrections is authorized to receive, with the
19 express consent of the inmate, and upon request to the department of children, youth and families,
20 the offender's juvenile arrest and/or adjudication records. Information related to the juvenile's
21 family members and other third parties, excluding law enforcement personnel, shall be redacted
22 from the records provided prior to their release to the department. The records will be disclosed to
23 only those department personnel directly responsible for, and only for the purpose of, developing
24 the individualized program for the offender.
- 25 (13) Determine at the time of commitment, and from time to time thereafter, the custody
26 requirements and program needs of each person committed to the custody of the department and
27 assign or transfer those persons to appropriate facilities and programs;
- 28 (14) Establish training programs for employees of the department, [including the use of an](#)
29 [application system for the Department's Correctional Officer Training Academy that leverages](#)
30 [other law enforcement entity recruiting and the establishment of any fee associated with such](#)
31 [system, provided that a state application process compliant with § 28-6.3-1 also be provided.](#)
- 32 (15) Investigate grievances and inquire into alleged misconduct within the department;
- 33 (16) Maintain adequate records of persons committed to the custody of the department;
- 34 (17) Establish and maintain programs of research, statistics, and planning, and conduct

1 studies relating to correctional programs and responsibilities of the department;

2 (18) Utilize, as far as practicable, the services and resources of specialized community
3 agencies and other local community groups in the development of programs, recruitment of
4 volunteers, and dissemination of information regarding the work and needs of the department;

5 (19) Make and enter into any contracts and agreements necessary or incidental to the
6 performance of the duties and execution of the powers of the department, including, but not limited
7 to, contracts to render services to committed offenders, and to provide for training or education for
8 correctional officers and staff;

9 (20) Seek to develop civic interest in the work of the department and educate the public to
10 the needs and goals of the corrections process;

11 (21) Expend annually in the exercise of his or her powers, performance of his or her duties,
12 and for the necessary operations of the department those sums that may be appropriated by the
13 general assembly; and

14 (22) Make and promulgate necessary rules and regulations incident to the exercise of his
15 or her powers and the performance of his or her duties, including, but not limited to, rules and
16 regulations regarding nutrition, sanitation, safety, discipline, recreation, religious services,
17 communication, and visiting privileges, classification, education, training, employment, care, and
18 custody for all persons committed to correctional facilities.

19 (23) Make and promulgate regulations to provide:

20 (a) Written notice to licensed nursing facilities, licensed assisted living residences, and
21 housing for the elderly whenever a person seeking to reside in one of these facilities or residences
22 is being released on parole for any of the following offenses: murder, voluntary manslaughter,
23 involuntary manslaughter, first degree sexual assault, second degree sexual assault, third degree
24 sexual assault, assault on persons sixty (60) years of age or older, assault with intent to commit
25 specified felonies (murder, robbery, rape, or burglary), felony assault, patient abuse, neglect or
26 mistreatment of patients, burglary, first degree arson, felony larceny or robbery;

27 (b) A risk assessment process to identify and recommend safety or security measures
28 necessary for the protection of other residents or clients including whether the parolee should be
29 prohibited from residing in any such facility or residence or segregated from other residents or
30 clients to protect the security and safety of other residents;

31 (c) The written notice to licensed nursing facilities, assisted living residences, or housing
32 for the elderly shall include charge information and disposition about the offense for which the
33 resident or client has been paroled, contact information for the resident's or client's parole
34 supervisor, a copy of the risk assessment and recommendations, if any, regarding safety and

1 security measures. A copy of the written notice shall be provided to the parolee; and

2 (d) A process for notifying the appropriate state regulatory agency and the state long-term
3 care ombudsman whenever notice as required in subdivision 42-56-10(23)(a) above has been given.

4 (24) Notwithstanding the enumeration of the powers of the director as set forth in this
5 section, and notwithstanding any other provision of the general laws, the validity and enforceability
6 of the provisions of a collective bargaining agreement shall not be contested, affected, or
7 diminished, nor shall any arbitration award be vacated, remanded or set aside on the basis of an
8 alleged conflict with this section or with any other provision of the general laws.

9 SECTION 10. Chapter 44-1 of the General Laws entitled "State Tax Officials" is hereby
10 amended by adding thereto the following section:

11 **44-1-40. Tax Administrator to prepare list of licensed taxpayers - Notice - Public**
12 **inspection.**

13 (a) Notwithstanding any other provision of law, the tax administrator may, on a periodic
14 basis;

15 (1) Prepare and publish for public distribution a list of entities and their active licenses
16 administered under Title 44.

17 (2) Prepare and publish for public distribution a list of entities and licenses for the current
18 year, as administered by a city or town under Chapter 5 of Title 3 of the Rhode Island General
19 Laws.

20 (3) Prepare and publish for public distribution a list of entities and licenses for the
21 upcoming year, as administered by a city or town under Chapter 5 of Title 3 of the Rhode Island
22 General Laws.

23 (4) Each list may contain the license type, name, and address of each registered entity with
24 a license.

25 (b) The tax administrator shall not list any taxpayers that do not have an active license.

26 (c) Any such list prepared by the tax division shall be available to the public for inspection
27 by any person and may be published by the tax administrator on the tax division website.

28 SECTION 11. Section 44-5.2-4 of the General Laws in Chapter 44-5.2 entitled "Powers
29 and Duties of Fire Districts in the Town of Coventry" is hereby repealed.

30 ~~**44-5.2-4. Compliance.**~~

31 ~~Unless otherwise provided, the division of municipal finance in the department of revenue~~
32 ~~shall monitor fire district compliance with this chapter and issue periodic reports to the general~~
33 ~~assembly on compliance.~~

34 SECTION 12. Section 45-19-1 of the General Laws in chapter 45-19 entitled "Relief of

1 Injured and Deceased Fire Fighters and Police Officers” is hereby amended to read as follows:

2 **45-19-1. Salary payment during line of duty illness or injury.**

3 (a) Whenever any police officer of the Rhode Island Airport Corporation or whenever any
4 police officer, fire fighter, crash rescue crewperson, fire marshal, chief deputy fire marshal, or
5 deputy fire marshal of any city, town, fire district, or the state of Rhode Island is wholly or partially
6 incapacitated by reason of injuries received or sickness contracted in the performance of his or her
7 duties or due to their rendering of emergency assistance within the physical boundaries of the state
8 of Rhode Island at any occurrence involving the protection or rescue of human life which
9 necessitates that they respond in a professional capacity when they would normally be considered
10 by their employer to be officially off-duty, the respective city, town, fire district, state of Rhode
11 Island or Rhode Island Airport Corporation by which the police officer, fire fighter, crash rescue
12 crewperson, fire marshal, chief deputy fire marshal, or deputy fire marshal, is employed, shall,
13 during the period of the incapacity, pay the police officer, fire fighter, crash rescue crewperson, fire
14 marshal, chief deputy fire marshal, or deputy fire marshal, the salary or wage and benefits to which
15 the police officer, fire fighter, crash rescue crewperson, fire marshal, chief deputy fire marshal, or
16 deputy fire marshal, would be entitled had he or she not been incapacitated, and shall pay the
17 medical, surgical, dental, optical, or other attendance, or treatment, nurses, and hospital services,
18 medicines, crutches, and apparatus for the necessary period, except that if any city, town, fire
19 district, the state of Rhode Island or Rhode Island Airport Corporation provides the police officer,
20 fire fighter, crash rescue crewperson, fire marshal, chief deputy fire marshal, or deputy fire marshal,
21 with insurance coverage for the related treatment, services, or equipment, then the city, town, fire
22 district, the state of Rhode Island or Rhode Island Airport Corporation is only obligated to pay the
23 difference between the maximum amount allowable under the insurance coverage and the actual
24 cost of the treatment, service, or equipment. In addition, the cities, towns, fire districts, the state of
25 Rhode Island or Rhode Island Airport Corporation shall pay all similar expenses incurred by a
26 member who has been placed on a disability pension and suffers a recurrence of the injury or illness
27 that dictated his or her disability retirement, subject to the provisions of subsection (j) herein.

28 (b) As used in this section, "police officer" means and includes any chief or other member
29 of the police department of any city or town regularly employed at a fixed salary or wage and any
30 deputy sheriff, member of the fugitive task force, or capitol police officer, permanent
31 environmental police officer or criminal investigator of the department of environmental
32 management, or airport police officer.

33 (c) As used in this section, "fire fighter" means and includes any chief or other member of
34 the fire department or rescue personnel of any city, town, or fire district, and any person employed

1 as a member of the fire department of the town of North Smithfield, or fire department or district
2 in any city or town.

3 (d) As used in this section, "crash rescue crewperson" means and includes any chief or
4 other member of the emergency crash rescue section, division of airports, or department of
5 transportation of the state of Rhode Island regularly employed at a fixed salary or wage.

6 (e) As used in this section, "fire marshal," "chief deputy fire marshal", and "deputy fire
7 marshal" mean and include the fire marshal, chief deputy fire marshal, and deputy fire marshals
8 regularly employed by the state of Rhode Island pursuant to the provisions of chapter 28.2 of title
9 23.

10 (f) Any person employed by the state of Rhode Island, except for sworn employees of the
11 Rhode Island State Police, who is otherwise entitled to the benefits of chapter 19 of this title shall
12 be subject to the provisions of chapters 29 – 38 of title 28 for all case management procedures and
13 dispute resolution for all benefits.

14 (g) In order to receive the benefits provided for under this section, a police officer or
15 firefighter must prove to their employer that he or she had reasonable grounds to believe that there
16 was an emergency which required an immediate need for their assistance for the protection or
17 rescue of human life.

18 (h) Any claims to the benefits provided for under this section resulting from the rendering
19 of emergency assistance in the state of Rhode Island at any occurrence involving the protection or
20 rescue of human life while off-duty, shall first require those covered by this section to submit a
21 sworn declaration to their employer attesting to the date, time, place and nature of the event
22 involving the protection or rescue of human life causing the professional assistance to be rendered
23 and the cause and nature of any injuries sustained in the protection or rescue of human life. Sworn
24 declarations shall also be required from any available witness to the alleged emergency involving
25 the protection or rescue of human life.

26 (i) All declarations required under this section shall contain the following language:

27 "Under penalty of perjury, I declare and affirm that I have examined this declaration,
28 including any accompanying schedules and statements, and that all statements contained herein are
29 true and correct."

30 (j) Any person, not employed by the state of Rhode Island, receiving injured on-duty
31 benefits pursuant to this section, and subject to the jurisdiction of the state retirement board for
32 accidental retirement disability, for an injury occurring on or after July 1, 2011, shall apply for an
33 accidental disability retirement allowance from the state retirement board not later than the later of
34 eighteen (18) months after the date of the person's injury that resulted in said person's injured on

1 duty status or sixty (60) days from the date on which the treating physician certifies that the person
2 has reached maximum medical improvement. Nothing herein shall be construed to limit or alter
3 any and all rights of the parties with respect to independent medical examination or otherwise, as
4 set forth in the applicable collective bargaining agreement. Notwithstanding the forgoing, any
5 person receiving injured on duty benefits as the result of a static and incapacitating injury whose
6 permanent nature is readily obvious and ascertainable shall be required to apply for an accidental
7 disability retirement allowance within sixty (60) days from the date on which the treating physician
8 certifies that the person's injury is permanent, or sixty (60) days from the date on which such
9 determination of permanency is made in accordance with the independent medical examination
10 procedures as set forth in the applicable collective bargaining agreement.

11 (1) If a person with injured on duty status fails to apply for an accidental disability
12 retirement allowance from the state retirement board within the time frame set forth above, that
13 person's injured on duty payment shall terminate. Further, any person suffering a static and
14 incapacitating injury as set forth in subsection (j) above and who fails to apply for an accidental
15 disability benefit allowance as set forth in subsection (j) shall have his or her injured on duty
16 payment terminated.

17 (2) A person who so applies shall continue to receive injured on duty payments, and the
18 right to continue to receive IOD payments of a person who so applies shall terminate in the event
19 of a final ruling of the workers compensation court allowing accidental disability benefits. Nothing
20 herein shall be construed to limit or alter any and all rights of the parties with respect to independent
21 medical examination or otherwise, as set forth in the applicable collective bargaining agreement.

22 (k) Any person employed by the state of Rhode Island who is currently receiving injured
23 on-duty benefits or any person employed by the state of Rhode Island who in the future is entitled
24 to injured on-duty benefits pursuant to chapter 19, and subject to the jurisdiction of the state
25 retirement board for accidental retirement disability, shall apply for an accidental disability
26 retirement allowance from the state retirement board not later than sixty (60) days from the date on
27 which a treating physician or an independent medical examiner certifies that the person has reached
28 maximum medical improvement, and in any event not later than eighteen (18) months after the date
29 of the person's injury that resulted in said person being on injured on-duty. Nothing herein shall be
30 construed to limit or alter any and all rights of the parties with respect to independent medical
31 examination or otherwise, as set forth in the applicable collective bargaining agreement.
32 Notwithstanding the forgoing, any person receiving injured on duty benefits as the result of a static
33 and incapacitating injury whose permanent nature is readily obvious and ascertainable shall be
34 required to apply for an accidental disability retirement allowance within sixty (60) days from the

1 date on which a treating physician or an independent medical examiner certifies that the person's
2 injury is permanent, or sixty (60) days from the date on which such determination of permanency
3 is made in accordance with the independent medical examination procedures as set forth in the
4 applicable collective bargaining agreement.

5 (1) If a person employed by the state of Rhode Island with injured on duty status fails to
6 apply for an accidental disability retirement allowance from the state retirement board within the
7 time frame set forth in subsection (k) above, that person's injured on duty payment shall terminate.
8 Further, any person employed by the state of Rhode Island suffering a static and incapacitating
9 injury as set forth in subsection (k) above and who fails to apply for an accidental disability benefit
10 allowance as set forth in subsection (k) shall have his or her injured on duty payment terminated.

11 (2) A person employed by the state of Rhode Island who so applies shall continue to receive
12 injured on duty payments, and the right to continue to receive injured on-duty payments of a person
13 who so applies shall terminate upon final adjudication by the state retirement board approving or
14 denying either ordinary or accidental disability payments and, notwithstanding 45-31.2-9, this
15 termination of injured on duty benefits shall not be stayed.

16 (3)(a) Notwithstanding any other provision of law, all persons employed by the state of
17 Rhode Island entitled to benefits under this section who were injured prior to July 1, 2019 and who
18 have been receiving injured on duty benefits pursuant to this section for a period of eighteen (18)
19 months or longer as of July 1, 2019 shall have up to ninety (90) days from July 1, 2019 to apply for
20 an accidental disability retirement benefit allowance. Any person employed by the state of Rhode
21 Island receiving injured on-duty benefits for a period less than eighteen (18) months as of July 1,
22 2019 shall apply for an accidental disability retirement benefit allowance within eighteen (18)
23 months of the date of injury that resulted in said person receiving injured on-duty pay, provided
24 however, said person shall have a minimum of ninety (90) days to apply.

25 Applications for disability retirement received by the state retirement board by any person
26 employed by the State of Rhode Island receiving injured on-duty payments that shall be deemed
27 untimely pursuant to §36-10-14(b) shall have ninety (90) days from July 1, 2019 to apply for an
28 accidental disability retirement benefit allowance. Failure to apply for an accidental disability
29 retirement benefit allowance within the timeframe set forth herein shall result in the termination of
30 injured on duty benefits.

31 (b) Any person employed by the state of Rhode Island receiving injured on-duty payments
32 who has been issued a final adjudication of the state retirement board on an application for an
33 ordinary or accidental disability benefit, either approving or denying said application, shall have
34 his/her injured on-duty payments terminated.

1 (4) If awarded an accidental disability pension, any person employed by the state of Rhode
2 Island covered under this section shall receive benefits consistent with § 36-10-15.

3 SECTION 13. Sections 5 through 8 of this article shall take effect September 1, 2019. The
4 remaining sections of this article shall take effect upon passage.

1 **ARTICLE 4**

2 RELATING TO GOVERNMENT REORGANIZATION

3 SECTION 1. Sections 5-65-1, 5-65-3, 5-65-7.1, 5-65-10, 5-65-15, 5-65-15.1 and 5-65-20
4 of the General Laws in Chapter 5-65 entitled "Contractors' Registration and Licensing Board" are
5 hereby amended to read as follows:

6 **5-65-1. Definitions.**

7 As used in this chapter:

8 (1) "Board" means the contractors' registration and licensing board established pursuant to
9 the provisions of § 5-65-14 or its designees.

10 (2) "Claim for retainage" means an allegation that a person seeking payment of retainage
11 breached the person's contract for the project; provided, however, that a "claim" related to a project
12 with a contract value of not less than two hundred fifty thousand dollars (\$250,000) shall be subject
13 to the applicable dispute resolution procedure, notice, and other requirements in the contract for
14 construction.

15 ~~(3) "Commission" means the building code commission supportive of the contractors'~~
16 ~~registration and licensing board.~~

17 ~~(4)~~(3)(i) "Contractor" means a person who, in the pursuit of an independent business,
18 undertakes or offers to undertake or submits a bid, or for compensation and with or without the
19 intent to sell the structure arranges to construct, alter, repair, improve, move over public highways,
20 roads, or streets or demolish a structure or to perform any work in connection with the construction,
21 alteration, repair, improvement, moving over public highways, roads, or streets or demolition of a
22 structure, and the appurtenances thereto. For the purposes of this chapter, "appurtenances" includes
23 the installation, alteration, or repair of wells connected to a structure consistent with chapter 13.2
24 of title 46. "Contractor" includes, but is not limited to, any person who purchases or owns property
25 and constructs, or for compensation arranges for the construction of, one or more structures.

26 (ii) A certificate of registration is necessary for each "business entity" regardless of the fact
27 that each entity may be owned by the same individual.

28 ~~(5)~~(4) "Contract for construction" means a contract for which a lien may be established
29 under chapter 28 of title 34 or for state or municipal public works projects as defined in title 37 on
30 a project for which the person on whose contract with the project owner has an original contract

1 price of not less than two hundred fifty thousand dollars (\$250,000); provided, however, that
2 "contract for construction" shall not include a project containing, or designed to contain, at least
3 one, but not more than four (4), dwelling units.

4 ~~(6)~~(5) "Deliverable" means a project close-out document that shall be submitted by the
5 person seeking payment of retainage under the person's contract for construction; provided,
6 however, that a lien waiver or release, which is a deliverable, shall comply with chapter 28 of title
7 34; provided, further, that "deliverable" shall not include any document affirming, certifying, or
8 confirming completion or correction of labor, materials, or other items furnished or incomplete or
9 defective work.

10 ~~(7)~~(6) "Dwelling unit" means a single unit providing complete independent living facilities
11 for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and
12 sanitation.

13 ~~(8)~~(7) "Hearing officer" means a person designated by the ~~executive director~~ director of
14 the department of business regulation or the director's designee to hear contested claims or cases,
15 contested enforcement proceedings, and contested administrative fines, in accordance with the
16 "administrative procedures act", chapter 35 of title 42.

17 ~~(9)~~(8) "Incomplete or defective work" means labor, materials, or any other item required
18 for full performance by a person seeking payment of retainage that remains to be furnished by the
19 person under the person's contract for construction or that has been furnished by the person but
20 requires correction, repair, further completion, revision, or replacement; provided, however, that
21 "incomplete or defective work" shall not include deliverables or labor, materials, or any other item
22 to be repaired or replaced after substantial or final completion pursuant to a warranty, guarantee,
23 or other contractual obligation to correct defective work after substantial or final completion.

24 ~~(10)~~(9) "Monetary damages" means the dollar amount required in excess of the contract
25 amount necessary to provide the claimant with what was agreed to be provided under the terms of
26 the contract reduced by any amount due and unpaid to the respondent inclusive of any and all
27 awards and restitution.

28 (10) "Office" means the state building office.

29 (11) "Person" means any natural person, joint venture, partnership, corporation, or other
30 business or legal entity who or that enters into a contract for construction.

31 (12) "Prime contractor" means a person who or that enters into a contract for construction
32 with the project owner.

33 (13) "Retainage" means a portion or percentage of a payment due pursuant to a contract
34 for construction that is withheld to ensure full performance of the contract for construction.

1 (14) "Staff" means ~~the executive director for the contractors' registration and licensing~~
2 ~~board, and~~ any ~~other~~ staff necessary to carry out the powers, functions, and duties of the board
3 including inspectors, hearing officers, and other supportive staff.

4 (15) "State" means the state of Rhode Island.

5 (16) "Structure" means (i) Any commercial building; or (ii) Any building containing one
6 or more residences and their appurtenances. The board's dispute resolution process shall apply only
7 to residential structures containing dwelling units, as defined in the state building code, or
8 residential portions of other types of buildings without regard to how many units any structure may
9 contain. The board retains jurisdiction and may conduct hearings regarding violations against all
10 contractors required to be registered or licensed by the board.

11 (17) "Substantially" means any violation that affects the health, safety, and welfare of the
12 general public.

13 (18) "Substantial completion" means the stage in the progress of the project when the work
14 required by the contract for construction with the project owner is sufficiently complete in
15 accordance with the contract for construction so that the project owner may occupy or utilize the
16 work for its intended use; provided, further, that "substantial completion" may apply to the entire
17 project or a phase of the entire project if the contract for construction with the project owner
18 expressly permits substantial completion to apply to defined phases of the project.

19 **5-65-3. Registration for work on a structure required of contractor -- Issuance of**
20 **building permits to unregistered or unlicensed contractors prohibited -- Evidence of activity**
21 **as a contractor -- Duties of contractors.**

22 (a) A person shall not undertake, offer to undertake, or submit a bid to do work as a
23 contractor on a structure or arrange to have work done unless that person has a current, valid
24 certificate of registration for all construction work issued by the board. A partnership, corporation,
25 or joint venture may do the work; offer to undertake the work; or submit a bid to do the work only
26 if that partnership, corporation, or joint venture is registered for the work. In the case of registration
27 by a corporation or partnership, an individual shall be designated to be responsible for the
28 corporation's or partnership's work. The corporation or partnership and its designee shall be jointly
29 and severally liable for the payment of the registration fee, as required in this chapter, and for
30 violations of any provisions of this chapter. Disciplinary action taken on a registration held by a
31 corporation, partnership, or sole proprietor may affect other registrations held by the same
32 corporation, partnership, or sole proprietorship, and may preclude future registration by the
33 principal of that business entity.

34 (b) A registered partnership or corporation shall notify the board in writing immediately

1 upon any change in partners or corporate officers.

2 (c) A city, town, or the state shall not issue a building permit to anyone required to be
3 registered under this chapter who does not have a current, valid certificate of registration
4 identification card or valid license that shall be presented at the time of issuance of a permit and
5 shall become a condition of a valid permit. Each city, town, or the state that requires the issuance
6 of a permit as a condition precedent to construction, alteration, improvement, demolition,
7 movement, or repair of any building or structure or the appurtenance to the structure shall also
8 require that each applicant for the permit ~~file~~, as a condition to issuing the permit, ~~a written affidavit~~
9 ~~subject to the penalties of perjury, subscribed by the applicant, that the applicant~~ is registered under
10 the provisions of this chapter, giving the number of the registration and stating that the registration
11 is in full force and effect, or, if the applicant is exempt from the provisions of this chapter, listing
12 the basis for the exemption. The city, town, or the state shall list the contractor's registration number
13 on the permit obtained by that contractor, and if a homeowner is issued a permit, the building
14 inspector or official must ascertain registration numbers of each contractor on the premises and
15 shall inform the registration board of any non-registered contractors performing work at the site.

16 (d) Every city and town that requires the issuance of a business license as a condition
17 precedent to engaging, within the city or town, in a business that is subject to regulation under this
18 chapter, shall require that each licensee and each applicant for issuance or renewal of the license
19 file, or has on file, with the city or town a signed statement that the licensee or applicant is registered
20 under the provisions of this chapter and stating that the registration is in full force and effect.

21 (e) It shall be prima facie evidence of doing business as a contractor when a person for that
22 person's own use performs, employs others to perform, or for compensation and with the intent to
23 sell the structure, arranges to have performed any work described in § 5-65-1(4) if within any one
24 twelve-month (12) period that person offers for sale one or more structures on which that work was
25 performed.

26 (f) Registration under this chapter shall be prima facie evidence that the registrant conducts
27 a separate, independent business.

28 (g) The provisions of this chapter shall be exclusive and no city or town shall require or
29 shall issue any registrations or licenses nor charge any fee for the regulatory registration of any
30 contractor registered with the board. Nothing in this subsection shall limit or abridge the authority
31 of any city or town to license and levy and collect a general and nondiscriminatory license fee
32 levied upon all businesses, or to levy a tax based upon business conducted by any firm within the
33 city or town's jurisdiction, if permitted under the laws of the state.

34 (h)(1) Every contractor shall maintain a list that shall include the following information

1 about all subcontractors or other contractors performing work on a structure for that contractor:

2 (i) Names and addresses; and

3 (ii) Registration numbers or other license numbers.

4 (2) The list referred to in subsection (h)(1) of this section shall be delivered to the board
5 within twenty-four (24) hours after a request is made during reasonable working hours, or a fine of
6 twenty-five dollars (\$25.00) may be imposed for each offense.

7 (i) The following subcontractors who are not employees of a registered contractor must
8 obtain a registration certificate prior to conducting any work: (1) Carpenters, including finish
9 carpenters and framers; (2) Siding installers; (3) Roofers; (4) Foundation installers, including
10 concrete installers and form installers; (5) Drywall installers; (6) Plasterers; (7) Insulation installers;
11 (8) Ceramic tile installers; (9) Floor covering installers; (10) Swimming pool installers, both above
12 ground and in ground; (11) Masons, including chimney installers, fireplace installers, and general
13 masonry erectors. This list is not all inclusive and shall not be limited to the above-referenced
14 contractors. No subcontractor licensed by another in-state agency pursuant to § 5-65-2 shall be
15 required to register, provided that said work is performed under the purview of that license.

16 (j) A contractor including, but not limited to, a general contractor, shall not hire any
17 subcontractor or other contractor to work on a structure unless the contractor is registered under
18 this chapter or exempt from registration under the provisions of § 5-65-2.

19 (k) A summary of this chapter, prepared by the board and provided at cost to all registered
20 contractors, shall be delivered by the contractor to the owner when the contractor begins work on
21 a structure; failure to comply may result in a fine.

22 (l) The registration number of each contractor shall appear in any advertising by that
23 contractor. Advertising in any form by an unregistered contractor shall be prohibited, including
24 alphabetical or classified directory listings, vehicles, business cards, and all other forms of
25 advertisements. The violations could result in a penalty being assessed by the board per
26 administrative procedures established.

27 (i) The board may publish, revoke, or suspend registrations and the date the registration
28 was suspended or revoked on a quarterly basis.

29 (ii) Use of the word "license" in any form of advertising when only registered may subject
30 the registrant or those required to be registered to a fine of one hundred dollars (\$100) for each
31 offense at the discretion of the board.

32 (m) The contractor must see that permits required by the state building code are secured on
33 behalf of the owner prior to commencing the work involved. The contractor's registration number
34 must be affixed to the permit as required by the state building code.

1 (n) The board may assess an interest penalty of twelve percent (12%) annually when a
2 monetary award is ordered by the board.

3 (o) All work performed, including labor and materials, in excess of one thousand dollars
4 (\$1,000) shall be accompanied by a contract in writing. Contracts required pursuant to this
5 subsection shall include a location on or near the signature line location on or in which the parties
6 to the contract shall initial to evidence the receipt of certain consumer education materials or
7 information approved and provided by the board to the contractor. The educational materials and/or
8 information shall include, but not be limited to, the following notice and shall be provided by the
9 contractor to the homeowner:

10 NOTICE OF POSSIBLE MECHANIC'S LIEN

11 To: Insert name of owner, lessee or tenant, or owner of less than the simple fee.

12 The undersigned is about to perform work and/or furnish materials for the construction,
13 erection, alterations or repair upon the land at (INSERT ADDRESS) under contract with you. This
14 is a notice that the undersigned and any other persons who provide labor and materials for the
15 improvement under contract with the undersigned may file a mechanic's lien upon the land in the
16 event of nonpayment to them. It is your responsibility to assure yourself that those other persons
17 under contract with the undersigned receive payment for their work performed and materials
18 furnished for the construction, erection, alteration or repair upon the land. Failure to adhere to the
19 provisions of this subsection may result in a one-thousand-dollar (\$1,000) fine against the
20 contractor and shall not affect the right of any other person performing work or furnishing materials
21 of claiming a lien pursuant to chapter 28 of title 34. However, such person failing to provide such
22 notice shall indemnify and hold harmless any owner, lessee or tenant, or owner of less than the fee
23 simple from any payment or costs incurred on account of any liens claims by those not in privity
24 with them, unless such owner, lessee or tenant, or owner of less than the fee simple shall not have
25 paid such person.

26 (p) Contracts entered into must contain notice of right of rescission as stipulated in all
27 pertinent Rhode Island consumer protection laws and/or § 5-65-27 if applicable.

28 (q) The contractor must stipulate whether or not all the proper insurances are in effect for
29 each job contracted.

30 (r) Contractors who are in compliance with the provisions of this subsection shall be
31 exempt from the requirements of § 34-28-4.1.

32 (s) In addition to the requirements of this chapter, contractors engaged in well drilling
33 activities shall also be subject to regulations pertaining to licensing and registration promulgated
34 by the contractors' registration and licensing board pursuant to chapter 65.2 of this title and § 46-

1 13.2-4.

2 **5-65-7.1. Notice of cancellation or failure to renew policies.**

3 Upon the cancellation or failure to renew, the insurance company having written a liability
4 policy, as described in § 5-65-7, shall notify ~~the director of~~ the contractors' registration [and](#)
5 [licensing](#) board of the cancellation or failure to renew. The policy shall continue in effect until ten
6 (10) days after written notice of the cancellation is given to ~~the director of~~ the contractors'
7 registration [and licensing](#) board of the cancellation or termination of the liability policy by the
8 issuing insurance company or companies in addition to any other notices which may be required
9 by law. Any insurance company that fails to notify the ~~director~~ [contractors' registration and](#)
10 [licensing board](#), as required in this section shall be subject to prosecution for a misdemeanor and
11 upon conviction of that offense may be punished by a fine of not more than two hundred fifty
12 dollars (\$250) for each offense and shall be responsible for any claims, fines or penalties from any
13 parties resulting from lack of notice. All criminal actions for any violation of this section shall be
14 prosecuted by the attorney general. The attorney general shall prosecute actions to enforce the
15 payment penalties and fines at the request of the director [of the department of business regulation](#)
16 [or the director's designee](#).

17 **5-65-10. Grounds for discipline -- Injunctions.**

18 (a) The board or ~~commission~~ [office](#) may revoke, suspend, or refuse to issue, reinstate, or
19 reissue a certificate of registration if the board or ~~commission~~ [office](#) determines after notice and
20 opportunity for a hearing:

21 (1) That the registrant or applicant has violated § 5-65-3.

22 (2) That the insurance required by § 5-65-7 is not currently in effect.

23 (3) That the registrant, licensee or applicant has engaged in conduct as a contractor that is
24 dishonest or fraudulent that the board finds injurious to the welfare of the public.

25 (4) Has violated a rule or order of the board.

26 (5) That the registrant has knowingly assisted an unregistered person to act in violation of
27 this chapter.

28 (6) That a lien was filed on a structure under chapter 28 of title 34 because the registrant or
29 applicant wrongfully failed to perform a contractual duty to pay money to the person claiming the
30 lien.

31 (7) That the registrant has substantially violated state or local building codes.

32 (8) That the registrant has made false or fraudulent statements on his or her application.

33 (9) That a registrant has engaged in repeated acts in violation of this chapter and the board's
34 rules and regulations inclusive of substandard workmanship and any misuse of registration.

1 (10) The board may take disciplinary action against a contractor who performed work or
2 arranged to perform, while the registration was suspended, invalidated or revoked. Deposits
3 received by a contractor and ordered returned are not considered a monetary award when no
4 services or supplies have been received.

5 (11) That the registrant breached a contract.

6 (12) That the registrant performed negligent and/or improper work.

7 (13) That the registrant has advertised with a license number instead of using a registration
8 number.

9 (14) That the registrant has failed to complete a project(s) for construction or a willful
10 failure to comply with the terms of a contract or written warranty.

11 (15) That the registrant has misrepresented his registration status as valid when said
12 registration is suspended, revoked, invalidated, inactive or unregistered as required by the board.

13 (16) That the registrant has failed to pay a fine or comply with any order issued by the
14 board.

15 (17) That the registrant has failed to obtain or maintain the required continuing
16 education/units required by the board, or failed to sign the [affidavit statement](#) required by the board
17 for registration or renewal.

18 (18) When a violation for hiring a non-registered contractor, working as a non-registered
19 contractor, or not maintaining the insurance required is issued, the registration may become
20 invalidated until the violation is resolved or hearing is requested on this offense.

21 (19) That the registrant has violated any of the provisions of chapters 25-3, 28-3, 28-12,
22 28-14, 28-36, 28-50, and/or 37-13. A finding that the registrant has violated any of those chapters
23 shall not be grounds for imposition of a monetary penalty under subsection (c) below.

24 (b) In addition to all other remedies, when it appears to the board that a person has engaged
25 in, or is engaging in, any act, practice or transaction which violates the provisions of this chapter,
26 the board may direct the attorney general to apply to the court for an injunction restraining the
27 person from violating the provisions of this chapter. An injunction shall not be issued for failure to
28 maintain the list provided for in § 5-65-3(h) unless the court determines that the failure is
29 intentional.

30 (c)(1) For each first violation of a particular section of this chapter or any rule or regulation
31 promulgated by the board, a fine not to exceed five thousand dollars (\$5,000) may be imposed after
32 a hearing by the board. Provided, further, that the board at its discretion may, after a hearing, impose
33 an additional fine up to but not to exceed the face value of the contract or the actual damages caused
34 by the contractor, whichever shall be greater. Where the claim is for actual damages the board shall

1 require proof satisfactory to the board indicating said damages. Where corrective work is completed
2 as ordered by the board, the fine assessed may be reduced as determined by the board. Fines and
3 decisions on claims or violations inclusive of monetary awards can be imposed against registered
4 as well as contractors required to be registered by the board.

5 (2) For each subsequent violation of a particular subsection of this chapter or of a rule or
6 regulation promulgated by the board, a fine not to exceed ten thousand dollars (\$10,000) may be
7 imposed after a hearing by the board. All fines collected by the board shall be deposited as general
8 revenues until June 30, 2008 to be used to enforce the provisions of this chapter. Beginning July 1,
9 2008, all fines collected by the board shall be deposited into a restricted receipt account to be used
10 to enforce the provisions of this chapter.

11 (3) For the first violation of § 5-65-3, only for non-registered contractors, a fine of up to
12 five thousand dollars (\$5,000) for a first offense and up to ten thousand dollars (\$10,000) for each
13 subsequent offense shall be imposed.

14 (d) The hearing officer, upon rendering a conclusion may require the registrant, in lieu of
15 a fine, to attend continuing education courses as appropriate. Failure to adhere to the requirement
16 could result in immediate revocation of registration.

17 (e) The expiration of a registration by operation of law or by order or decision of the board
18 or a court, or the voluntary surrender of registration by the registrant, does not deprive the board of
19 jurisdiction, an action or disciplinary proceeding against the registrant or to render a decision
20 suspending or revoking a registration.

21 (f) In emergency situations, when a registrant is acting to the detriment of the health,
22 welfare and safety of the general public, the ~~board's executive~~ director [of the department of business](#)
23 [regulation or the director's designee](#) may revoke or suspend a registration without a hearing for just
24 cause for a period of thirty (30) days.

25 (g) A registrant may petition the board to partially or completely expunge his or her record
26 provided that notice of said expungement proceedings has been provided to the claimant who was
27 the subject of the violation. For purposes of this subsection "notice" shall consist of a mailing to
28 the last known address of the claimant and need not be actual notice.

29 (h) Any person or contractor, registered or not, who uses another contractor's registration,
30 contractor's registration identification card, or allows another person to use their contractor's
31 registration fraudulently in any way, will be subject to a fine not exceeding ten thousand dollars
32 (\$10,000).

33 (i) When the use of fraudulent advertising entices an individual to hire an unregistered
34 contractor, a fine of up to ten thousand dollars (\$10,000) may be imposed by the board.

1 (j) It shall be unlawful to retain a social security number or copy of the driver's license from
2 a registrant by a building official as a condition of obtaining a permit.

3 (k) The board is further authorized upon certain findings or violations to:

4 (1) Put a lien on property held by a contractor.

5 (2) Take action on registrant when the continuing education requirements have failed to be
6 attained as required in rules and regulations.

7 (3) When upon investigation a complaint reveals: serious code infractions; unsatisfied
8 mechanic's liens; abandonment of a job for a substantial period of time without apparent cause; or
9 any other conduct detrimental to the public, the board can double the fines.

10 (4) Suspend, revoke or refuse to issue, reinstate or reissue a certificate of registration to
11 any registrant who has contracted, advertised, offered to contract or submitted a bid when the
12 contractor's registration is suspended, revoked, invalidated or inactive or unregistered as required
13 by the board.

14 (l) No person shall register as a contractor with the contractors' registration board for the
15 purpose of deceiving or circumventing the registration process by enabling a person whose
16 registration has been suspended or revoked to conduct business. Provided, further, that any person
17 who, in good faith relies on the board or the contractor's registration website for information
18 regarding registration status of another shall be exempt from violations pursuant to this section if
19 the information is not correct. Violators of this section shall be jointly and individually liable for
20 damages resulting from their activities as contractors pursuant to this chapter. Violations of this
21 subsection may result in a revocation of registration and/or fines not to exceed ten thousand dollars
22 (\$10,000) and/or up to one year in jail. Furthermore, the director [of the department of business](#)
23 [regulation or the director's designee](#) shall require that all applicants for registration shall ~~swear by~~
24 ~~way of affidavit~~ [sign a statement](#) that they are aware of this provision and its implications.

25 (m) Upon receipt of notice of a final determination, after the exhaustion of all appeals, by
26 the department of labor and training, consent agreement, or court order that a registered contractor
27 violated any of the provisions of chapters 25-3, 28-3, 28-12, 28-14, 28-36, 28-50, and/or 37-13 and
28 owes any wages, benefits or other sums arising out of such violation, the board shall immediately
29 suspend the contractor's registration of such contractor in accordance with this subsection. The
30 suspension shall continue until all wages, benefits, or other sums owed have been paid or the
31 contractor has entered into a written, binding agreement to pay the same acceptable to the
32 department of labor and training and is not in default in payment under such agreement. If the
33 contractor fails to remain current in payment under any such agreement, the department of labor
34 and training shall notify the contractors' registration board and the suspension shall be imposed or

1 reinstated as the case may be. The foregoing sanction is mandatory, but shall not be grounds for
2 imposition of a monetary penalty under subsection (c) above.

3 (n) When the registration of a contractor has been revoked or suspended, neither the
4 contractor nor any successor entity or sole proprietorship that: (1) Has one or more of the same
5 principals or officers as the partnership, limited partnership, limited liability partnership, joint
6 venture, limited liability company, corporation, or sole proprietorship as the subject contractor; and
7 (2) Is engaged in the same or equivalent trade or activity shall be qualified to register or retain a
8 registration as a contractor under this chapter, unless and until the board shall determine that the
9 basis of the revocation or suspension has been satisfied or removed and that the registrant or
10 applicant otherwise satisfies the requirements for registration under this chapter. Notwithstanding
11 the foregoing, a natural person may obtain relief from the application and enforcement of this
12 subsection as to him or her, if he or she can establish that he or she was not responsible for, and did
13 not acquiesce to the misconduct which is the basis of the revocation, suspension or denial of
14 registration.

15 **5-65-15. Officers -- Quorum -- Compensation and expenses.**

16 (a) The board shall select from among its members a chairperson, a vice chairperson and
17 any other officers for the terms and with the duties and powers necessary for the performance of
18 their duties that the board determines.

19 (b) A majority of the members of the board shall constitute a quorum for the transaction of
20 business.

21 (c) The board shall have ~~an executive director~~ a member of staff who shall attend all
22 meetings and shall direct the conduct of any investigation which may be necessary in the
23 preparation of any hearing. ~~The executive director shall be a member of the classified service on~~
24 ~~the staff of the state building commissioner and shall be compensated as appropriate for the required~~
25 ~~expertise.~~

26 **5-65-15.1. Staff.**

27 (a) The ~~state building code commission~~ office shall provide the board with appropriate
28 staff, ~~including hearing officials and investigators,~~ who shall perform their duties under the
29 administrative supervision of the ~~executive~~ director of the department of business regulation or the
30 director's designee.

31 (b) The board may delegate the powers, functions and duties to the provided staff.

32 **5-65-20. Administrative hearings.**

33 (a) Contested claims or cases, contested enforcement proceedings, and contested
34 administrative fines shall be heard, in accordance with the Administrative Procedures Act, chapter

1 35 of title 42, and the administrative regulations promulgated by the board, by the hearings
2 officer(s) assigned by the ~~executive~~ director of the department of business regulation or the
3 director's designee ~~of the board~~.

4 (b) The board has jurisdiction to hear appeals from decisions of the hearing officer(s), and
5 may by regulation impose a filing fee, not to exceed twenty dollars (\$20.00), for any appeal.

6 (c) Notwithstanding the preceding, the ~~executive~~ director of the department of business
7 regulation or the director's designee ~~for the board~~ is authorized to resolve contested enforcement
8 or claim proceedings through informal disposition pursuant to regulations promulgated by the
9 board.

10 SECTION 2. Effective January 1, 2020, Section 5-84-3 of the General Laws in Chapter 5-
11 84 entitled "Division of Building, Design and Fire Professionals" is hereby amended to read as
12 follows:

13 **5-84-3. Division membership.**

14 The division consists of the membership of the office of the state fire marshal, the fire
15 safety code board of review and appeal, and the ~~office of the~~ state building office, ~~commissioner,~~
16 ~~the board of registration for professional engineers, board of registration for professional land~~
17 ~~surveyors, board of examination and registration of architects, the board of examiners of landscape~~
18 ~~architects, and the contractors' registration and licensing board.~~

19 SECTION 3. Effective January 1, 2020, Section 5-84 of the General Laws entitled
20 "Division of Building, Design and Fire Professionals" is hereby amended by adding thereto the
21 following section:

22 **5-84-3. 1. Establishment of the state building office.**

23 (a) There shall be the state building office within the department of business regulation's
24 division of building, design and fire professionals which shall consist of the office of the state
25 building commissioner, the board of registration for professional engineers, the board of
26 registration for professional land surveyors, the board of examination and registration of architects,
27 the board of examiners of landscape architects, and the contractors' registration and licensing board.

28 (b) The department of business regulation is hereby designated as the administrative entity
29 responsible for the operation of the state building office. In the discretion of the director of business
30 regulation, the department shall provide appropriate staff support to the state building office, and
31 any such staff may be shared within the state building office as necessary.

32 SECTION 4. Effective January 1, 2020, Sections 23-27.3-100.1.3, 23-27.3-100.1.4, 23-
33 27.3-100.1.5.1, 23-27.3-107.2, 23-27.3-107.8, 23-27.3-107.9, 23-27.3-108.1.3.1, 23-27.3-108.2
34 and 23-27.3-118.1 of the General Laws in Chapter 23-27.3 entitled "State Building Code" are

1 hereby amended to read as follows:

2 **23-27.3-100.1.3. Creation of the state building code standards committee.**

3 (a) There is created as an agency of state government a state building code standards
4 committee that shall adopt, promulgate, and administer a state building code for the purpose of
5 regulating the design, construction, and use of buildings or structures previously erected, in
6 accordance with a rehabilitation building and fire code for existing buildings and structures
7 developed pursuant to chapter 29.1 of this title, and to make any amendments to them as they, from
8 time to time, deem necessary or desirable, the building code to include any code, rule, or regulation
9 incorporated in the code by reference.

10 (b) A standing subcommittee is made part of the state building code standards committee
11 to promulgate and administer a state housing and property maintenance code for the purpose of
12 establishing minimum requirements and standards and to regulate the occupancy and use of existing
13 premises, structures, buildings, equipment, and facilities, and to make amendments to them as
14 deemed necessary.

15 (c) A joint committee, with membership as set forth in § 23-29.1-2(a) from the state
16 building code standards committee, shall develop and recommend for adoption and promulgation,
17 a rehabilitation building and fire code for existing buildings and structures, which code shall include
18 building code elements to be administered by the state building code standards committee as the
19 authority having jurisdiction over the elements.

20 (d) The state building code standards committee shall be housed within the ~~office of the~~
21 state building ~~commissioner~~ [office](#).

22 **23-27.3-100.1.4. Appointment and qualifications of the committee.**

23 (a) The building code standards committee shall be composed of twenty-five (25)
24 members, residents of the state who shall be appointed by the governor with the advice and consent
25 of the senate. Eight (8) members are to be appointed for terms of one year each, seven (7) for a
26 term of two (2) years each, and ten (10) for terms of three (3) years each. Annually, thereafter, the
27 governor, with the advice and consent of the senate, shall appoint members to the committee to
28 succeed those whose terms expired; the members to serve for terms of three (3) years each and until
29 their successors are appointed and qualified. Two (2) members shall be architects registered in the
30 state; three (3) shall be professional engineers registered in the state, one specializing in
31 mechanical, one specializing in structural, and one specializing in electrical engineering; one
32 landscape architect, registered in the state; one full-time certified electrical inspector; two (2) shall
33 be builders or superintendents of building construction; one shall be a public health official; one
34 shall be a qualified fire code official; two (2) shall be from the Rhode Island building trades council;

1 two (2) shall be from the Rhode Island Builders Association; one shall be a holder of Class "A"
2 electrician's license; one shall be a master plumber; two (2) shall be from the general public; three
3 (3) shall be building officials in office, one from a municipality with a population of sixty thousand
4 (60,000) persons or more, one from a municipality with a population of over twenty thousand
5 (20,000) persons but less than sixty thousand (60,000), and one from a municipality with a
6 population of less than twenty thousand (20,000) persons; one shall be a minimum housing official
7 in office from one of the local municipalities; and two (2) residents of the state who shall be persons
8 with disabilities as defined in § 42-87-1.

9 (b) All members shall have no less than five (5) years practical experience in their
10 profession or business. The committee shall elect its own chairperson and may elect from among
11 its members such other officers as it deems necessary. Thirteen (13) members of the board shall
12 constitute a quorum and the vote of a majority vote of those present shall be required for action.
13 The committee shall adopt rules and regulations for procedure. The state building commissioner
14 shall serve as the executive secretary to the committee. The committee shall have the power, within
15 the limits of appropriations provided therefor, to employ such assistance as may be necessary to
16 conduct business.

17 (c) Members of the ~~commission~~ committee shall be removable by the governor pursuant to
18 § 36-1-7 and for cause only, and removal solely for partisan or personal reasons unrelated to
19 capacity or fitness for the office shall be unlawful.

20 (d) The state housing and property maintenance code subcommittee shall be composed of
21 nine (9) members, residents of the state. Five (5) of these members are to be current members of
22 the state building code standards committee and are to be appointed by that committee. The four
23 (4) remaining members are to be appointed by the governor, with the advice and consent of the
24 senate. The four (4) appointed by the governor, with the advice and consent of the senate, shall
25 initially be appointed on a staggered term basis, one for one year, one for two (2) years, and two
26 (2) for three (3) years. Annually thereafter, the building code standards committee, and the
27 governor, with the advice and consent of the senate, shall appoint the subcommittee members, for
28 which they are respectively responsible, to succeed those whose terms have expired; the members
29 to serve for terms of three (3) years each and until their successors are appointed and qualified. Of
30 the members appointed by the committee, one shall be a full-time certified electrical inspector; one
31 shall be a master plumber and mechanical equipment expert; one shall be a builder or
32 superintendent of building construction; one member shall be a qualified state fire code official;
33 one shall be a property manager; and one shall be a current minimum housing official from a local
34 municipality. The four (4) members to be appointed by the governor, with the advice and consent

1 of the senate, shall all be current minimum housing officials from local municipalities. One shall
2 be from a municipality with a population of sixty thousand (60,000) persons or more, two (2) from
3 municipalities with a population of over twenty thousand (20,000) persons but less than sixty
4 thousand (60,000), and one from a municipality with a population of less than twenty thousand
5 (20,000) persons.

6 **23-27.3-100.1.5.1. Housing and maintenance code -- Powers and duties of the building**
7 **code standards committee.**

8 (a) The committee shall have the authority to adopt and promulgate a housing and
9 maintenance code which shall be reasonably consistent with recognized and accepted standards
10 and codes promoted by national model code organizations. The code shall be submitted to the
11 legislature for adoption and amendments as required. Once adopted by the legislature, the law shall
12 not be amended by the cities and towns. The committee shall have the singular authority to submit
13 further amendments to the legislature as required. These new provisions shall replace, and/or amend
14 the existing provisions of the Minimum Housing Standards, chapter 24.2 of title 45, and the
15 Housing, Maintenance and Occupancy Code, chapter 24.3 of title 45. Once adopted by the
16 legislature, the laws shall not be amended by the cities and towns without prior approval of the
17 committee and subsequently the legislature. The state housing and property maintenance code
18 subcommittee shall carry out its responsibilities to the building code standards committee by acting
19 as an entity of the committee in administering the code, by recommending needed code
20 amendments, by promulgating the code, and by serving as the board of standards and appeals for
21 the code.

22 (b) The subcommittee shall also have a recording secretary who shall attend all meetings
23 and direct the conduct of any investigation which may be necessary in the preparation of any
24 hearing. The recording secretary shall be a member of the classified service on the staff of the state
25 building ~~commissioner~~ [office](#) and shall be compensated as appropriate for the expertise required.
26 The administration and appeals procedures pertaining to these laws shall remain in the prerogatives
27 of the local municipalities and the legislature.

28 (c) Within ninety (90) days after the end of each fiscal year, the committee shall approve
29 and submit an annual report to the governor, the speaker of the house of representatives, the
30 president of the senate, and the secretary of state, of its activities during that fiscal year. The report
31 shall provide: an operating statement summarizing meetings or hearings held, including meeting
32 minutes, subjects addressed, decisions rendered, applications considered and their disposition, rules
33 or regulations promulgated, studies conducted, policies and plans developed, approved, or
34 modified, and programs administered or initiated; a consolidated financial statement of all funds

1 received and expended including the source of the funds, a listing of any staff supported by these
2 funds, and a summary of any clerical, administrative or technical support received; a summary of
3 performance during the previous fiscal year including accomplishments, shortcomings and
4 remedies; a synopsis of hearings, complaints, suspensions, or other legal matters related to the
5 authority of the committee; a summary of any training courses held pursuant to this chapter; a
6 briefing on anticipated activities in the upcoming fiscal year, and findings and recommendations
7 for improvements. The report shall be posted electronically on the websites of the general assembly
8 and the secretary of state pursuant to the provisions of § 42-20-8.2. The director of the department
9 of administration shall be responsible for the enforcement of the provisions of this section.

10 (d) To conduct a training course for newly appointed and qualified members within six (6)
11 months of their qualification or designation. The course shall be developed by the chair of the
12 committee, be approved by the committee, and be conducted by the chair of the committee. The
13 committee may approve the use of any committee and/or staff members and/or individuals to assist
14 with training. The training course shall include instruction in the following areas: the provisions of
15 chapters 42-46, 36-14 and 38-2; and the committee's rules and regulations. The director of the
16 department of administration shall, within ninety (90) days of June 16, 2006, prepare and
17 disseminate training materials relating to the provisions of chapters 42-46, 36-14, and 38-2.

18 **23-27.3-107.2. Alternate local building official.**

19 The appropriate local authority shall appoint an alternate building official to act on behalf
20 of the building official during any period of disability caused by, but not limited to, illness, absence,
21 or conflict of interest. The alternate building official shall meet the qualifications of § 23-27.3-
22 107.5. The appropriate local authority shall appoint an alternate local building official within ten
23 (10) calendar days or request the ~~commissioner's~~ [state building office's](#) services as allowed in § 23-
24 27.3-107.3. When the ~~state building commissioner's~~ [office's](#) services are used due to the lack of a
25 local building official, the salary and operating expenses of the commissioner or his or her designee
26 shall be reimbursed to the ~~commissioner's account~~ [state](#) as allowed by § 23-27.3-108.2(c).

27 **23-27.3-107.8. Restriction on employees' activities.**

28 Neither the building commissioner, nor any full-time building officials, or full-time local
29 inspectors, as defined in this code, shall be engaged in, or directly or indirectly connected with, the
30 furnishing of labor, materials, or appliances for the construction, alteration, or maintenance of any
31 building or structure, or the preparation of plans or specifications therefor for the state, in the case
32 of the building commissioner, or within the municipality in which he or she is respectively
33 employed in the case of a building official or local inspector unless the individual is the owner of
34 the building or structure; nor shall any officer or employee associated with the [state building office](#)

1 ~~department of the state~~ or municipality engage in any work which conflicts with his or her official
2 duties or with the interests of the department [of business regulation](#).

3 **23-27.3-107.9. Relief from personal responsibility.**

4 The state building commissioner, the members and staff of the building code standards
5 committee and the board of standards and appeals, the building official, officer, or employee
6 charged with the enforcement, administration and/or review of this code, while acting for the state
7 or a municipality, shall not thereby render himself or herself liable personally, and he or she is
8 hereby relieved from all personal liability for any damages that may accrue to persons or property
9 as a result of any act required or permitted in the discharge of his or her official duties. Any suit
10 instituted against any of these officers or employees because of an act performed by him or her in
11 the lawful discharge of his or her duties and under the provisions of this code shall be defended by
12 the legal representative of the state in the case of the members and staff of the building code
13 standards committee and the board of standards and appeals, and the building commissioner or his
14 or her agents or by the legal representative of the municipality, in the case of the building official,
15 officer, or employee, until the final determination of the proceedings. In no case shall members and
16 staff of the building code standards committee and the board of standards and appeals, the state
17 building commissioner, building official, or any of their subordinates be liable for costs or damages
18 in any action, suit, or proceeding that may be instituted pursuant to the provisions of this code and
19 the members and staff of the building code standards committee and the board of standards and
20 appeals, the state building commissioner or his or her agents or an officer of the ~~department of state~~
21 building ~~inspection~~ [office](#), acting in good faith and without malice and within the scope of their
22 employment, is free from liability for acts performed under any of its provisions or by reason of
23 any act or omission in the performance of his or her official duties in connection with this code.

24 **23-27.3-108.1.3.1. Test results.**

25 Copies of the results of all the tests shall be forwarded to the committee after completion
26 of the tests within ten (10) days, and shall be kept on file in the permanent records of the [state](#)
27 building ~~department~~ [office](#).

28 **23-27.3-108.2. State building commissioner's duties.**

29 (a) This code shall be enforced by the state building commissioner as to any structures or
30 buildings or parts thereof that are owned or are temporarily or permanently under the jurisdiction
31 of the state or any of its departments, commissions, agencies, or authorities established by an act
32 of the general assembly, and as to any structures or buildings or parts thereof that are built upon
33 any land owned by or under the jurisdiction of the state.

34 (b) Permit fees for the projects shall be established by the committee. The fees shall be

1 deposited as general revenues.

2 (c)(1) The local cities and towns shall charge each permit applicant an additional .1 (.001)
3 percent levy of the total construction cost for each permit issued. The levy shall be limited to a
4 maximum of fifty dollars (\$50.00) for each of the permits issued for one and two (2) family
5 dwellings. This additional levy shall be transmitted monthly to the [state building ~~commission~~ office](#)
6 at the department of business regulation, and shall be used to staff and support the purchase or lease
7 and operation of a web-accessible service and/or system to be utilized by the state and
8 municipalities for uniform, statewide electronic plan review, permit management and inspection
9 system and other programs described in this chapter. The fee levy shall be deposited as general
10 revenues.

11 (2) On or before July 1, 2013, the building commissioner shall develop a standard statewide
12 process for electronic plan review, permit management and inspection.

13 (3) On or before December 1, 2013, the building commissioner, with the assistance of the
14 office of regulatory reform, shall implement the standard statewide process for electronic plan
15 review, permit management and inspection. In addition, the building commissioner shall develop
16 a technology and implementation plan for a standard web-accessible service or system to be utilized
17 by the state and municipalities for uniform, statewide electronic plan review, permit management
18 and inspection.

19 (d) The building commissioner shall, upon request by any state contractor described in §
20 37-2-38.1, review, and when all conditions for certification have been met, certify to the state
21 controller that the payment conditions contained in § 37-2-38.1 have been met.

22 (e) The building commissioner shall coordinate the development and implementation of
23 this section with the state fire marshal to assist with the implementation of § 23-28.2-6.

24 (f) The building commissioner shall submit, in coordination with the state fire marshal, a
25 report to the governor and general assembly on or before April 1, 2013, and each April 1st
26 thereafter, providing the status of the web-accessible service and/or system implementation and
27 any recommendations for process or system improvement.

28 **23-27.3-118.1. Special fees.**

29 The payment of the fee for construction, alteration, removal, or demolition, and for all work
30 done in connection with, or concurrently with, the work contemplated by a building permit, shall
31 not relieve the applicant or holder of the permit from the payment of other fees that may be
32 prescribed in accordance with § 23-27.3-119.0 for water taps, sewer connections, electrical and
33 plumbing permits, erection of signs and display structures, marquees, or other appurtenant
34 structures, or fees for inspections, certificates of use and occupancy for other privileges or

1 requirements, both within and without the jurisdiction of the [state](#) building ~~department~~ [office](#).

2 SECTION 5. Section 30-17.1-6 of the General Laws in Chapter 30-17.1 entitled "Veterans'
3 Affairs" is hereby amended to read as follows:

4 **30-17.1-6. Establishment of the office of veterans' affairs; director.**

5 (a) There is hereby established within the executive branch of government an office of
6 veterans' affairs. The director of the office of veterans' affairs shall be a person qualified through
7 experience and training and shall be an honorably discharged war veteran of the United States
8 armed forces. The director of the office of veterans' affairs shall be appointed by and report directly
9 to the governor, but the office shall reside within the department of human services for
10 administrative purposes.

11 (b) The director of veterans' affairs shall have all such powers, consistent with law, as are
12 necessary and/or convenient to effectuate the purposes of this chapter and to administer its
13 functions, including, but, not limited to, the power to promulgate and adopt regulations. The
14 director shall have authority to apply for, receive, and administer grants and funds from the federal
15 government and all other public and private entities to accomplish the purposes of the office.

16 (c) Effective July 1, 2019, the office of veterans' affairs, as established pursuant to
17 subsection (a) of this section, shall be henceforth referred to and renamed as "the office of veterans
18 services" and the director of veterans' affairs, established pursuant to subsection (a) of this section
19 shall henceforth be referred to and renamed as the "director of veterans services."

20 (d) Effective July 1, 2019, all references in the general laws to the office of veterans' affairs
21 established pursuant to subsection (a) of this section and to the director of veterans' affairs
22 established pursuant to subsection (a) of this section shall be deemed to mean and refer,
23 respectively, to the office of veterans services and the director of veterans services.

24 SECTION 6. Section 30-27-1 of the General Laws in Chapter 30-27 entitled "Veterans'
25 Organizations" is hereby repealed as follows.

26 ~~**30-27-1. Appropriations for annual encampment of Spanish war veterans.**~~

27 ~~The general assembly shall annually appropriate such sum as it may deem necessary to~~
28 ~~defray the expenses of the annual encampment of the united spanish war veterans, department of~~
29 ~~Rhode Island, to be expended under the direction of the department of human services or of any~~
30 ~~other department as the general assembly shall indicate and direct at any future time; and the~~
31 ~~controller is hereby authorized and directed to draw orders upon the general treasurer for the~~
32 ~~payment of that sum, or so much thereof as may be necessary from time to time, upon the receipt~~
33 ~~by the controller of proper vouchers approved by the director of human services, or such other~~
34 ~~approving authority as the general assembly may direct.~~

1 SECTION 7. Sections 31-38-7 and 31-38-18 of the General Laws in Chapter 31-38 entitled
2 "Inspection of Motor Vehicles" are hereby amended to read as follows:

3 **31-38-7. Operation of official stations.**

4 (a) No permit for an official station shall be assigned or transferred or used at any location
5 other than designated in it, and the permit shall be posted in a conspicuous place at the designated
6 location.

7 (b) The state certified person operating an official inspection station shall issue a certificate
8 of inspection and approval upon an official form to the owner of a vehicle upon inspection of the
9 vehicle and determining that its equipment required under the provisions of this chapter is in good
10 condition and proper adjustment, otherwise, no certificate shall be issued. A record and report shall
11 be made of every inspection and every certificate issued. The records shall be kept available for
12 review by ~~the motor vehicle inspection station commission or~~ those employees of the department
13 of revenue that the director may designate.

14 (c) The following fees shall be charged for inspection and issuance of certificate of
15 inspection and approval:

16 (1) For every vehicle with a registered gross weight of not more than eight thousand five
17 hundred pounds (8,500 lbs.), the fee shall be included with the fee charged pursuant to § 31-47.1-
18 11;

19 (2) For every vehicle of a registered gross weight of more than eight thousand five hundred
20 pounds (8,500 lbs.) or more, except trailers, fifteen dollars (\$15.00);

21 (3) For every motorcycle and electrically powered vehicle, eleven dollars (\$11.00);

22 (4) For every trailer or semi-trailer with a registered gross weight of more than one
23 thousand pounds (1,000 lbs.), eleven dollars (\$11.00); and

24 (5) Provided that for the inspection of vehicles used for the transportation of persons for
25 hire, as provided in § 31-22-12, and subject to an inspection pursuant to chapter 47.1 of this title,
26 the fee shall be included with the fee charged pursuant to § 31-47.1-11.

27 (d) The director of the department of revenue may establish a state inspection facility at
28 which any motor vehicle may be reinspected at no cost to the owner. The state inspection facility
29 may inspect all public conveyance vehicles or these inspections may be otherwise provided for by
30 the director, or any other vehicles which in the opinion of the director of revenue, or his or her
31 designee, require specific testing to ensure for the health and safety of the general public.

32 (e) Any other inspections or activities which may be required to be performed at a state
33 inspection facility may be performed at any official inspection station if determined by the director.

34 **31-38-18. Conduct of hearings.**

1 The ~~director of the department of revenue~~~~commission~~ shall hold and conduct hearings in
2 accordance with § 31-38-17. These hearings shall be governed by rules to be adopted by the ~~director~~
3 ~~of the department of revenue~~~~commission~~, and the ~~director of the department of revenue~~~~commission~~
4 shall not be bound by technical rules of evidence. The ~~director of the department of~~
5 ~~revenue~~~~commission~~ may subpoena witnesses and require the producing of documental evidence,
6 ~~and shall sit as an impartial independent body~~ in order to make decisions affecting the interest of
7 the motor vehicle inspection owner and/or operator. ~~The concurrence of a majority of the members~~
8 ~~present and voting of the commission is required for a decision.~~

9 SECTION 8. Sections 31-38-15 and 31-38-16 of the General Laws in Chapter 31-38
10 entitled "Inspection of Motor Vehicles" are hereby repealed.

11 ~~**31-38-15. Motor vehicle inspection commission.**~~

12 ~~(a) Within the department of revenue there shall be a motor vehicle inspection commission,~~
13 ~~referred to in this chapter as the "commission", which shall function as a unit in the department.~~
14 ~~The commission shall consist of seven (7) members who shall be appointed by the governor, with~~
15 ~~the advice and consent of the senate. In making said appointments, the governor shall give due~~
16 ~~consideration to including in the commission's membership one or more garage keeper(s) and/or~~
17 ~~inspection station owner(s).~~

18 ~~(b) The tenure of all members of the commission as of the effective date of this act [March~~
19 ~~29, 2006] shall expire on the effective date of this act [March 29, 2006], and the governor shall~~
20 ~~nominate seven (7) new members as follows:~~

21 ~~(1) The governor shall appoint seven (7) members of the commission; three (3) of whom~~
22 ~~shall serve initial terms of three (3) years; two (2) of whom shall serve an initial term of two (2)~~
23 ~~years; and two (2) of whom shall serve an initial term of one year.~~

24 ~~(2) Thereafter, all members of the commission shall be appointed to serve three (3) year~~
25 ~~terms.~~

26 ~~(c) The governor shall designate one member of the commission to serve as chairperson.~~
27 ~~The commission may elect from among its members such other officers as they deem necessary.~~

28 ~~(d) No person shall be eligible for appointment to the commission after the effective date~~
29 ~~of this act [March 29, 2006] unless he or she is a resident of this state.~~

30 ~~(e) Four (4) members of the commission shall constitute a quorum.~~

31 ~~(f) Members of the commission shall be removable by the governor pursuant to the~~
32 ~~provisions of § 36-1-7 of the general laws and for cause only, and removal solely for partisan or~~
33 ~~personal reasons unrelated to capacity of fitness for the office shall be unlawful.~~

34 ~~(g) Within ninety (90) days after the end of each fiscal year, the commission shall approve~~

1 ~~and submit an annual report to the governor, the speaker of the house of representatives, the~~
2 ~~president of the senate, and the secretary of state of its activities during that fiscal year. The report~~
3 ~~shall provide: an operating statement summarizing meetings or hearings held, including meeting~~
4 ~~minutes, subjects addressed, decisions rendered, licenses considered and their disposition, rules or~~
5 ~~regulations promulgated, studies conducted, policies and plans developed, approved or modified~~
6 ~~and programs administered or initiated; a consolidated financial statement of all funds received and~~
7 ~~expended including the source of the funds, a listing of any staff supported by these funds and a~~
8 ~~summary of any clerical, administrative or technical support received; a summary of performance~~
9 ~~during the previous fiscal year including accomplishments, shortcomings and remedies; a synopsis~~
10 ~~of hearings, complaints, suspensions or other legal matters related to the authority of the~~
11 ~~commission; a summary of any training courses held pursuant to the provisions of this section; a~~
12 ~~briefing on anticipated activities in the upcoming fiscal year; and findings and recommendations~~
13 ~~for improvements. The report shall be posted electronically on the general assembly and secretary~~
14 ~~of state's websites as prescribed in § 42-20-8.2. The director of the department of revenue shall be~~
15 ~~responsible for the enforcement of the provisions of this subsection.~~

16 ~~(h) To conduct a training course for newly appointed and qualified members within six (6)~~
17 ~~months of their qualification or designation. The course shall be developed by the chair of the~~
18 ~~commission, approved by the commission, and conducted by the chair of the commission. The~~
19 ~~commission may approve the use of any commission or staff members or other individuals to assist~~
20 ~~with training. The training course shall include instruction in the following areas: the provisions of~~
21 ~~chapters 42-46, 36-14, and 38-2; and the commission's rules and regulations. The director of the~~
22 ~~department of revenue shall, within ninety (90) days of the effective date of this act [March 29,~~
23 ~~2006], prepare and disseminate training material relating to the provisions of chapters 42-46, 36-~~
24 ~~14, and 38-2.~~

25 ~~**31-38-16. Meetings -- Compensation.**~~

26 ~~The commission shall meet at least once a month to consider any matters that may be proper~~
27 ~~before it. The members of the commission shall receive no compensation for their services, but~~
28 ~~each member shall be reimbursed for traveling or other expenses that are actually incurred in the~~
29 ~~discharge of the member's duties.~~

30 SECTION 9. Sections 35-1.1-1 through 35-1.1-5 of the General Laws in Chapter 35-1.1
31 entitled "Office of Management and Budget" are hereby amended to read as follows:

32 ~~**35-1.1-1. Statement of intent.**~~

33 The purpose of this chapter is to establish a comprehensive public finance and management
34 system for the State of Rhode Island that manages a data-driven budget process, monitors state

1 departments' and agencies' performance, ~~maximizes the application for and use of federal grants~~
2 [improves the regulatory climate](#) and ensures accountability and transparency regarding the use of
3 public funds [and regulatory impact](#).

4 **35-1.1-2. Establishment of the office of management and budget.**

5 There is hereby established within the department of administration an office of
6 management and budget. This office shall serve as the principal agency of the executive branch of
7 state government for managing budgetary functions, [regulatory review](#), performance management,
8 internal audit, and federal grants management. In this capacity, the office shall:

9 (1) Establish an in-depth form of data analysis within and between departments and
10 agencies, creating a more informed process for resource allocation to best meet the needs of Rhode
11 Island citizens;

12 ~~(2) Identify federal grant funding opportunities to support the governor's and general~~
13 ~~assembly's major policy initiatives and provide technical assistance with the application process~~
14 ~~and post-award grants management;~~

15 [\(2\) Analyze the impact of proposed regulations on the public and state as required by](#)
16 [chapters 42-64.13 and 42-35;](#)

17 (3) Analyze federal budgetary issues and report on potential impacts to the state;

18 (4) Coordinate the budget functions of the state with performance management objectives;

19 (5) Maximize efficiencies in departments, agencies, advisory councils, and
20 instrumentalities of the state by improving processes and prioritizing programs;

21 (6) Be responsible for the internal audit function of state government and conduct audits of
22 any state department, state agency, or private entity that is a recipient of state funding or state
23 grants; provide management advisory and consulting services; or conduct investigations relative to
24 the financial affairs or the efficiency of management, or both, of any state department or agency.

25 **35-1.1-3. Director of management and budget -- Appointment and responsibilities.**

26 (a) Within the department of administration there shall be a director of management and
27 budget who shall be appointed by the director of administration with the approval of the governor.
28 The director shall be responsible to the governor and director of administration for supervising the
29 office of management and budget and for managing and providing strategic leadership and direction
30 to the budget officer, the performance management office, and the federal grants management
31 office.

32 (b) The director of management and budget shall be responsible to:

33 (1) Oversee, coordinate, and manage the functions of the budget officer as set forth by
34 chapter 3 of this title; program performance management as set forth by § 35-3-24.1; approval of

1 agreements with federal agencies defined by § 35-3-25; and budgeting, appropriation, and receipt
2 of federal monies as set forth by chapter 41 of title 42;

3 [\(2\) Oversee the director of regulatory reform as set forth by § 42-64.13-6;](#)

4 ~~(2) Manage federal fiscal proposals and guidelines and serve as the state clearinghouse for~~
5 ~~the application of federal grants;~~

6 (3) Maximize the indirect cost recoveries by state agencies set forth by § 35-4-23.1; and

7 (4) Undertake a comprehensive review and inventory of all reports filed by the executive
8 office and agencies of the state with the general assembly. The inventory should include, but not
9 be limited to: the type, title, and summary of reports; the author(s) of the reports; the specific
10 audience of the reports; and a schedule of the reports' release. The inventory shall be presented to
11 the general assembly as part of the budget submission on a yearly basis. The office of management
12 and budget shall also make recommendations to consolidate, modernize the reports, and to make
13 recommendations for elimination or expansion of each report.

14 **35-1.1-4. Offices and functions assigned to the office of management and budget --**

15 **Powers and duties.**

16 (a) The offices assigned to the office of management and budget include the budget office,
17 [the office of regulatory reform](#), the performance management office, [and the](#) office of internal audit;
18 ~~and the federal grants management office.~~

19 (b) The offices assigned to the office of management and budget shall:

20 (1) Exercise their respective powers and duties in accordance with their statutory authority
21 and the general policy established by the governor or by the director acting on behalf of the
22 governor or in accordance with the powers and authorities conferred upon the director by this
23 chapter;

24 (2) Provide such assistance or resources as may be requested or required by the governor
25 and/or the director;

26 (3) Provide such records and information as may be requested or required by the governor
27 and/or the director, to the extent allowed under the provisions of any applicable general or public
28 law, regulation, or agreement relating to the confidentiality, privacy, or disclosure of such records
29 or information; and

30 (c) Except as provided herein, no provision of this chapter or application thereof shall be
31 construed to limit or otherwise restrict the budget officer from fulfilling any statutory requirement
32 or complying with any valid rule or regulation.

33 **35-1.1-5. Federal grants management.**

34 (a) The ~~office of management and budget~~ [controller](#) shall be responsible for managing

1 federal grant applications, providing administrative assistance to agencies regarding reporting
2 requirements, providing technical assistance and approving agreements with federal agencies
3 pursuant to § 35-1-1. The ~~director~~ controller shall:

4 (1) Establish state goals and objectives for maximizing the utilization of federal aid
5 programs;

6 (2) Ensure that the state establishes and maintains statewide federally-mandated grants
7 management processes and procedures as mandated by the federal Office of Management and
8 Budget;

9 (3) Promulgate procedures and guidelines for all state departments, agencies, advisory
10 councils, instrumentalities of the state and public higher education institutions covering
11 applications for federal grants;

12 (4) Require, upon request, any state department, agency, advisory council, instrumentality
13 of the state or public higher education institution receiving a grant of money from the federal
14 government to submit a report to the ~~director~~ controller of expenditures and program measures for
15 the fiscal period in question;

16 (5) Ensure state departments and agencies adhere to the requirements of § 42-41-5
17 regarding Legislative appropriation authority and delegation thereof;

18 (6) ~~Assist the state controller in managing and overseeing~~ Manage and oversee
19 the disbursements of federal funds in accordance with § 35-6-42;

20 (7) ~~Assist the state controller in the preparation of~~ Prepare the statewide cost allocation
21 plan and serve as the monitoring agency to ensure that state departments and agencies are working
22 within the guidelines contained in the plan; and,

23 (8) Provide technical assistance to agencies to ensure resolution and closure of all single
24 state audit findings and recommendations made by the Auditor General related to Federal funding.

25 (b) ~~The office of management and budget~~ Accounts and control shall serve as the ~~S~~state
26 ~~C~~clearinghouse for purposes of coordinating federal grants, aid and assistance applied for and/or
27 received by any state department, agency, advisory council or instrumentality of the state. Any state
28 department, agency, advisory council, or instrumentality of the state applying for federal funds,
29 aids, loans, or grants shall file a summary notification of the intended application with the ~~director~~
30 controller.

31 (1) When as a condition to receiving federal funds, the state is required to match the federal
32 funds, a statement shall be filed with the notice of intent or summary of the application stating:

33 (i) The amount and source of state funds needed for matching purposes;

34 (ii) The length of time the matching funds shall be required;

- 1 (iii) The growth of the program;
- 2 (iv) How the program will be evaluated;
- 3 (v) What action will be necessary should the federal funds be canceled, curtailed, or
- 4 restricted; and,
- 5 (vi) Any other financial and program management data required by the office or by law.

6 (2) Except as otherwise required, any application submitted by an executive agency for

7 federal funds, aids, loans, or grants which will require state matching or replacement funds at the

8 time of application or at any time in the future, must be approved by the director [of the office of](#)

9 [management and budget](#) or their designated agents prior to its filing with the appropriate federal

10 agency. Any application submitted by an executive agency for federal funds, aids, loans, or grants

11 which will require state matching or replacement funds at the time of application or at any time in

12 the future, when funds have not been appropriated for that express purpose, must be approved by

13 the General Assembly in accordance with § 42-41-5. When the general assembly is not in session,

14 the application shall be reported to and reviewed by the Director pursuant to rules and regulations

15 promulgated by the Director.

16 (3) When any federal funds, aids, loans, or grants are received by any state department,

17 agency, advisory council or instrumentality of the state, a report of the amount of funds received

18 shall be filed with the office; and this report shall specify the amount of funds which would

19 reimburse an agency for indirect costs, as provided for under federal ~~OMB Circular A-~~

20 [87requirements](#).

21 (4) The ~~director~~ [controller](#) may refuse to issue approval for the disbursement of any state

22 or federal funds from the State Treasury as the result of any application which is not approved as

23 provided by this section, or in regard to which the statement or reports required by this section were

24 not filed.

25 (5) The ~~director~~ [controller](#) shall be responsible for the orderly administration of this section

26 and for issuing the appropriate guidelines and regulations from each source of funds used.

27 SECTION 10. Section 35-6-1 of the General Laws in Chapter 35-6 entitled "Accounts and

28 Control" is hereby amended to read as follows:

29 **35-6-1. Controller -- Duties in general.**

30 (a) Within the department of administration there shall be a controller who shall be

31 appointed by the director of administration pursuant to chapter 4 of title 36. The controller shall be

32 responsible for accounting and expenditure control and shall be required to:

- 33 (1) Administer a comprehensive accounting and recording system which will classify the
- 34 transactions of the state departments and agencies in accordance with the budget plan;

1 (2) Maintain control accounts for all supplies, materials, and equipment for all departments
2 and agencies except as otherwise provided by law;

3 (3) Prescribe a financial, accounting, and cost accounting system for state departments and
4 agencies;

5 (4) Identify federal grant funding opportunities to support the governor's and general
6 assembly's major policy initiatives and provide technical assistance with the application process
7 and post-award grants management;

8 (5) Manage federal fiscal proposals and guidelines and serve as the state clearinghouse for
9 the application of federal grants;

10 ~~(4)~~(6) Preaudit all state receipts and expenditures;

11 ~~(5)~~(7) Prepare financial statements required by the several departments and agencies, by
12 the governor, or by the general assembly;

13 ~~(6)~~ (8) Approve the orders drawn on the general treasurer; provided, that the preaudit of all
14 expenditures under authority of the legislative department and the judicial department by the state
15 controller shall be purely ministerial, concerned only with the legality of the expenditure and
16 availability of the funds, and in no event shall the state controller interpose his or her judgment
17 regarding the wisdom or expediency of any item or items of expenditure;

18 ~~(7)~~(9) Prepare and timely file, on behalf of the state, any and all reports required by the
19 United States, including, but not limited to, the internal revenue service, or required by any
20 department or agency of the state, with respect to the state payroll; and

21 ~~(8)~~(10) Prepare a preliminary closing statement for each fiscal year. The controller shall
22 forward the statement to the chairpersons of the house finance committee and the senate finance
23 committee, with copies to the house fiscal advisor and the senate fiscal and policy advisor, by
24 September 1 following the fiscal year ending the prior June 30 or thirty (30) days after enactment
25 of the appropriations act, whichever is later. The report shall include but is not limited to:

26 (i) A report of all revenues received by the state in the completed fiscal year, together with
27 the estimates adopted for that year as contained in the final enacted budget, and together with all
28 deviations between estimated revenues and actual collections. The report shall also include cash
29 collections and accrual adjustments;

30 (ii) A comparison of actual expenditures with each of the actual appropriations, including
31 supplemental appropriations and other adjustments provided for in the Rhode Island General Laws;

32 (iii) A statement of the opening and closing surplus in the general revenue account; and

33 (iv) A statement of the opening surplus, activity, and closing surplus in the state budget
34 reserve and cash stabilization account and the state bond capital fund.

1 (b) The controller shall provide supporting information on revenues, expenditures, capital
2 projects, and debt service upon request of the house finance committee chairperson, senate finance
3 committee chairperson, house fiscal advisor, or senate fiscal and policy advisor.

4 (c) Upon issuance of the audited annual financial statement, the controller shall provide a
5 report of the differences between the preliminary financial report and the final report as contained
6 in the audited annual financial statement.

7 (d) The controller shall create a special fund not part of the general fund and shall deposit
8 amounts equivalent to all deferred contributions under this act into that fund. Any amounts
9 remaining in the fund on June 15, 2010, shall be transferred to the general treasurer who shall
10 transfer such amounts into the retirement system as appropriate.

11 (e) The controller shall implement a direct deposit payroll system for state employees.

12 (i) There shall be no service charge of any type paid by the state employee at any time
13 which shall decrease the net amount of the employee's salary deposited to the financial institution
14 of the personal choice of the employee as a result of the use of direct deposit.

15 (ii) Employees hired after September 30, 2014, shall participate in the direct deposit
16 system. At the time the employee is hired, the employee shall identify a financial institution that
17 will serve as a personal depository agent for the employee.

18 (iii) No later than June 30, 2016, each employee hired before September 30, 2014, who is
19 not a participant in the direct deposit system, shall identify a financial institution that will serve as
20 a personal depository agent for the employee.

21 (iv) The controller shall promulgate rules and regulations as necessary for implementation
22 and administration of the direct deposit system, which shall include limited exceptions to required
23 participation.

24 SECTION 11. Section 36-4-34.1 of the General Laws in Chapter 36-4 entitled "Merit
25 System" is hereby amended to read as follows:

26 **36-4-34.1. Transfer of state employees.**

27 (a) The director of the department of administration (the "director") is hereby authorized
28 to transfer any employee within the executive branch who is not covered by a collective bargaining
29 unit as provided in chapter 11 of this title. Any employee may be transferred to a comparable
30 position upon the approval of the director of the department of administration and the personnel
31 administrator. The transfers may be initially authorized for a period up to one year's duration and
32 may be further extended with the approval of the personnel administrator (the "personnel
33 administrator").

34 (b) Within seven (7) days of making a transfer of ~~an~~ any employee or further extending the

1 duration of a transfer ~~as provided by subsection (a)~~, the director making the transfer or the personnel
2 administrator extending the transfer shall file a written report with the speaker of the house, the
3 senate president, and the chairpersons of the house and senate finance committees, for each
4 employee to be transferred. This report shall include:

- 5 (1) The identity of the employee;
- 6 (2) The employee's current work position and location, and the proposed new work position
7 and location;
- 8 (3) The reason(s) for the employee transfer;
- 9 (4) The specific task(s) to be assigned to and completed by the transferred employee;
- 10 (5) An explanation of how the task(s) to be completed by the transferred employee relates
11 to the mission of the transferee department, division or agency; and
- 12 (6) The anticipated duration of the employee's transfer.

13 SECTION 12. Sections 42-6-1, 42-6-2 and 42-6-3 of the General Laws in Chapter 42-6
14 entitled "Departments of State Government" are hereby amended to read as follows:

15 **42-6-1. Enumeration of departments.**

16 All the administrative powers and duties heretofore vested by law in the several state
17 departments, boards, divisions, bureaus, commissions, and other agencies shall be vested in the
18 following departments and other agencies which are specified in this title:

- 19 (a) Executive department (chapter 7 of this title);
- 20 (b) Department of state (chapter 8 of this title);
- 21 (c) Department of the attorney general (chapter 9 of this title);
- 22 (d) Treasury department (chapter 10 of this title);
- 23 (e) Department of administration (chapter 11 of this title);
- 24 (f) Department of business regulation (chapter 14 of this title);
- 25 (g) Department of children, youth and families (chapter 72 of this title);
- 26 (h) Department of corrections (chapter 56 of this title);
- 27 ~~(i) Department of elderly affairs (chapter 66 of this title);~~
- 28 (j) Department of elementary and secondary education (chapter 60 of title 16);
- 29 ~~(k)~~ (j) Department of environmental management (chapter 17.1 of this title);
- 30 ~~(k)~~ (l) Department of health (chapter 18 of this title);
- 31 ~~(m)~~ (l) Board of governors for higher education (chapter 59 of title 16);
- 32 ~~(n)~~ (m) Department of labor and training (chapter 16.1 of this title);
- 33 ~~(o)~~ (n) Department of behavioral healthcare, developmental disabilities and hospitals (chapter
34 12.1 of this title);

- 1 (~~p~~o) Department of human services (chapter 12 of this title);
- 2 (~~q~~p) Department of transportation (chapter 13 of this title);
- 3 (~~r~~q) Public utilities commission (chapter 14.3 of this title);
- 4 (~~s~~r) Department of revenue (chapter 142 of title 42);
- 5 (~~t~~s) Department of public safety (chapter 7.3 of this title).

6 **42-6-2. Heads of departments.**

7 The governor, secretary of state, attorney general, and general treasurer, hereinafter called
8 general officers, shall each be in charge of a department. There shall also be a director of
9 administration, a director of revenue, a director of public safety, a director of human services, a
10 director of behavioral healthcare, developmental disabilities and hospitals, a director of
11 transportation, a director of business regulation, a director of labor and training, a director of
12 environmental management, a director for children, youth and families, ~~a director of elderly affairs,~~
13 and a director of corrections. Each director shall hold office at the pleasure of the governor and he
14 or she shall serve until his or her successor is duly appointed and qualified unless the director is
15 removed from office by special order of the governor.

16 **42-6-3. Appointment of directors.**

17 (a) At the January session following his or her election to office, the governor shall appoint
18 a director of administration, a director of revenue, a director of public safety, a director of human
19 services, a director of behavioral healthcare, developmental disabilities and hospitals, a director of
20 transportation, a director of business regulation, a director of labor and training, a director of
21 environmental management, a director for children, youth and families, ~~a director of elderly affairs,~~
22 and a director of corrections. The governor shall, in all cases of appointment of a director while the
23 senate is in session, notify the senate of his or her appointment and the senate shall, within sixty
24 (60) legislative days after receipt of the notice, act upon the appointment. If the senate shall, within
25 sixty (60) legislative days, vote to disapprove the appointment it shall so notify the governor, who
26 shall forthwith appoint and notify the senate of the appointment of a different person as director
27 and so on in like manner until the senate shall fail to so vote disapproval of the governor's
28 appointment. If the senate shall fail, for sixty (60) legislative days next after notice, to act upon any
29 appointment of which it has been notified by the governor, the person so appointed shall be the
30 director. The governor may withdraw any appointment of which he or she has given notice to the
31 senate, at any time within sixty (60) legislative days thereafter and before action has been taken
32 thereon by the senate.

33 (b) Except as expressly provided in § 42-6-9, no director of any department shall be
34 appointed or employed pursuant to any contract of employment for a period of time greater than

1 the remainder of the governor's current term of office. Any contract entered into in violation of this
2 section after July 1, 1994 is hereby declared null and void.

3 SECTION 13. Section 42-11-10 of the General Laws in Chapter 42-11 entitled
4 "Department of Administration" is hereby amended to read as follows:

5 **42-11-10. Statewide planning program.**

6 (a) Findings. The general assembly finds that the people of this state have a fundamental
7 interest in the orderly development of the state; the state has a positive interest and demonstrated
8 need for establishment of a comprehensive, strategic state planning process and the preparation,
9 maintenance, and implementation of plans for the physical, economic, and social development of
10 the state; the continued growth and development of the state presents problems that cannot be met
11 by the cities and towns individually and that require effective planning by the state; and state and
12 local plans and programs must be properly coordinated with the planning requirements and
13 programs of the federal government.

14 (b) Establishment of statewide planning program.

15 (1) A statewide planning program is hereby established to prepare, adopt, and amend
16 strategic plans for the physical, economic, and social development of the state and to recommend
17 these to the governor, the general assembly, and all others concerned.

18 (2) All strategic planning, as defined in subsection (c) of this section, undertaken by all
19 departments and agencies of the executive branch unless specifically exempted, shall be conducted
20 by or under the supervision of the statewide planning program. The statewide planning program
21 shall consist of a state planning council, and the division of statewide planning, which shall be a
22 division within the department of administration.

23 (c) Strategic planning. Strategic planning includes the following activities:

24 (1) Establishing or identifying general goals.

25 (2) Refining or detailing these goals and identifying relationships between them.

26 (3) Formulating, testing, and selecting policies and standards that will achieve desired
27 objectives.

28 (4) Preparing long-range or system plans or comprehensive programs that carry out the
29 policies and set time schedules, performance measures, and targets.

30 (5) Preparing functional, short-range plans or programs that are consistent with established
31 or desired goals, objectives, and policies, and with long-range or system plans or comprehensive
32 programs where applicable, and that establish measurable, intermediate steps toward their
33 accomplishment of the goals, objectives, policies, and/or long-range system plans.

34 (6) Monitoring the planning of specific projects and designing of specific programs of short

1 duration by the operating departments, other agencies of the executive branch, and political
2 subdivisions of the state to ensure that these are consistent with, and carry out the intent of,
3 applicable strategic plans.

4 (7) Reviewing the execution of strategic plans, and the results obtained, and making
5 revisions necessary to achieve established goals.

6 (d) *State guide plan.* Components of strategic plans prepared and adopted in accordance
7 with this section may be designated as elements of the state guide plan. The state guide plan shall
8 be comprised of functional elements or plans dealing with land use; physical development and
9 environmental concerns; economic development; housing production; energy supply, including the
10 development of renewable energy resources in Rhode Island, and energy access, use, and
11 conservation; human services; [climate change and resiliency](#), and other factors necessary to
12 accomplish the objective of this section. The state guide plan shall be a means for centralizing,
13 integrating, and monitoring long-range goals, policies, plans, and implementation activities related
14 thereto. State agencies concerned with specific subject areas, local governments, and the public
15 shall participate in the state guide planning process, which shall be closely coordinated with the
16 budgeting process.

17 (e) Membership of state planning council. The state planning council shall consist of the
18 following members:

19 (1) The director of the department of administration as chairperson;

20 (2) The director, policy office, in the office of the governor, as vice-chairperson;

21 (3) The governor, or his or her designee;

22 ~~(4) The budget officer;~~

23 ~~(5)~~(4) The chairperson of the housing resources commission;

24 ~~(6)~~(5) The highest-ranking administrative officer of the division of statewide planning, as
25 secretary;

26 ~~(7)~~(6) The president of the Rhode Island League of Cities and Towns or his or her designee
27 ~~and one official of local government who shall be appointed by the governor from a list of not less~~
28 ~~than three;~~

29 ~~(3) submitted by the Rhode Island League Cities and Towns;~~

30 ~~(8)~~(7) The executive director of the Rhode Island League of Cities and Towns;

31 (8) Three (3) chief elected officials of cities and towns appointed by the governor after
32 consultation with the Rhode Island League of Cities and Towns, one of whom shall be from a
33 community with a population greater than 40,000 persons; one of whom shall be from a community
34 with a population of between 20,000 and 40,000 persons; and one of whom shall be from a

1 community with a population less than 20,000 persons:

2 (9) One representative of a nonprofit community development or housing organization
3 appointed by the governor;

4 (10) ~~Six (6)~~ Four (4) public members, appointed by the governor, one of whom shall be an
5 employer with fewer than fifty (50) employees; ~~and~~ one of whom shall be an employer with greater
6 than fifty (50) employees; one of whom shall represent a professional planning or engineering
7 organization in Rhode Island; and one of whom shall represent a chamber of commerce or
8 economic development organization;

9 (11) Two (2) representatives of ~~a~~ private, nonprofit, environmental or environmental justice
10 advocacy organizations, both to be appointed by the governor;

11 (12) The director of planning and development for the city of Providence;

12 (13) The director of the department of transportation;

13 (14) The director of the department of environmental management;

14 (15) The director of the department of health;

15 (16) The chief executive officer of the commerce corporation;

16 (17) The commissioner of the Rhode Island office of energy resources;

17 (18) The chief executive officer of the Rhode Island public transit authority;

18 (19) The executive director of Rhode Island housing; ~~and~~

19 (20) The executive director of the coastal resources management council; ~~and~~ and

20 (21) The director of the Rhode Island emergency management agency.

21 (t) *Powers and duties of state planning council.* The state planning council shall have the
22 following powers and duties:

23 (1) To adopt strategic plans as defined in this section and the long-range state guide plan,
24 and to modify and amend any of these, following the procedures for notification and public hearing
25 set forth in § 42-35-3, and to recommend and encourage implementation of these goals to the
26 general assembly, state and federal agencies, and other public and private bodies; approval of
27 strategic plans by the governor; and to ensure that strategic plans and the long-range state guide
28 plan are consistent with the findings, intent, and goals set forth in § 45-22.2-3, the "Rhode Island
29 Comprehensive Planning and Land Use Regulation Act";

30 (2) To coordinate the planning and development activities of all state agencies, in
31 accordance with strategic plans prepared and adopted as provided for by this section;

32 (3) To review and comment on the proposed annual work program of the statewide
33 planning program;

34 (4) To adopt rules and standards and issue orders concerning any matters within its

1 jurisdiction as established by this section and amendments to it;

2 (5) To establish advisory committees and appoint members thereto representing diverse
3 interests and viewpoints as required in the state planning process and in the preparation or
4 implementation of strategic plans. At minimum, ~~t~~The state planning council shall appoint a ~~three~~
5 ~~(3)~~ permanent committees comprised of:

6 (i) A technical committee, comprised of pPublic members from different geographic areas
7 of the state representing diverse interests; ~~and~~ along with

8 ~~(ii)~~ ~~O~~fficials of state, local, and federal government, who shall review all proposed
9 elements of the state guide plan, or amendment or repeal of any element of the plan, and shall
10 advise the state planning council thereon before the council acts on any such proposal. This
11 committee shall also advise the state planning council on any other matter referred to it by the
12 council; and

13 ~~(6)(ii)~~ ~~To establish and appoint members to a~~ An executive committee consisting of major
14 participants of a Rhode Island geographic information system with oversight responsibility for its
15 activities; ~~and~~ and

16 (iii) A transportation advisory committee, made up of diverse representation, including but
17 not limited to municipal elected and appointed officials; representatives of various transportation
18 sectors, departments, and agencies; and other groups and agencies with an interest in transportation
19 operations, maintenance, construction, and policy, who shall review transportation-related plans
20 and amendments and recommend action to the state planning council.

21 ~~(7)(6)~~ To adopt, amend, and maintain, as an element of the state guide plan or as an
22 amendment to an existing element of the state guide plan, standards and guidelines for the location
23 of eligible, renewable energy resources and renewable energy facilities in Rhode Island with due
24 consideration for the location of such resources and facilities in commercial and industrial areas,
25 agricultural areas, areas occupied by public and private institutions, and property of the state and
26 its agencies and corporations, provided such areas are of sufficient size, and in other areas of the
27 state as appropriate.

28 ~~(8)(7)~~ To act as the single, statewide metropolitan planning organization for transportation
29 planning, and to promulgate all rules and regulations that are necessary thereto.

30 (g) *Division of statewide planning.*

31 (1) The division of statewide planning shall be the principal staff agency of the state
32 planning council for preparing and/or coordinating strategic plans for the comprehensive
33 management of the state's human, economic, and physical resources. The division of statewide
34 planning shall recommend to the state planning council specific guidelines, standards, and

1 programs to be adopted to implement strategic planning and the state guide plan and shall undertake
2 any other duties established by this section and amendments thereto.

3 (2) The division of statewide planning shall maintain records (which shall consist of files
4 of complete copies) of all plans, recommendations, rules, and modifications or amendments thereto
5 adopted or issued by the state planning council under this section. The records shall be open to the
6 public.

7 (3) The division of statewide planning shall manage and administer the Rhode Island
8 geographic information system of land-related resources, and shall coordinate these efforts with
9 other state departments and agencies, including the University of Rhode Island, which shall provide
10 technical support and assistance in the development and maintenance of the system and its
11 associated data base.

12 (4) The division of statewide planning shall coordinate and oversee the provision of
13 technical assistance to political subdivisions of the state in preparing and implementing plans to
14 accomplish the purposes, goals, objectives, policies, and/or standards of applicable elements of the
15 state guide plan and shall make available to cities and towns data and guidelines that may be used
16 in preparing comprehensive plans and elements thereof and in evaluating comprehensive plans and
17 elements thereby.

18 (h) [Deleted by P.L. 2011, ch. 215, § 4, and by P.L. 2011, ch. 313, § 4].

19 (i) The division of planning shall be the principal staff agency of the water resources board
20 established pursuant to chapter 15 of title 46 ("Water Resources Board") and the water resources
21 board corporate established pursuant to chapter 15.1 of title 46 ("Water Supply Facilities").

22 SECTION 14. Sections 42-12-23 and 42-12-23.1 of the General Laws in Chapter 42-12
23 entitled "Department of Human Services" are hereby amended to read as follows:

24 **42-12-23. Child care -- Planning and coordinating.**

25 (a) The department of human services shall be the principal agency of the state for the
26 planning and coordination of state involvement in the area of child care. To accomplish this
27 purpose, the department's duties shall include submitting an annual report to the governor and the
28 general assembly on the status of child care in Rhode Island.

29 (b) The annual report of the department shall include, but not be limited to, the following
30 information:

31 (1) The amount of state and federal funds spent on child care in each of the two (2)
32 preceding years;

33 (2) The number of child care providers licensed; ~~pursuant to the provisions of chapter 72.1~~
34 ~~of this title;~~

- 1 (3) The number of children served in state subsidized programs;
- 2 (4) The number of taxpayers who have claimed the child care assistance and development
3 tax credit pursuant to chapter 47 of title 44;
- 4 (5) The average cost for both infant and preschool child care;
- 5 (6) An estimate of unmet needs for child care;
- 6 (7) Information on child care staff salaries and training and education programs, and
- 7 (8) Recommendations for any changes in child care public policy.

8 ~~(e) The department shall cooperate with the unit of the department of children, youth, and~~
9 ~~families which licenses and monitors child care providers pursuant to the terms of chapter 72.1 of~~
10 ~~this title.~~

11 ~~(d)~~(c) The department is hereby charged with the responsibility of assuring that a statewide
12 child care resource and referral system exists in this state to provide services and consumer
13 information to assist parents in locating and choosing licensed, approved and/or certified providers,
14 and to maintain data necessary for such referrals.

15 **42-12-23.1. Quality of early care and education and school-age child care through**
16 **voluntary quality rating system.**

17 (a) There is hereby established a voluntary quality rating system which will assess quality
18 in early care and education programs and school-age child care. For purposes of this section, early
19 care and education programs and school-age child care shall mean programs licensed under chapter
20 ~~72.1, title 42~~ 12.5, title 42 and approved under chapter 48, title 16, including without limitation
21 child care centers, family child care homes, group family child care homes, school-age child care
22 programs and preschools, but excluding child placement agencies. The voluntary quality rating
23 system is established to promote continuous quality improvement of programs and to further the
24 goals of Rhode Island's "starting right" initiative.

25 (b) The department of human services, the department of children, youth and families, the
26 department of health, the department of elementary and secondary education and other partners and
27 agencies shall share information and work cooperatively with the Rhode Island quality rating
28 system, a public-private partnership, to ensure that Rhode Island children have access to quality
29 early care and education programs and school-age child care.

30 (c) The voluntary quality rating system shall also provide a mechanism to gather data about
31 program quality, and shall report this information to parents, providers and other persons interested
32 in the quality of early care and education programs and school-age child care services in Rhode
33 Island.

34 SECTION 15. Title 42 of the General Laws entitled "STATE AFFAIRS AND

1 GOVERNMENT" is hereby amended by adding thereto the following chapter:

2 CHAPTER 42-12.5

3 LICENSING AND MONITORING OF CHILD DAY CARE PROVIDERS

4 **42-12.5-1. Statement of purpose.**

5 (a) The director of the department of human services shall establish within the department
6 a unit to license and monitor child day care service providers to protect the health, safety and
7 wellbeing of children while being cared for as a commercial service and are away from their homes.

8 (b) Services for children requiring licensure under this chapter shall include all child day
9 care providers which offer services within the state, except as defined in § 42-12.5-5.

10 **42-12.5-2. Definitions.**

11 As used in this chapter:

12 (1) "Administrator of licensing" means the director of the licensing unit (or his/her
13 designee) that carries out the provisions of this chapter, hereafter referred to as the "administrator".

14 (2) "Applicant" means a child day care provider that applies for a license to operate.

15 (3) "Child" means any person less than eighteen (18) years of age;

16 (4) "Child day care" means daily care and/or supervision offered commercially to the
17 public for any part of a twenty-four (24) hour day to children away from their homes.

18 (5) "Child day care center" means any person, firm, corporation, association, or agency
19 who, on a regular or irregular basis, receives any child under the age of sixteen (16) years, for the
20 purpose of care and/or supervision, not in a home or residence, apart from the child's parent or
21 guardian for any part of a twenty-four (24) hour day irrespective of compensation. It shall include
22 child day care programs that are offered to employees at the worksite. It does not include preschool
23 programs operating in schools approved by the commissioner of elementary and secondary
24 education.

25 (6) "Child day care provider" means a person or agency, which offers daily care and/or
26 supervision offered commercially to the public for any part of a twenty-four (24) hour day to
27 children away from their homes.

28 (7) "Department" means the department of human services (DHS).

29 (8) "Director" means the director of the department of human services, or the director's
30 designee.

31 (9) "Family day care home" means any home other than the child's home in which child
32 day care in lieu of parental care and/or supervision is offered at the same time to four (4) or more
33 children who are not relatives of the care giver.

34 (10) "Group family day care home" means a residence occupied by an individual of at least

1 twenty-one (21) years of age who provides care for not less than nine (9) and not more than twelve
2 (12) children, with the assistance of one or more approved adults, for any part of a twenty-four (24)
3 hour day. These programs shall be subject to yearly licensing as addressed in this chapter and shall
4 comply with all applicable state and local fire, health, and zoning regulations.

5 (11) "Licensee" means any person, firm, corporation, association, or agency, which holds
6 a valid license under this chapter.

7 (12) "Regulation" means any requirement for licensure, promulgated pursuant to this
8 chapter having the force of law.

9 (13) "Related" means any of the following relationships, by marriage, blood or adoption,
10 even following the death or divorce of a natural parent: parent, grandparent, brother, sister, aunt,
11 uncle, and first cousin. In a prosecution under this chapter or of any law relating thereto, a defendant
12 who relies for a defense upon the relationship of any child to him or herself, the defendant shall
13 have the burden of proof as to the relationship.

14 **42-12.5-3. Powers and scope of activities.**

15 (a) The department shall issue, deny, suspend, and revoke licenses for, and monitor the
16 operation of, facilities and programs by child day care providers, as defined in § 42-12.5-2.

17 (b) The department is hereby authorized and directed to adopt, amend, and rescind
18 regulations in accordance with this chapter and implement its provisions. The regulations shall be
19 promulgated and become effective in accordance with the provisions of the Administrative
20 Procedures Act, chapter 35 of title 42 and shall address, but need not be limited to the following:

21 (1) Financial, administrative and organizational ability, and stability of the applicant;

22 (2) Compliance with specific fire and safety codes and health regulations;

23 (3) Character, health suitability, qualifications of child day care providers;

24 (4) Staff/child ratios and workload assignments of staff providing care or supervision to
25 children;

26 (5) Type and content of records or documents that must be maintained to collect and retain
27 information for the planning and caring for children;

28 (6) Procedures and practices regarding basic child day care to ensure protection to the child;

29 (7) Service to families of children in care;

30 (8) Program activities, including components related to physical growth, social, emotional,
31 educational, and recreational activities;

32 (9) Investigation of previous employment, criminal record check and department records
33 check; and

34 (10) Immunization and testing requirements for communicable diseases, including, but not

1 limited to, tuberculosis, of child day care providers and children at any child day-care center or
2 family day-care home as is specified in regulations promulgated by the director of the department
3 of health. Notwithstanding the foregoing, all licensing and monitoring authority shall remain with
4 the department of human services.

5 (c) The department through its licensing unit shall administer and manage the regulations
6 pertaining to the licensing and monitoring of child day care providers, and shall exercise all
7 statutory and administrative powers necessary to carry out its functions.

8 (d) The administrator shall investigate complaints of noncompliance, and shall take
9 licensing action as may be necessary pursuant to this chapter.

10 (e) The administrator may:

11 (1) Prescribe any forms for reports, statements, notices, and other documents deemed
12 necessary;

13 (2) Prepare and publish manuals and guides explaining this chapter and the regulations to
14 facilitate compliance with and enforcement of the regulations;

15 (3) Prepare reports and studies to advance the purpose of this chapter;

16 (4) Provide consultation and technical assistance, as requested, to assist licensees in
17 maintaining compliance; and

18 (f) The department may promulgate rules and regulations for the establishment of child day
19 care centers located on the second floor.

20 (g) When the department is otherwise unsuccessful in remedying noncompliance with the
21 provisions of this chapter and the regulations promulgated thereunder it may petition the superior
22 court for an order enjoining the noncompliance or for any order that equity and justice may require.

23 (h) The department shall collaborate with the departments of children, youth, and families,
24 elementary and secondary education, and health to provide monitoring, mentoring, training,
25 technical assistance, and other services which are necessary and appropriate to improving the
26 quality of child day care offered by child day care providers who are certified, licensed, or approved
27 by the department or the department of elementary and secondary education or who are seeking
28 certification, licensure, or approval pursuant to § 42-12.5 or § 16-48-2, including non-English
29 speaking providers.

30 (i) Notwithstanding the transfer of licensing to and the licensing and monitoring of day and
31 child care facilities to the department of human services, pursuant to chapter 42-72.1, the
32 department of children, youth and families will continue to be the agency responsible for
33 investigating any complaint of abuse and neglect that is alleged to have occurred at a day care or
34 child care facility. Any appeal of an investigative finding of abuse or neglect against a staff member,

1 paid or otherwise, including managerial or contract personnel, or visitor may be appealed to the
2 Rhode Island Family Court.

3 **42-12.5-4. License required.**

4 (a) No person shall receive or place children in child day care services, including day care
5 arrangements, without a license issued pursuant to this chapter. This requirement does not apply to
6 a person related by blood, marriage, guardianship or adoption to the child, unless that arrangement
7 is for the purposes of day care.

8 (b) The licensing requirement does not apply to shelter operations for parents with children,
9 boarding schools, recreation camps, nursing homes, hospitals, maternity residences, and centers for
10 developmentally disabled children.

11 (c) No person, firm, corporation, association, or agency shall operate a family day care
12 home without a registration certificate issued by the department, unless they hold an unexpired
13 registration certificate issued by the Department of Children, Youth, and Families prior to January
14 1, 2020.

15 (d) No state, county, city, or political subdivision shall operate a child day care agency or
16 center, program or facility without a license issued pursuant to this chapter.

17 (e) No person shall be exempt from a required license by reason of public or private,
18 sectarian, non-sectarian, child day care program, for profit or non-profit status, or by any other
19 reason of funding, sponsorship, or affiliation.

20 **42-12.5-5. General licensing provisions.**

21 The following general licensing provisions shall apply:

22 (1) A license issued under this chapter is not transferable and applies only to the licensee
23 and the location stated in the application and remains the property of the department. A license
24 shall be publicly displayed. A license shall be valid for one year from the date of issue and upon
25 continuing compliance with the regulations, except that a certificate issued to a family day care
26 home shall be valid for two (2) years from the date of issue.

27 (2) Every license application issued pursuant to § 42-12.5-4 shall be accompanied by a
28 nonrefundable application fee paid to the State of Rhode Island as follows:

29 (a) Child day care center license- five hundred dollars (\$500);

30 (b) Group family day care home license – two hundred and fifty dollars (\$250);

31 (c) Family day care home license- one hundred dollars (\$100).

32 (3) All fees collected by the state pursuant to paragraph (2) of this section shall be deposited
33 by the general treasurer as general revenues.

34 (4) A licensee shall comply with applicable state fire and health safety standards.

1 (5) The department may grant a provisional license to an applicant who is not able to
2 demonstrate compliance with all of the regulations because the program or residence is not in full
3 operation; however, the applicant must meet all regulations that can be met in the opinion of the
4 administrator before the program is fully operational. The provisional license shall be granted for
5 a limited period not to exceed six (6) months and shall be subject to review every three (3) months.

6 (6) The department may grant a probationary license to a licensee who is temporarily
7 unable to comply with a rule or rules when the noncompliance does not present an immediate threat
8 to the health and well-being of the children, and when the licensee has obtained a plan approved
9 by the administrator to correct the areas of noncompliance within the probationary period. A
10 probationary license shall be issued for up to twelve (12) months; it may be extended for an
11 additional six (6) months at the discretion of the administrator. A probationary license that states
12 the conditions of probation may be issued by the administrator at any time for due cause. Any prior
13 existing license is invalidated when a probationary license is issued. When the probationary license
14 expires, the administrator may reinstate the original license to the end of its term, issue a new
15 license, suspend, or revoke the license.

16 (7) The administrator will establish criteria and procedure for granting variances as part of
17 the regulations.

18 (8) The above exceptions (probationary and provisional licensing and variances) do not
19 apply to and shall not be deemed to constitute any variance from state fire and health safety
20 standards. However, if a request for a variance of fire inspection deficiencies has been submitted
21 to the fire safety code board of appeal and review, DHS may grant a provisional license to terminate
22 no later than thirty (30) days following the board's decision on said variance.

23 (9) A license under this chapter shall be granted to a child day care program without the
24 necessity for a separate fire, building, or radon inspection, when said child day care program is
25 conducted at a Rhode Island elementary or secondary school which has already been found in
26 compliance with said inspections, provided that an applicant complies with all other provisions of
27 DHS regulations, or has been granted appropriate variances by the department.

28 **42-12.5-6. Violations, suspensions and revocations of license.**

29 (a) When a licensee violates the terms of the license, the provisions of this chapter, or any
30 regulation thereunder, the department may pursue the administrative remedies herein provided, in
31 addition to other civil or criminal remedies according to the general laws.

32 (b) After notice and hearing, as provided by the Administrative Procedures Act, chapter 35
33 of title 42, the administrator may revoke the license, or suspend the license for a period not
34 exceeding six (6) months.

1 (c) During a suspension, the facility or program shall cease operation.

2 (d) To end a suspension, the licensee shall, within thirty (30) days of the notice of
3 suspension, submit an acceptable plan of corrective action to the administrator. The plan shall
4 outline the steps and timetables for immediate correction of the areas of noncompliance and is
5 subject to the approval of the administrator.

6 (e) At the end of the suspension, the administrator may reinstate the license for the term of
7 the original license, revoke the license, issue a new license, or deny a reapplication.

8 (f) Upon revocation, the licensed program or facility shall cease operation. The licensee
9 whose license has been revoked may not apply for a similar license within a three (3) year period
10 from the date of revocation.

11 (g) Except in those instances wherein there is a determination that there exists a danger to
12 the public health, safety, or welfare or there is a determination that the childcare provider has
13 committed a serious breach of state law, orders, or regulation, the director shall utilize progressive
14 penalties for noncompliance of any rule, regulation or order relating to childcare providers.
15 Progressive penalties could include written notice of noncompliance, education and training,
16 suspending enrollment to the program, assessing fines, suspension of license, and revocation of
17 license.

18 (h) Any child day care provider, as defined in this chapter, who has exhausted all
19 administrative remedies within the department of human services and who aggrieved by a final
20 order of the department of human services, may file for judicial review in the superior court of
21 Providence county pursuant to § 42-35-15.

22 (i) The Rhode Island Family Court shall retain jurisdiction over those complaints
23 investigated by the department of children, youth and families, pursuant to chapter 72.1, regardless
24 of whether licensing and monitoring is performed under chapter 12.5 of this title or chapter 72.1 of
25 this title.

26 **42-12.5-7. Penalties for violations.**

27 (a) Any person who violates any of the provisions of this chapter, or any regulations issued
28 pursuant to this chapter, or who shall intentionally make any false statement or reports to the
29 director with reference to the matters contained herein, shall, upon conviction for the first offense,
30 be imprisoned for a term not exceeding six (6) months or be fined not exceeding five hundred
31 dollars (\$500), or both, and for a second or subsequent offense, shall be imprisoned for a term not
32 exceeding one year or be fined not exceeding one thousand dollars (\$1000), or both the fine and
33 imprisonment.

34 (b) Anyone who maintains or conducts a program or facility without first having obtained

1 a license pursuant to this chapter, or who maintains or conducts a program or facility after a license
2 has been revoked or suspended, or who shall refuse to permit a reasonable inspection and
3 examination of a program or facility, shall be guilty of a misdemeanor and, upon conviction, shall
4 be fined not more than five hundred dollars (\$500) for each week that the program or facility shall
5 have been maintained without a license or for each refusal to permit inspection and examination by
6 the director.

7 (c) Any individual, firm, corporation, or other entity who maintains or conducts a family
8 day care home without first having obtained a registration certificate for the home pursuant to this
9 chapter, shall be guilty of a misdemeanor and, upon conviction, shall be fined not less than twenty-
10 five dollars (\$25.00) nor more than one hundred dollars (\$100) for each week that the home shall
11 have been maintained without a valid registration certificate.

12 (d) The department shall refer any violations to the attorney general's office for
13 prosecution.

14 **42-12.5-8. Open door policy.**

15 There shall be an open door policy permitting any custodial parent or legal guardian to
16 have access to a day care facility for any program when their child is in attendance.

17 SECTION 16. Section 42-35.1-5 of the General Laws in Chapter 42-35.1 entitled "Small
18 Business Regulatory Fairness in Administrative Procedures" are hereby amended to read as
19 follows:

20 **42-35.1-5. Small business enforcement ombudsman.**

21 (a) The director of the ~~office of regulatory reform~~ department of business regulation shall
22 designate an existing staff member as a "small business regulatory enforcement ombudsman," who
23 shall report ~~directly~~ to the director of business regulation.

24 (b) The ombudsman shall:

25 (1) Work with each agency with regulatory authority over small businesses to ensure that
26 small business concerns that receive or are subject to an audit, on-site inspection, compliance
27 assistance effort, or other enforcement related communication or contact by agency personnel are
28 provided with a means to comment on the enforcement activity conducted by such personnel;

29 (2) Establish means to receive comments from small business concerns regarding actions
30 by agency employees conducting compliance or enforcement activities;

31 (3) Within six (6) months of appointment, work with each regulating entity to develop and
32 publish reporting policies;

33 (4) Based on substantiated comments received from small business concerns the
34 ombudsman shall annually report to the general assembly and affected agencies evaluating the

1 enforcement activities of agency personnel including a rating of the responsiveness of the
2 regulatory agencies policies;

3 (5) Coordinate and report annually on the activities, findings and recommendations to the
4 general assembly and the directors of affected agencies; and

5 (6) Provide the affected agency with an opportunity to comment on reports prepared
6 pursuant to this chapter, and include a section of the final report in which the affected agency may
7 make such comments as are not addressed by the ombudsman.

8 SECTION 17. Sections 42-66-2 of the General Laws in Chapter 42-66 entitled "Elderly
9 Affairs Department" are hereby amended to read as follows:

10 **42-66-2. Establishment of department -- Director.**

11 There is established within the executive branch of state government a department of
12 elderly affairs. The ~~head~~ director of the department shall be the director of elderly affairs, ~~who shall~~
13 ~~be a person qualified by training and experience to perform the duties of the office~~ appointed by
14 and reporting directly to the governor, with the advice and consent of the senate. ~~The director shall~~
15 ~~be in the unclassified service, appointed by the governor with the advice and consent of the senate,~~
16 ~~and shall serve at the pleasure of the governor and until the appointment and qualification of the~~
17 ~~director's successor. The director shall receive a salary as provided by law.~~

18 SECTION 18. Section 42-64.13-8 of the General Laws in Chapter 42-64.13 entitled
19 "Rhode Island Regulatory Reform Act" is hereby amended to read as follows:

20 **42-64.13-8. Regulatory analysis responsibilities.**

21 The office of regulatory reform shall have the following regulatory analysis and reporting
22 responsibilities:

23 (1) The office of regulatory reform shall, upon the conclusion of each fiscal year, prepare
24 and publish a report on the regulatory processes of state and municipal agencies and permitting
25 authorities through a review and an analysis of proposed and existing rules and regulations to: (i)
26 Encourage agencies to eliminate, consolidate, simplify, expedite or otherwise improve permits,
27 permitting procedures and paperwork burdens affecting businesses, municipal government
28 undertakings, industries and other matters of economic development impact in the state; (ii)
29 Analyze the impact of proposed and existing rules and regulations on matters such as public health,
30 safety and welfare, including job creation, and make recommendations for simplifying regulations
31 and regulatory processes of state and municipal agencies and permitting authorities; (iii) Propose
32 to any state or municipal agency consideration for amendment or repeal of any existing rules or
33 procedures which may be obsolete, harmful to the economy or job growth in the state, or
34 excessively burdensome with respect to any state or federal statutes or regulations; and (iv) Assist

1 and coordinate with all agencies during the periodic review of rules required by § 42-35-3.4 of the
2 Administrative Procedures Act.

3 (2) The ombudsman of the ~~office~~ department of business regulation ~~regulatory reform~~ shall
4 implement the provisions of § 42-35.1-1 of the general laws entitled Small Business Regulatory
5 Fairness and Administrative Procedures, and shall be the small business regulatory enforcement
6 office pursuant to § 42-35.1-5 of the general laws.

7 SECTION 19. Section 42-72-5 of the General Laws in Chapter 42-72 entitled "Department
8 of Children, Youth and Families" is hereby amended to read as follows:

9 **42-72-5. Powers and scope of activities.**

10 (a) The department is the principal agency of the state to mobilize the human, physical, and
11 financial resources available to plan, develop, and evaluate a comprehensive and integrated
12 statewide program of services designed to ensure the opportunity for children to reach their full
13 potential. The services include prevention, early intervention, outreach, placement, care and
14 treatment, and after-care programs; provided, however, that the department notifies the state police
15 and cooperates with local police departments when it receives and/or investigates a complaint of
16 sexual assault on a minor and concludes that probable cause exists to support the allegations(s).
17 The department also serves as an advocate for the needs of children.

18 (b) To accomplish the purposes and duties, as set forth in this chapter, the director is
19 authorized and empowered:

20 (1) To establish those administrative and operational divisions of the department that the
21 director determines is in the best interests of fulfilling the purposes and duties of this chapter;

22 (2) To assign different tasks to staff members that the director determines best suit the
23 purposes of this chapter;

24 (3) To establish plans and facilities for emergency treatment, relocation, and physical
25 custody of abused or neglected children that may include, but are not limited to,
26 homemaker/educator child-case aides, specialized foster-family programs, day-care facilities, crisis
27 teams, emergency parents, group homes for teenage parents, family centers within existing
28 community agencies, and counseling services;

29 (4) To establish, monitor, and evaluate protective services for children including, but not
30 limited to, purchase of services from private agencies and establishment of a policy and procedure
31 manual to standardize protective services;

32 (5) To plan and initiate primary- and secondary-treatment programs for abused and
33 neglected children;

34 (6) To evaluate the services of the department and to conduct periodic, comprehensive-

1 needs assessment;

2 (7) To license, approve, monitor, and evaluate all residential and non-residential ~~child-care~~
3 ~~institutions~~, group homes, foster homes, and programs;

4 (8) To recruit and coordinate community resources, public and private;

5 (9) To promulgate rules and regulations concerning the confidentiality, disclosure, and
6 expungement of case records pertaining to matters under the jurisdiction of the department;

7 (10) To establish a minimum mandatory level of twenty (20) hours of training per year and
8 provide ongoing staff development for all staff; provided, however, all social workers hired after
9 June 15, 1991, within the department shall have a minimum of a bachelor's degree in social work
10 or a closely related field, and must be appointed from a valid, civil-service list;

11 (11) To establish procedures for reporting suspected child abuse and neglect pursuant to
12 chapter 11 of title 40;

13 (12) To promulgate all rules and regulations necessary for the execution of departmental
14 powers pursuant to the Administrative Procedures Act, chapter 35 of title 42;

15 (13) To provide and act as a clearinghouse for information, data, and other materials
16 relative to children;

17 (14) To initiate and carry out studies and analysis that will aid in solving local, regional,
18 and statewide problems concerning children;

19 (15) To represent and act on behalf of the state in connection with federal-grant programs
20 applicable to programs for children in the functional areas described in this chapter;

21 (16) To seek, accept, and otherwise take advantage of all federal aid available to the
22 department, and to assist other agencies of the state, local agencies, and community groups in taking
23 advantage of all federal grants and subventions available for children;

24 (17) To review and coordinate those activities of agencies of the state, and of any political
25 subdivision of the state, that affect the full and fair utilization of community resources for programs
26 for children, and initiate programs that will help ensure utilization;

27 (18) To administer the pilot, juvenile-restitution program, including the overseeing and
28 coordinating of all local, community-based restitution programs, and the establishment of
29 procedures for the processing of payments to children performing community service;

30 (19) To adopt rules and regulations that:

31 (i) For the twelve-month (12) period beginning on October 1, 1983, and for each
32 subsequent twelve-month (12) period, establish specific goals as to the maximum number of
33 children who will remain in foster care for a period in excess of two (2) years; and

34 (ii) Are reasonably necessary to implement the child-welfare services and foster-care

1 programs;

2 (20) May establish and conduct seminars for the purpose of educating children regarding
3 sexual abuse;

4 (21) To establish fee schedules by regulations for the processing of requests from adoption
5 placement agencies for adoption studies, adoption study updates, and supervision related to
6 interstate and international adoptions. The fee shall equal the actual cost of the service(s) rendered,
7 but in no event shall the fee exceed two thousand dollars (\$2,000);

8 (22) To be responsible for the education of all children who are placed, assigned, or
9 otherwise accommodated for residence by the department in a state-operated or -supported
10 community residence licensed by a Rhode Island state agency. In fulfilling this responsibility, the
11 department is authorized to enroll and pay for the education of students in the public schools or,
12 when necessary and appropriate, to itself provide education in accordance with the regulations of
13 the board of regents for elementary and secondary education either directly or through contract;

14 (23) To develop multidisciplinary service plans, in conjunction with the department of
15 health, at hospitals prior to the discharge of any drug-exposed babies. The plan requires the
16 development of a plan using all health-care professionals;

17 (24) To be responsible for the delivery of appropriate mental health services to seriously
18 emotionally disturbed children and children with functional developmental disabilities.
19 Appropriate mental health services may include hospitalization, placement in a residential
20 treatment facility, or treatment in a community-based setting. The department is charged with the
21 responsibility for developing the public policy and programs related to the needs of seriously
22 emotionally disturbed children and children with functional developmental disabilities;

23 In fulfilling its responsibilities the department shall:

24 (i) Plan a diversified and comprehensive network of programs and services to meet the
25 needs of seriously emotionally disturbed children and children with functional developmental
26 disabilities;

27 (ii) Provide the overall management and supervision of the state program for seriously
28 emotionally disturbed children and children with functional developmental disabilities;

29 (iii) Promote the development of programs for preventing and controlling emotional or
30 behavioral disorders in children;

31 (iv) Coordinate the efforts of several state departments and agencies to meet the needs of
32 seriously emotionally disturbed children and children with functional developmental disabilities
33 and to work with private agencies serving those children;

34 (v) Promote the development of new resources for program implementation in providing

1 services to seriously emotionally disturbed children and children with functional developmental
2 disabilities.

3 The department shall adopt rules and regulations that are reasonably necessary to
4 implement a program of mental health services for seriously emotionally disturbed children.

5 Each community, as defined in chapter 7 of title 16, shall contribute to the department, at
6 least in accordance with rules and regulations to be adopted by the department, at least its average
7 per-pupil cost for special education for the year in which placement commences, as its share of the
8 cost of educational services furnished to a seriously emotionally disturbed child pursuant to this
9 section in a residential treatment program that includes the delivery of educational services.

10 "Seriously emotionally disturbed child" means any person under the age of eighteen (18)
11 years, or any person under the age of twenty-one (21) years, who began to receive services from
12 the department prior to attaining eighteen (18) years of age and has continuously received those
13 services thereafter; who has been diagnosed as having an emotional, behavioral, or mental disorder
14 under the current edition of the Diagnostic and Statistical Manual and that disability has been
15 ongoing for one year or more or has the potential of being ongoing for one year or more; and the
16 child is in need of multi-agency intervention; and the child is in an out-of-home placement or is at
17 risk of placement because of the disability.

18 A child with a "functional developmental disability" means any person under the age of
19 eighteen (18) years or any person under the age of twenty-one (21) years who began to receive
20 services from the department prior to attaining eighteen (18) years of age and has continuously
21 received those services thereafter.

22 The term "functional developmental disability" includes autism spectrum disorders and
23 means a severe, chronic disability of a person that:

24 (A) Is attributable to a mental or physical impairment or combination of mental physical
25 impairments;

26 (B) Is manifested before the person attains age eighteen (18);

27 (C) Is likely to continue indefinitely;

28 (D) Results in age-appropriate, substantial, functional limitations in three (3) or more of
29 the following areas of major life activity:

30 (I) Self-care;

31 (II) Receptive and expressive language;

32 (III) Learning;

33 (IV) Mobility;

34 (V) Self direction;

1 (VI) Capacity for independent living; and

2 (VII) Economic self-sufficiency; and

3 (E) Reflects the person's need for a combination and sequence of special, interdisciplinary,
4 or generic care, treatment, or other services that are of life-long or extended duration and are
5 individually planned and coordinated.

6 Funding for these clients shall include funds that are transferred to the department of human
7 services as part of the managed health-care-program transfer. However, the expenditures relating
8 to these clients shall not be part of the department of human services' caseload estimated for the
9 semi-annual, caseload-estimating conference. The expenditures shall be accounted for separately;

10 (25) To provide access to services to any person under the age of eighteen (18) years, or
11 any person under the age of twenty-one (21) years who began to receive child-welfare services
12 from the department prior to attaining eighteen (18) years of age, has continuously received those
13 services thereafter, and elects to continue to receive such services after attaining the age of eighteen
14 (18) years. The general assembly has included funding in the FY 2008 DCYF budget in the amount
15 of \$10.5 million from all sources of funds and \$6.0 million from general revenues to provide a
16 managed system to care for children serviced between 18 to 21 years of age. The department shall
17 manage this caseload to this level of funding;

18 (26) To initiate transition planning in cooperation with the department of behavioral
19 healthcare, developmental disabilities and hospitals and local school departments for any child who
20 receives services through DCYF; is seriously emotionally disturbed or developmentally delayed
21 pursuant to paragraph (b)(24)(v); and whose care may or shall be administered by the department
22 of behavioral healthcare, developmental disabilities and hospitals after the age of twenty-one (21)
23 years; the transition planning shall commence at least twelve (12) months prior to the person's
24 twenty-first birthday and shall result in a collaborative plan submitted to the family court by both
25 the department of behavioral healthcare, developmental disabilities and hospitals and the
26 department of children, youth and families and shall require the approval of the court prior to the
27 dismissal of the abuse, neglect, dependency, or miscellaneous petition before the child's twenty-
28 first birthday;

29 (27) To develop and maintain, in collaboration with other state and private agencies, a
30 comprehensive continuum of care in this state for children in the care and custody of the department
31 or at risk of being in state care. This continuum of care should be family centered and community
32 based with the focus of maintaining children safely within their families or, when a child cannot
33 live at home, within as close proximity to home as possible based on the needs of the child and
34 resource availability. The continuum should include community-based prevention, family support,

1 and crisis-intervention services, as well as a full array of foster care and residential services,
2 including residential services designed to meet the needs of children who are seriously emotionally
3 disturbed, children who have a functional developmental disability, and youth who have juvenile
4 justice issues. The director shall make reasonable efforts to provide a comprehensive continuum of
5 care for children in the care and custody of DCYF, taking into account the availability of public
6 and private resources and financial appropriations and the director shall submit an annual report to
7 the general assembly as to the status of his or her efforts in accordance with the provisions of § 42-
8 72-4(b)(13);

9 (28) To administer funds under the John H. Chafee Foster Care Independence and
10 Educational and Training Voucher (ETV) Programs of Title IV-E of the Social Security Act [42
11 U.S.C. § 677] and the DCYF higher education opportunity grant program as outlined in chapter
12 72.8 of title 42, in accordance with rules and regulations as promulgated by the director of the
13 department; and

14 (29) To process nationwide, criminal-record checks on prospective foster parents and any
15 household member age 18 or older, prospective adoptive parents and any household member age
16 18 and older, operators of child-care facilities, persons seeking to act as volunteer court-appointed
17 special advocates, persons seeking employment in a child-care facility or at the training school for
18 youth or on behalf of any person seeking employment at DCYF, who are required to submit to
19 nationwide, criminal-background checks as a matter of law.

20 (c) In order to assist in the discharge of his or her duties, the director may request from any
21 agency of the state information pertinent to the affairs and problems of children.

22 SECTION 20. The title of Chapter 42-72.1 of the General Laws entitled "Licensing and
23 Monitoring of Childcare Providers and Child-Placing Agencies" is hereby amended to read as
24 follows:

25 ~~CHAPTER 42-72.1~~
26 ~~LICENSING AND MONITORING OF CHILDCARE PROVIDERS AND CHILD-PLACING~~
27 ~~AGENCIES~~
28 CHAPTER 42-72.1
29 LICENSING AND MONITORING OF CHILD PLACING AGENCIES, CHILD CARING
30 AGENCIES, FOSTER AND ADOPTIVE HOMES, AND CHILDREN'S BEHAVIORAL
31 HEALTH PROGRAMS

32 SECTION 21. Sections 42-72.1-1, 42-72.1-2, 42-72.1-3, 42-72.1-4, 42-72.1-5, 42-72.1-6
33 and 42-72.1-7 of the General Laws in Chapter 42-72.1 entitled "Licensing and Monitoring of
34 Childcare Providers and Child-Placing Agencies" are hereby amended to read as follows:

1 **42-72.1-1. Statement of purpose.**

2 (a) The director of the department of children, youth, and families, pursuant to § 42-72-
3 5(b)(7) and § 42-72-5(b)(24), shall establish within the department a unit to license and monitor
4 ~~child care providers and~~ child-placing agencies, child caring agencies, foster and adoptive homes,
5 and children's behavioral health programs to protect the health, safety and well being of children
6 temporarily separated from or being cared for away from their natural families.

7 (b) Services for children requiring licensure under this chapter shall include all ~~child care~~
8 ~~providers and~~ child placing agencies, child caring agencies, foster and adoptive homes, and
9 children's behavioral health programs which offer services within the state, except as defined in §
10 42-72.1-5.

11 **42-72.1-2. Definitions.**

12 As used in this chapter:

13 (1) "Administrator of licensing" means the director of the licensing unit (or his/her
14 designee) that carries out the provisions of this chapter, hereafter referred to as the "administrator".

15 (2) "Applicant" means a child-placing agency, child caring agencies, foster and adoptive
16 homes, and children's behavioral health programs ~~or childcare provider~~ that applies for a license to
17 operate.

18 (3) "Child" means any person less than eighteen (18) years of age; provided, that a child
19 over eighteen (18) years of age who is nevertheless subject to continuing jurisdiction of the family
20 court, pursuant to chapter 1 of title 14, or defined as emotionally disturbed according to chapter 7
21 of title 40.1, shall be considered a child for the purposes of this chapter.

22 ~~(4) "Childcare provider" means a person or agency, which offers residential or~~
23 ~~nonresidential care and/or treatment for a child outside of his/her natural home.~~

24 ~~(5) "Child day care or childcare" means daily care and/or supervision offered commercially~~
25 ~~to the public for any part of a twenty four (24) hour day to children away from their homes.~~

26 ~~(6) "Child day care center or childcare center" means any person, firm, corporation,~~
27 ~~association, or agency who, on a regular or irregular basis, receives any child under the age of~~
28 ~~sixteen (16) years, for the purpose of care and/or supervision, not in a home or residence, apart~~
29 ~~from the child's parent or guardian for any part of a twenty four (24) hour day irrespective of~~
30 ~~compensation or reward. It shall include childcare programs that are offered to employees at the~~
31 ~~worksite. It does not include nursery schools or other programs of educational services subject to~~
32 ~~approval by the commissioner of elementary and secondary education.~~

33 (4) "Child Caring Agency" means any facility that provides residential treatment,
34 residential group home care or semi-independent living, or residential assessment and stabilization.

1 ~~(7)~~(5) "Child-placing agency" means any private or public agency, which receives children
2 for placement into independent living arrangements, supervised apartment living, residential group
3 care facilities, family foster homes, or adoptive homes.

4 (6) "Children's Behavioral Health Program" means any private or public agency which
5 provides behavioral health services to children.

6 ~~(8)~~(7) "Department" means the department of children, youth and families (DCYF).

7 ~~(9)~~(8) "Director" means the director of the department of children, youth and families, or
8 the director's designee.

9 (9) "Foster and Adoptive Homes" means one or more adults who are licensed to provide
10 foster or adoptive caregiving in a family-based home setting.

11 ~~(10) "Family day care home" means any home other than the child's home in which child~~
12 ~~day care in lieu of parental care and/or supervision is offered at the same time to four (4) or more~~
13 ~~children who are not relatives of the care giver.~~

14 ~~(11) "Group family day care home" means a residence occupied by an individual of at least~~
15 ~~twenty one (21) years of age who provides care for not less than nine (9) and not more than twelve~~
16 ~~(12) children, with the assistance of one or more approved adults, for any part of a twenty four (24)~~
17 ~~hour day. The maximum of twelve (12) children shall include children under six (6) years of age~~
18 ~~who are living in the home, school age children under the age of twelve (12) years whether they~~
19 ~~are living in the home or are received for care, and children related to the provider who are received~~
20 ~~for care. These programs shall be subject to yearly licensing as addressed in this chapter and shall~~
21 ~~comply with all applicable state and local fire, health, and zoning regulations.~~

22 ~~(12)~~(10) "Licensee" means any person, firm, corporation, association, or agency, which
23 holds a valid license under this chapter.

24 ~~(13)~~(11) "Regulation" means any requirement for licensure, promulgated pursuant to this
25 chapter having the force of law.

26 ~~(14)~~(12) "Related" means any of the following relationships, by marriage, blood or
27 adoption, even following the death or divorce of a natural parent: parent, grandparent, brother,
28 sister, aunt, uncle, and first cousin. In a prosecution under this chapter or of any law relating thereto,
29 a defendant who relies for a defense upon the relationship of any child to him or herself, the
30 defendant shall have the burden of proof as to the relationship.

31 **42-72.1-3. Powers and scope of activities.**

32 (a) The department shall issue, deny, and revoke licenses for, and monitor the operation of,
33 facilities and programs by child placing agencies, child caring agencies, foster and adoptive homes,
34 and children's behavioral health programs ~~and child care providers~~, as defined in § 42-72.1-2.

1 (b) The department shall adopt, amend, and rescind regulations in accordance with this
2 chapter and implement its provisions. The regulations shall be promulgated and become effective
3 in accordance with the provisions of the Administrative Procedures Act, chapter 35 of this title.

4 (c) The department through its licensing unit shall administer and manage the regulations
5 pertaining to the licensing and monitoring of those agencies, and shall exercise all statutory and
6 administrative powers necessary to carry out its functions.

7 (d) The administrator shall investigate complaints of noncompliance, and shall take
8 licensing action as required.

9 (e) Regulations formulated pursuant to the foregoing authority shall include, but need not
10 be limited to, the following:

11 (1) Financial, administrative and organizational ability, and stability of the applicant;

12 (2) Compliance with specific fire and safety codes and health regulations;

13 (3) Character, health suitability, qualifications of child-placing agencies, child caring
14 agencies, foster and adoptive homes, and children's behavioral health programs ~~childcare~~
15 ~~providers~~;

16 (4) Staff/child ratios and workload assignments of staff providing care or supervision to
17 children;

18 (5) Type and content of records or documents that must be maintained to collect and retain
19 information for the planning and caring for children;

20 (6) Procedures and practices regarding ~~basic childcare and~~ placing services to ensure
21 protection to the child regarding the manner and appropriateness of placement;

22 (7) Service to families of children in care;

23 (8) Program activities, including components related to physical growth, social, emotional,
24 educational, and recreational activities, social services and habilitative or rehabilitative treatment;
25 and

26 (9) Investigation of previous employment, criminal record check and department records
27 check, ~~and~~

28 ~~(10) Immunization and testing requirements for communicable diseases, including, but not~~
29 ~~limited to, tuberculosis, of childcare providers and children at any child day care center or family~~
30 ~~day care home as is specified in regulations promulgated by the director of the department of health.~~
31 ~~Notwithstanding the foregoing, all licensing and monitoring authority shall remain with the~~
32 ~~department of children, youth and families.~~

33 (f) The administrator may:

34 (1) Prescribe any forms for reports, statements, notices, and other documents deemed

1 necessary;

2 (2) Prepare and publish manuals and guides explaining this chapter and the regulations to
3 facilitate compliance with and enforcement of the regulations;

4 (3) Prepare reports and studies to advance the purpose of this chapter;

5 (4) Provide consultation and technical assistance, as requested, to assist licensees in
6 maintaining compliance; and

7 (5) Refer to the advisory council for children and families for advice and consultation on
8 licensing matters.

9 ~~(g) The department may promulgate rules and regulations for the establishment of child
10 day care centers located on the second floor.~~

11 ~~(h)~~(g) When the department is otherwise unsuccessful in remedying noncompliance with
12 the provisions of this chapter and the regulations promulgated under it, it may petition the family
13 court for an order enjoining the noncompliance or for any order that equity and justice may require.

14 ~~(i) The department shall collaborate with the departments of human services, elementary
15 and secondary education, and health to provide monitoring, mentoring, training, technical
16 assistance, and other services which are necessary and appropriate to improving the quality of
17 childcare offered by childcare providers who are certified, licensed, or approved by the department
18 or the department of elementary and secondary education or who are seeking certification,
19 licensure, or approval pursuant to this chapter or § 16-48-2, including non-English speaking
20 providers.~~

21 ~~(j)~~(h) The department shall adopt, amend, and rescind regulations in the same manner as
22 set forth above in order to permit the placement of a pregnant minor in a group residential facility
23 which provides a shelter for pregnant adults as its sole purpose.

24 (i) Notwithstanding the transfer of licensing to and the licensing and monitoring of day and
25 child care facilities to the department of human services, pursuant to chapter 42-12.5, the
26 department of children, youth and families will continue to be the agency responsible for
27 investigating any complaint of abuse and neglect that is alleged to have occurred at a day care or
28 child care facility. Any appeal of an investigative finding of abuse or neglect against a staff member,
29 paid or otherwise, including managerial or contract personnel, or visitor may be appealed to the
30 Rhode Island Family Court.

31 (j) The Rhode Island Family Court shall retain jurisdiction over those complaints
32 investigated by the department of children, youth and families, pursuant to this chapter, regardless
33 of whether licensing and monitoring is performed under chapter 12.5 of this title or chapter 72.1 of
34 this title.

1 **42-72.1-4. License required.**

2 (a) No person shall provide continuing full-time care for a child apart from the child's
3 parents, ~~or receive or place children in child care services, including day care arrangements,~~ without
4 a license issued pursuant to this chapter. This requirement does not apply to a person related by
5 blood, marriage, guardianship or adoption to the child. Licensing requirements for child day care
6 services are governed by §42-12.5-4 et seq. ~~, unless that arrangement is for the purposes of day~~
7 ~~care.~~

8 (b) The licensing requirement does not apply to shelter operations for parents with children,
9 boarding schools, recreation camps, nursing homes, hospitals, maternity residences, and centers for
10 developmentally disabled children.

11 (c) No person, firm, corporation, association, or agency, other than a parent shall place,
12 offer to place, or assist in the placement of a child in Rhode Island, for the purpose of adoption,
13 unless the person, firm, corporation, or agency shall have been licensed for those purposes by the
14 department or is a governmental child-placing agency, and that license shall not have been
15 rescinded at the time of placement of a child for the purpose of adoption. The above does not apply
16 when a person, firm, corporation, association, or agency places, offers to place, or assists in the
17 placement of a child in Rhode Island, for the purpose of adoption through a child-placement agency
18 duly licensed for child-placement in the state or through the department of children, youth, and
19 families, nor when the child is placed with a father, sister, brother, aunt, uncle, grandparent, or
20 stepparent of the child.

21 (d) No parent shall assign or otherwise transfer to another not related to him or her by blood
22 or marriage, his or her rights or duties with respect to the permanent care and custody of his or her
23 child under eighteen (18) years of age unless duly authorized so to do by an order or decree of
24 court.

25 (e) No person shall bring or send into the state any child for the purpose of placing him or
26 her out, or procuring his or her adoption, or placing him or her in a foster home without first
27 obtaining the written consent of the director, and that person shall conform to the rules of the
28 director and comply with the provisions of the Interstate Compact on the Placement of Children,
29 chapter 15 of title 40.

30 ~~(f) No person, firm, corporation, association, or agency shall operate a family day care~~
31 ~~home without a registration certificate issued by the department.~~

32 (fg) No state, county, city, or political subdivision shall operate a child placing ~~or child~~
33 ~~care~~ agency, child caring agency, foster and adoptive home, or children's behavioral health
34 program or facility without a license issued pursuant to this chapter.

1 (eh) No person shall be exempt from a required license by reason of public or private,
2 sectarian, non-sectarian, court-operated child placement ~~program~~ ~~child care program~~, child caring
3 agency, foster and adoptive home, or children's behavioral health program for profit or non-profit
4 status, or by any other reason of funding, sponsorship, or affiliation.

5 **42-72.1-5. General licensing provisions.**

6 The following general licensing provisions shall apply:

7 (1) A license issued under this chapter is not transferable and applies only to the licensee
8 and the location stated in the application and remains the property of the department. A license
9 shall be publicly displayed. A license shall be valid for one year from the date of issue and upon
10 continuing compliance with the regulations, ~~except that a certificate issued to a family day care~~
11 ~~home~~, a license issued to a foster parent, and/or a license issued to a program for mental health
12 services for "seriously emotionally disturbed children" as defined in § 42-72-5(b)(24) shall be valid
13 for two (2) years from the date of issue.

14 (2) Every license application issued pursuant to § 42-72.1-4 shall be accompanied by a
15 nonrefundable application fee paid to the State of Rhode Island as follows:

16 (a) Adoption and foster care child placing agency license- one thousand dollars (\$1000);

17 ~~(b) Child day care center license five hundred dollars (\$500);~~

18 ~~(c) Group family day care home license — two hundred and fifty dollars (\$250);~~

19 ~~(d) Family day care home license one hundred dollars (\$100).~~

20 (3) All fees collected by the State pursuant to paragraph (2) of this section shall be
21 deposited by the general treasurer as general revenues.

22 (4) A licensee shall comply with applicable state fire and health safety standards.

23 (5) The department may grant a provisional license to an applicant, excluding any foster
24 parent applicant, who is not able to demonstrate compliance with all of the regulations because the
25 program or residence is not in full operation; however, the applicant must meet all regulations that
26 can be met in the opinion of the administrator before the program is fully operational. The
27 provisional license shall be granted for a limited period not to exceed six (6) months and shall be
28 subject to review every three (3) months.

29 (6) The department may grant a probationary license to a licensee who is temporarily
30 unable to comply with a rule or rules when the noncompliance does not present an immediate threat
31 to the health and well-being of the children, and when the licensee has obtained a plan approved
32 by the administrator to correct the areas of noncompliance within the probationary period. A
33 probationary license shall be issued for up to twelve (12) months; it may be extended for an
34 additional six (6) months at the discretion of the administrator. A probationary license that states

1 the conditions of probation may be issued by the administrator at any time for due cause. Any prior
2 existing license is invalidated when a probationary license is issued. When the probationary license
3 expires, the administrator may reinstate the original license to the end of its term, issue a new
4 license or revoke the license.

5 (7) The administrator will establish criteria and procedure for granting variances as part of
6 the regulations.

7 (8) The above exceptions (probationary and provisional licensing and variances) do not
8 apply to and shall not be deemed to constitute any variance from state fire and health safety
9 standards. However, if a request for a variance of fire inspection deficiencies has been submitted
10 to the fire safety code board of appeal and review, DCYF may grant a provisional license to
11 terminate no later than thirty (30) days following the board's decision on said variance.

12 ~~(9) A license under this chapter shall be granted to a school age child day care program~~
13 ~~without the necessity for a separate fire, building, or radon inspection, when said child day care~~
14 ~~program is conducted at a Rhode Island elementary or secondary school which has already been~~
15 ~~found in compliance with said inspections, provided that an applicant complies with all other~~
16 ~~provisions of DCYF regulations, or has been granted appropriate variances by the department.~~

17 **42-72.1-6. Violations, suspensions and revocations of license.**

18 (a) When a licensee violates the terms of the license, the provisions of this chapter, or any
19 regulation thereunder, the department may pursue the administrative remedies herein provided, in
20 addition to other civil or criminal remedies according to the general laws.

21 (b) After notice and hearing, as provided by the Administrative Procedures Act, chapter 35
22 of this title, the administrator may revoke the license, or suspend the license for a period not
23 exceeding six (6) months.

24 (c) During a suspension, the agency, facility or program shall cease operation.

25 (d) To end a suspension, the licensee shall, within thirty (30) days of the notice of
26 suspension, submit a plan of corrective action to the administrator. The plan shall outline the steps
27 and timetables for immediate correction of the areas of noncompliance and is subject to the
28 approval of the administrator.

29 (e) At the end of the suspension, the administrator may reinstate the license for the term of
30 the original license, revoke the license, issue a new license, or deny a reapplication.

31 (f) Upon revocation, the licensed agency, program or facility shall cease operation. The
32 licensee whose license has been revoked may not apply for a similar license within a three (3) year
33 period from the date of revocation.

34 ~~(g) Except in those instances wherein there is a determination that there exists a danger to~~

1 ~~the public health, safety, or welfare or there is a determination that the childcare provider has~~
2 ~~committed a serious breach of State law, orders, or regulation, the director shall utilize progressive~~
3 ~~penalties for noncompliance of any rule, regulation or order relating to childcare providers.~~
4 ~~Progressive penalties could include written notice of noncompliance, education and training,~~
5 ~~suspending enrollment to the program, assessing fines, suspension of license, and revocation of~~
6 ~~license.~~

7 **42-72.1-7. Penalties for violations.**

8 (a) Any person who violates any of the provisions of this chapter, or any regulations issued
9 pursuant to this chapter, or who shall intentionally make any false statement or reports to the
10 director with reference to the matters contained herein, shall, upon conviction for the first offense,
11 be imprisoned for a term not exceeding six (6) months or be fined not exceeding five hundred
12 dollars (\$500), or both, and for a second or subsequent offense, shall be imprisoned for a term not
13 exceeding one year or be fined not exceeding one thousand dollars (\$1000), or both the fine and
14 imprisonment.

15 (b) Anyone who maintains or conducts a program, agency, or facility without first having
16 obtained a license, or who maintains or conducts a program, agency, or facility after a license has
17 been revoked or suspended, or who shall refuse to permit a reasonable inspection and examination
18 of a program, agency, or facility, shall be guilty of a misdemeanor and, upon conviction, shall be
19 fined not more than five hundred dollars (\$500) for each week that the program, agency, or facility
20 shall have been maintained without a license or for each refusal to permit inspection and
21 examination by the director.

22 ~~(c) Any individual, firm, corporation, or other entity who maintains or conducts a family~~
23 ~~day care home without first having obtained a registration certificate for the home, shall be guilty~~
24 ~~of a misdemeanor and, upon conviction, shall be fined not less than twenty five dollars (\$25.00)~~
25 ~~nor more than one hundred dollars (\$100) for each week that the home shall have been maintained~~
26 ~~without a valid registration certificate.~~

27 ~~(d)~~ (c) The department shall refer any violations to the attorney general's office for
28 prosecution.

29 SECTION 22. Section 42-72.1-8 of the General Laws in Chapter 42-72.1 entitled
30 "Licensing and Monitoring of Childcare Providers and Child-Placing Agencies" is hereby repealed.

31 **~~42-72.1-8. Open door policy.~~**

32 ~~There shall be an open door policy permitting any custodial parent or legal guardian to~~
33 ~~have access to a day care facility for any program when their child is in attendance.~~

34 SECTION 23. Section 42-72.11-1 of the General Laws in Chapter 42-72.11 entitled

1 "Administrative Penalties for Childcare Licensing Violations" is hereby amended to read as
2 follows:

3 **42-72.11-1. Definitions.**

4 As used in this chapter, the following words, unless the context clearly requires otherwise,
5 shall have the following meanings:

6 (1) "Administrative penalty" means a monetary penalty not to exceed the civil penalty
7 specified by statute or, where not specified by statute, an amount not to exceed five hundred dollars
8 (\$500).

9 (2) "Director" means the director of the department of ~~children, youth and families~~ [human](#)
10 [services](#) or his or her duly authorized agent.

11 (3) "Person" means any public or private corporation, individual, partnership, association,
12 or other entity that is licensed as a child [day](#) care center, family child [day](#) care home, group family
13 child [day](#) care home or any officer, employee or agent thereof.

14 (4) "Citation" means a notice of an assessment of an administrative penalty issued by the
15 director or his or her duly authorized agent.

16 [\(5\) "Department" means the department of human services.](#)

17 SECTION 24. Sections 42-154-1 and 42-154-3 of the General Laws in Chapter 42-154
18 entitled "Division of Elderly Affairs" are hereby amended to read as follows:

19 **42-154-1. Establishment of division -- Director.**

20 [\(a\)](#) There is hereby established within the executive branch of state government and the
21 department of human services a division of elderly affairs, effective July 1, 2011. [The division shall](#)
22 [reside within the department of human services for administrative purposes only.](#) The head of the
23 division shall be the director of the division of elderly affairs, [appointed by and reporting directly](#)
24 [to the governor, with the advice and consent of the senate.](#) ~~who shall be a person qualified through~~
25 ~~and by training and experience to perform the duties of the division. The director shall be in the~~
26 ~~unclassified service.~~

27 [\(b\)](#) Effective July 1, 2019, the division of elderly affairs, as established pursuant to
28 [subsection \(a\) of this section, shall be henceforth referred to and renamed as the "office of healthy](#)
29 [aging."](#)

30 **42-154-3. Construction of references.**

31 Effective July 1, 2011, all references in the general laws to the department of elderly affairs
32 established pursuant to chapter 42-66 ("Elderly Affairs Department") shall be deemed to mean and
33 refer to the division of elderly affairs within the department of human services as set forth in this
34 chapter. [Effective July 1, 2019, all references in the general laws to either the department of elderly](#)

1 [affairs established pursuant to chapter 42-66 \("Elderly Affairs Department"\) or the division of](#)
2 [elderly affairs established pursuant to § 42-154-1\(a\) shall be deemed to mean and refer to the office](#)
3 [of healthy aging within the department of human services.](#)

4 SECTION 25. Sections 1 through 4 shall take effect on January 1, 2020. The remaining
5 sections of this article shall take effect upon passage.

6

ARTICLE 5 AS AMENDED

RELATING TO TAXES, REVENUES AND FEES

SECTION 1. Section 19-14-4 of the General Laws in Chapter 19-14 entitled "Licensed Activities" is hereby amended to read as follows:

19-14-4. Annual fee.

(a) Each licensee shall pay an annual license fee as follows:

(1) Each small-loan lender license and each branch certificate, the sum of five hundred fifty dollars (\$550);

(2) Each loan-broker license and each branch certificate, the sum of five hundred fifty dollars (\$550);

(3) Each lender license and each branch certificate, the sum of one thousand one hundred dollars (\$1,100);

(4) Each sale of checks license, the sum of three hundred sixty dollars (\$360);

(5) Each check cashing license, the sum of three hundred sixty dollars (\$360);

(6) Each electronic money transfer license, the sum of three hundred sixty dollars (\$360);

(7) Each registration to provide debt-management services, the sum of two hundred dollars (\$200);

(8) Each mortgage-loan originator license, the sum of ~~one~~ **four** hundred dollars (~~\$100~~ **400**);

and

(9) Each third-party loan-servicer license and each branch certificate, the sum of one thousand one hundred dollars (\$1,100).

(b) Any licensee who shall not pay the annual fee by December 31 of each year shall be subject to a daily penalty of twenty-five dollars (\$25) per day, subject to a maximum of seven hundred fifty dollars (\$750). The penalty shall be paid to the director to, and for the use of, the state. The penalty may be waived for good cause by the director, or the director's designee, upon written request.

SECTION 2. Section 19-14.9-12 of the General Laws in Chapter 19-14.9 entitled "Rhode Island Fair Debt Collection Practices Act" is hereby amended to read as follows:

19-14.9-12. Registration required.

(1) After July 1, 2008, no person shall engage within this state in the business of a debt

1 collector, or engage in soliciting the right to collect or receive payment for another of an account,
2 bill, or other indebtedness, or advertise for or solicit in print the right to collect or receive payment
3 for another of an account, bill, or other indebtedness, without first registering with the director, or
4 the director's designee.

5 (2) The application for registration shall be in writing; shall contain information as the
6 director may determine; and shall be accompanied by a registration fee of ~~one~~ seven hundred fifty
7 dollars (~~\$100~~ 750).

8 (3) The registration shall be for a period of one year. Each registration shall plainly state
9 the name of the registrant and the city or town with the name of the street and number, if any, of
10 the place where the business is to be carried on; provided that the business shall at all times be
11 conducted in the name of the registrant as it appears on the registration.

12 (4) No person registered to act within this state as a debt collector shall do so under any
13 other name or at any other place of business than that named in the registration. The registration
14 shall be for a single location but may, with notification to the director, be moved to a different
15 location. A registration shall not be transferable or assignable.

16 (5) This section shall not apply:

17 (a) To the servicer of a debt by a mortgage; or

18 (b) To any debt collector located out of this state, provided that the debt collector:

19 (1) Is collecting debts on behalf of an out-of-state creditor for a debt that was incurred out
20 of state; and

21 (2) Only collects debts in this state using interstate communication methods, including
22 telephone, facsimile, or mail.

23 (c) To any regulated institution as defined under § 19-1-1, national banking association,
24 federal savings bank, federal savings and loan association, federal credit union, or any bank, trust
25 company, savings bank, savings and loan association, or credit union organized under the laws of
26 this state, or any other state of the United States, or any subsidiary of the above; but except as
27 provided herein, this section shall apply to a subsidiary or affiliate, as defined by the director, of an
28 exempted entity and of a bank holding company established in accordance with state or federal law.

29 SECTION 3. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled "Licensing
30 of Health-Care Facilities" is hereby amended to read as follows:

31 **23-17-38.1. Hospitals -- Licensing fee.**

32 ~~(a) There is also imposed a hospital licensing fee at the rate of five and eight hundred fifty-~~
33 ~~six thousandths percent (5.856%) upon the net patient services revenue of every hospital for the~~
34 ~~hospital's first fiscal year ending on or after January 1, 2016, except that the license fee for all~~

1 ~~hospitals located in Washington County, Rhode Island shall be discounted by thirty seven percent~~
2 ~~(37%). The discount for Washington County hospitals is subject to approval by the Secretary of the~~
3 ~~U.S. Department of Health and Human Services of a state plan amendment submitted by the~~
4 ~~executive office of health and human services for the purpose of pursuing a waiver of the uniformity~~
5 ~~requirement for the hospital license fee. This licensing fee shall be administered and collected by~~
6 ~~the tax administrator, division of taxation within the department of revenue, and all the~~
7 ~~administration, collection, and other provisions of chapter 51 of title 44 shall apply. Every hospital~~
8 ~~shall pay the licensing fee to the tax administrator on or before July 10, 2018, and payments shall~~
9 ~~be made by electronic transfer of monies to the general treasurer and deposited to the general fund.~~
10 ~~Every hospital shall, on or before June 14, 2018, make a return to the tax administrator containing~~
11 ~~the correct computation of net patient services revenue for the hospital fiscal year ending~~
12 ~~September 30, 2016, and the licensing fee due upon that amount. All returns shall be signed by the~~
13 ~~hospital's authorized representative, subject to the pains and penalties of perjury.~~

14 (b)(a) There is also imposed a hospital licensing fee at the rate of six percent (6%) upon
15 the net patient-services revenue of every hospital for the hospital's first fiscal year ending on or
16 after January 1, 2017, except that the license fee for all hospitals located in Washington County,
17 Rhode Island shall be discounted by thirty-seven percent (37%). The discount for Washington
18 County hospitals is subject to approval by the Secretary of the U.S. Department of Health and
19 Human Services of a state plan amendment submitted by the executive office of health and human
20 services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license
21 fee. This licensing fee shall be administered and collected by the tax administrator, division of
22 taxation within the department of revenue, and all the administration, collection, and other
23 provisions of chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax
24 administrator on or before July 10, 2019, and payments shall be made by electronic transfer of
25 monies to the general treasurer and deposited to the general fund. Every hospital shall, on or before
26 June 14, 2019, make a return to the tax administrator containing the correct computation of net
27 patient-services revenue for the hospital fiscal year ending September 30, 2017, and the licensing
28 fee due upon that amount. All returns shall be signed by the hospital's authorized representative,
29 subject to the pains and penalties of perjury.

30 (b) There is also imposed a hospital licensing fee at the rate of six percent (6%) upon the
31 net patient-services revenue of every hospital for the hospital's first fiscal year ending on or after
32 January 1, 2018, except that the license fee for all hospitals located in Washington County, Rhode
33 Island shall be discounted by thirty-seven percent (37%). The discount for Washington County
34 hospitals is subject to approval by the Secretary of the U.S. Department of Health and Human

1 Services of a state plan amendment submitted by the executive office of health and human services
2 for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This
3 licensing fee shall be administered and collected by the tax administrator, division of taxation
4 within the department of revenue, and all the administration, collection, and other provisions of
5 chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator
6 on or before July 13, 2020, and payments shall be made by electronic transfer of monies to the
7 general treasurer and deposited to the general fund. Every hospital shall, on or before June 15,
8 2020, make a return to the tax administrator containing the correct computation of net patient-
9 services revenue for the hospital fiscal year ending September 30, 2018, and the licensing fee due
10 upon that amount. All returns shall be signed by the hospital's authorized representative, subject to
11 the pains and penalties of perjury.

12 (c) There is also imposed a hospital licensing fee for state fiscal year 2021 against each
13 hospital in the state. The hospital licensing fee is equal to five percent (5.0%) of the net patient-
14 services revenue of every hospital for the hospital's first fiscal year ending on or after January 1,
15 2018, except that the license fee for all hospitals located in Washington County, Rhode Island shall
16 be discounted by thirty-seven percent (37%). The discount for Washington County hospitals is
17 subject to approval by the Secretary of the U.S. Department of Health and Human Services of a
18 state plan amendment submitted by the executive office of health and human services for the
19 purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This
20 licensing fee shall be administered and collected by the tax administrator, division of taxation
21 within the department of revenue, and all the administration, collection, and other provisions of
22 chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator
23 on or before July 13, 2021, and payments shall be made by electronic transfer of monies to the
24 general treasurer and deposited to the general fund. Every hospital shall, on or before June 15,
25 2020, make a return to the tax administrator containing the correct computation of net patient-
26 services revenue for the hospital fiscal year ending September 30, 2018, and the licensing fee due
27 upon that amount. All returns shall be signed by the hospital's authorized representative, subject to
28 the pains and penalties of perjury.

29 ~~(e)~~(d) For purposes of this section the following words and phrases have the following
30 meanings:

31 (1) "Hospital" means the actual facilities and buildings in existence in Rhode Island,
32 licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on
33 that license, regardless of changes in licensure status pursuant to chapter 17.14 of title 23 (hospital
34 conversions) and § 23-17-6(b) (change in effective control), that provides short-term acute inpatient

1 and/or outpatient care to persons who require definitive diagnosis and treatment for injury, illness,
2 disabilities, or pregnancy. Notwithstanding the preceding language, the negotiated Medicaid
3 managed care payment rates for a court-approved purchaser that acquires a hospital through
4 receivership, special mastership, or other similar state insolvency proceedings (which court-
5 approved purchaser is issued a hospital license after January 1, 2013) shall be based upon the newly
6 negotiated rates between the court-approved purchaser and the health plan, and such rates shall be
7 effective as of the date that the court-approved purchaser and the health plan execute the initial
8 agreement containing the newly negotiated rate. The rate-setting methodology for inpatient hospital
9 payments and outpatient hospital payments set forth in §§ 40-8-13.4(b) and 40-8-13.4(b)(2),
10 respectively, shall thereafter apply to negotiated increases for each annual twelve-month (12)
11 period as of July 1 following the completion of the first full year of the court-approved purchaser's
12 initial Medicaid managed care contract.

13 (2) "Gross patient-services revenue" means the gross revenue related to patient care
14 services.

15 (3) "Net patient-services revenue" means the charges related to patient care services less
16 (i) charges attributable to charity care; (ii) bad debt expenses; and (iii) contractual allowances.

17 ~~(d)~~(e) The tax administrator shall make and promulgate any rules, regulations, and
18 procedures not inconsistent with state law and fiscal procedures that he or she deems necessary for
19 the proper administration of this section and to carry out the provisions, policy, and purposes of
20 this section.

21 ~~(e)~~(f) The licensing fee imposed by ~~this~~ section (b) shall apply to hospitals as defined herein
22 that are duly licensed on July 1, ~~2018~~ 2019, and shall be in addition to the inspection fee imposed
23 by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-38.1.

24 (g) The licensing fee imposed by section (c) shall apply to hospitals as defined herein that
25 are duly licensed on July 1, 2020 and shall be in addition to the inspection fee imposed by § 23-17-
26 38 and to any licensing fees previously imposed in accordance with § 23-17-38.1.

27 SECTION 4. Section 42-17.1-9.1 of the General Laws in Chapter 42-17.1 entitled
28 "Department of Environmental Management" is hereby amended to read as follows:

29 **42-17.1-9.1. User fees at state beaches, parks, and recreation areas.**

30 (a) The department of environmental management in pursuance of its administrative duties
31 and responsibilities may charge a user fee for any state beach, or recreational area under its
32 jurisdiction, and fees for the use of its services or facilities.

33 (b) The fee may be on a daily or annual basis, or both, and may be based on vehicle parking
34 or other appropriate means. The fees may recognize the contribution of Rhode Island taxpayers to

1 support the facilities in relation to other users of the state's facilities. The fee structure may
2 acknowledge the need to provide for all people, regardless of circumstances.

3 (c) An additional fee for camping and other special uses may be charged where appropriate.
4 Rates so charged should be comparable to equivalent commercial facilities.

5 (d) All such fees shall be established after a public hearing.

6 (e) All daily fees from beach parking, which shall also include fees charged and collected
7 at Ninigret conservation area and Charlestown breachway, shall be shared with the municipality in
8 which the facility is located on the basis of seventy-three percent (73%) retained by the state and
9 twenty-seven percent (27%) remitted to the municipality; provided, further, from July 1, 2016, until
10 October 1, ~~2016~~ 2021, the beach fees charged and collected under this subsection shall be equal to
11 those in effect on June 30, 2011. ~~Further, purchasers of season passes between May 14, 2016, and~~
12 ~~June 30, 2016, shall be eligible to receive a credit for the difference between the amount of the July~~
13 ~~1, 2016, fee and the amount originally paid. Said credits may be applied against the purchase of a~~
14 ~~season pass in 2017.~~

15 (f) Fifty percent (50%) of all user and concession fees received by the state shall be
16 deposited as general revenues. For the year beginning July 1, 1979, the proportion of user and
17 concession fees to be received by the state shall be sixty-five percent (65%); for the year beginning
18 July 1, 1980, eighty-five percent (85%); and for the year beginning July 1, 1981, and all years
19 thereafter, one hundred percent (100%). The general revenue monies appropriated are hereby
20 specifically dedicated to meeting the costs of development, renovation of, and acquisition of state-
21 owned recreation areas and for regular maintenance, repair and operation of state owned recreation
22 areas. Purchases of vehicles and equipment and repairs to facilities shall not exceed four hundred
23 thousand dollars (\$400,000) annually. Notwithstanding the provisions of § 37-1-1 or any other
24 provision of the general laws, the director of the department of environmental management is
25 hereby authorized to accept any grant, devise, bequest, donation, gift, or assignment of money,
26 bonds, or other valuable securities for deposit in the same manner as provided above for user and
27 concession fees retained by the state.

28 (g) No fee shall be charged to any school or other nonprofit organization provided that a
29 representative of the school or other organization gives written notice of the date and time of their
30 arrival to the facility.

31 SECTION 5. Section 42-63.1-3 of the General Laws in Chapter 42-63.1 entitled "Tourism
32 and Development" is hereby amended to read as follows:

33 **42-63.1-3. Distribution of tax.**

34 (a) For returns and tax payments received on or before December 31, 2015, except as

1 provided in § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax
2 collected from residential units offered for tourist or transient use through a hosting platform, shall
3 be distributed as follows by the division of taxation and the city of Newport:

4 (1) Forty-seven percent (47%) of the tax generated by the hotels in the district, except as
5 otherwise provided in this chapter, shall be given to the regional tourism district wherein the hotel
6 is located; provided, however, that from the tax generated by the hotels in the city of Warwick,
7 thirty-one percent (31%) of the tax shall be given to the Warwick regional tourism district
8 established in § 42-63.1-5(a)(5) and sixteen percent (16%) of the tax shall be given to the Greater
9 Providence-Warwick Convention and Visitors' Bureau established in § 42-63.1-11; and provided
10 further, that from the tax generated by the hotels in the city of Providence, sixteen percent (16%)
11 of that tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau
12 established by § 42-63.1-11, and thirty-one percent (31%) of that tax shall be given to the
13 Convention Authority of the city of Providence established pursuant to the provisions of chapter
14 84 of the public laws of January, 1980; provided, however, that the receipts attributable to the
15 district as defined in § 42-63.1-5(a)(7) shall be deposited as general revenues, and that the receipts
16 attributable to the district as defined in § 42-63.1-5(a)(8) shall be given to the Rhode Island
17 commerce corporation as established in chapter 64 of title 42.

18 (2) Twenty-five percent (25%) of the hotel tax shall be given to the city or town where the
19 hotel, which generated the tax, is physically located, to be used for whatever purpose the city or
20 town decides.

21 (3) Twenty-one (21%) of the hotel tax shall be given to the Rhode Island commerce
22 corporation established in chapter 64 of title 42, and seven percent (7%) to the Greater Providence-
23 Warwick Convention and Visitors' Bureau.

24 (b) For returns and tax payments received after December 31, 2015, except as provided in
25 § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from
26 residential units offered for tourist or transient use through a hosting platform, shall be distributed
27 as follows by the division of taxation and the city of Newport:

28 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-
29 63.1-5, forty-two percent (42%) of the tax shall be given to the Aquidneck Island district, twenty-
30 five (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is
31 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick
32 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight percent (28%) of
33 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title
34 42.

1 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-5,
2 twenty eight percent (28%) of the tax shall be given to the Providence district, twenty-five percent
3 (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is
4 physically located, twenty-three (23%) of the tax shall be given to the Greater Providence-Warwick
5 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four (24%) of the tax shall
6 be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

7 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,
8 twenty-eight percent (28%) of the tax shall be given to the Warwick District, twenty-five percent
9 (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is
10 physically located, twenty-three percent (23%) of the tax shall be given to the Greater Providence-
11 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four (24%) of
12 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title
13 42.

14 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,
15 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which
16 generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater
17 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy
18 percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in
19 chapter 64 of title 42.

20 (5) With respect to the tax generated by hotels in districts other than those set forth in
21 subdivisions (b)(1) through (b)(4), forty-two percent (42%) of the tax shall be given to the regional
22 tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five percent (25%)
23 of the tax shall be given to the city or town where the hotel, which generated the tax, is physically
24 located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick Convention
25 and Visitors Bureau established in § 42-63.1-11, and twenty-eight (28%) of the tax shall be given
26 to the Rhode Island commerce corporation established in chapter 64 of title 42.

27 (c) ~~The~~ [For returns and tax payments received before July 1, 2019, the](#) proceeds of the hotel
28 tax collected from residential units offered for tourist or transient use through a hosting platform
29 shall be distributed as follows by the division of taxation and the city of Newport: twenty-five
30 percent (25%) of the tax shall be given to the city or town where the residential unit, which
31 generated the tax, is physically located, and seventy-five percent (75%) of the tax shall be given to
32 the Rhode Island commerce corporation established in chapter 64 of title 42.

33 (d) The Rhode Island commerce corporation shall be required in each fiscal year to spend
34 on the promotion and marketing of Rhode Island as a destination for tourists or businesses an

1 amount of money of no less than the total proceeds of the hotel tax it receives pursuant to this
2 chapter for such fiscal year.

3 (e) Notwithstanding the foregoing provisions of this section, for returns and tax payments
4 received on or after July 1, 2016, and on or before June 30, 2017, except as provided in § 42-63.1-
5 12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from residential
6 units offered for tourist or transient use through a hosting platform, shall be distributed in
7 accordance with the distribution percentages established in subsections (a)(1) through (a)(3) of this
8 section by the division of taxation and the city of Newport.

9 (f) For returns and tax payments received on or after July 1, 2018, except as provided in §
10 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from
11 residential units offered for tourist or transient use through a hosting platform, shall be distributed
12 as follows by the division of taxation and the city of Newport:

13 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-
14 63.1-5, forty-five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-
15 five (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is
16 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick
17 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five percent (25%) of the
18 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

19 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-5,
20 thirty percent (30%) of the tax shall be given to the Providence district, twenty-five percent (25%)
21 of the tax shall be given to the city or town where the hotel, which generated the tax, is physically
22 located, twenty-four (24%) of the tax shall be given to the Greater Providence-Warwick
23 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of the tax shall
24 be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

25 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,
26 thirty percent (30%) of the tax shall be given to the Warwick District, twenty-five percent (25%)
27 of the tax shall be given to the city or town where the hotel, which generated the tax, is physically
28 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick
29 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of the tax shall
30 be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

31 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,
32 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel, which
33 generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater
34 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy

1 percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in
2 chapter 64 of title 42.

3 (5) With respect to the tax generated by hotels in districts other than those set forth in
4 subdivisions (b)(1) through (b)(4), forty-five percent (45%) of the tax shall be given to the regional
5 tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five percent (25%)
6 of the tax shall be given to the city or town where the hotel, which generated the tax, is physically
7 located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick Convention
8 and Visitors Bureau established in § 42-63.1-11, and twenty-five (25%) of the tax shall be given to
9 the Rhode Island commerce corporation established in chapter 64 of title 42.

10 (g) For returns and tax payments received on or after July 1, 2019, except as provided in §
11 42-63.1-12, the proceeds of the hotel tax, including such portion of the hotel tax collected from
12 residential units offered for tourist or transient use through a hosting platform, shall be distributed
13 as follows by the division of taxation and the city of Newport:

14 (1) For the tax generated in the Aquidneck Island district, as defined in § 42-63.1-5, forty-
15 five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-five percent
16 (25%) of the tax shall be given to the city or town where the hotel or residential unit, which
17 generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater
18 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five
19 percent (25%) of the tax shall be given to the Rhode Island commerce corporation established in
20 chapter 64 of title 42.

21 (2) For the tax generated in the Providence district as defined in § 42-63.1-5, thirty percent
22 (30%) of the tax shall be given to the Providence district, twenty-five percent (25%) of the tax shall
23 be given to the city or town where the hotel or residential unit, which generated the tax, is physically
24 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick
25 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one percent (21%) of the
26 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

27 (3) For the tax generated in the Warwick district as defined in § 42-63.1-5, thirty percent
28 (30%) of the tax shall be given to the Warwick District, twenty-five percent (25%) of the tax shall
29 be given to the city or town where the hotel or residential unit, which generated the tax, is physically
30 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick
31 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one percent (21%) of the
32 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

33 (4) For the tax generated in the Statewide district, as defined in § 42-63.1-5, twenty-five
34 percent (25%) of the tax shall be given to the city or town where the hotel or residential unit, which

1 generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater
2 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy
3 percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in
4 chapter 64 of title 42.

5 (5) With respect to the tax generated in districts other than those set forth in subsections
6 (g)(1) through (g)(4) of this section, forty-five percent (45%) of the tax shall be given to the regional
7 tourism district, as defined in § 42-63.1-5, wherein the hotel or residential unit is located, twenty-
8 five percent (25%) of the tax shall be given to the city or town where the hotel or residential unit,
9 which generated the tax, is physically located, five percent (5%) of the tax shall be given to the
10 Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and
11 twenty-five percent (25%) of the tax shall be given to the Rhode Island commerce corporation
12 established in chapter 64 of title 42.

13 SECTION 6. Section 42-142-8 of the General Laws in Chapter 42-142 entitled
14 "Department of Revenue" is hereby amended to read as follows:

15 **42-142-8. Collection unit.**

16 (a) The director of the department of revenue is authorized to establish within the
17 department of revenue a collection unit for the purpose of assisting state agencies in the collection
18 of debts owed to the state. The director of the department of revenue may enter into an agreement
19 with any state agency(ies) to collect any delinquent debt owed to the state.

20 (b) The director of the department of revenue shall initially implement a pilot program to
21 assist the agency(ies) with the collection of delinquent debts owed to the state.

22 (c) The agency(ies) participating in the pilot program shall refer to the collection unit
23 within the department of revenue, debts owed by delinquent debtors where the nature and amount
24 of the debt owed has been determined and reconciled by the agency and the debt is: (i) The subject
25 of a written settlement agreement and/or written waiver agreement and the delinquent debtor has
26 failed to timely make payments under said agreement and/or waiver and is therefore in violation of
27 the terms of said agreement and/or waiver; (ii) The subject of a final administrative order or
28 decision and the debtor has not timely appealed said order or decision; (iii) The subject of final
29 order, judgment or decision of a court of competent jurisdiction and the debtor has not timely
30 appealed said order, judgment or decision. The collection unit shall not accept a referral of any
31 delinquent debt unless it satisfies subsection (c)(i), (ii) or (iii) of this section.

32 (d) Any agency(ies) entering into an agreement with the department of revenue to allow
33 the collection unit of the department to collect a delinquent debt owed to the state shall indemnify
34 the department of revenue against injuries, actions, liabilities, or proceedings arising from the

1 collection, or attempted collection, by the collection unit of the debt owed to the state.

2 (e) Before referring a delinquent debt to the collection unit, the agency(ies) must notify the
3 debtor of its intention to submit the debt to the collection unit for collection and of the debtor's right
4 to appeal that decision not less than thirty (30) days before the debt is submitted to the collection
5 unit.

6 (f) At such time as the agency(ies) refers a delinquent debt to the collection unit, the agency
7 shall: (i) Represent in writing to the collection unit that it has complied with all applicable state and
8 federal laws and regulations relating to the collection of the debt, including, but not limited to, the
9 requirement to provide the debtor with the notice of referral to the collection unit under subsection
10 (e) of this section; and (ii) Provide the collection unit personnel with all relevant supporting
11 documentation including, but not limited to, notices, invoices, ledgers, correspondence,
12 agreements, waivers, decisions, orders, and judgments necessary for the collection unit to attempt
13 to collect the delinquent debt.

14 (g) The referring agency(ies) shall assist the collection unit by providing any and all
15 information, expertise, and resources deemed necessary by the collection unit to collect the
16 delinquent debts referred to the collection unit.

17 (h) Upon receipt of a referral of a delinquent debt from an agency(ies), the amount of the
18 delinquent debt shall accrue interest at ~~the an~~ annual rate of interest established by law for the
19 referring agency or at an annual rate of 13%, whichever percentage rate is greater. ~~with such rate~~
20 ~~determined by adding two percent (2%) to the prime rate which was in effect on October 1 of the~~
21 ~~preceding year; provided however, in no event shall the rate of interest exceed twenty one percent~~
22 ~~(21%) per annum nor be less than eighteen percent (18%) per annum.~~

23 (i) Upon receipt of a referral of a delinquent debt from the agency(ies), the collection unit
24 shall provide the delinquent debtor with a "Notice of Referral" advising the debtor that:

25 (1) The delinquent debt has been referred to the collection unit for collection; and

26 (2) The collection unit will initiate, in its names, any action that is available under state law
27 for the collection of the delinquent debt, including, but not limited to, referring the debt to a third
28 party to initiate said action.

29 (j) Upon receipt of a referral of a delinquent debt from an agency(ies), the director of the
30 department of revenue shall have the authority to institute, in its name, any action(s) that are
31 available under state law for collection of the delinquent debt and interest, penalties, and/or fees
32 thereon and to, with or without suit, settle the delinquent debt.

33 (k) In exercising its authority under this section, the collection unit shall comply with all
34 state and federal laws and regulations related to the collection of debts.

1 (l) Upon the receipt of payment from a delinquent debtor, whether a full or partial payment,
2 the collection unit shall disburse/deposit the proceeds of said payment in the following order:

3 (1) To the appropriate federal account to reimburse the federal government funds owed to
4 them by the state from funds recovered; and

5 (2) The balance of the amount collected to the referring agency.

6 (m) Notwithstanding the above, the establishment of a collection unit within the department
7 of revenue shall be contingent upon an annual appropriation by the general assembly of amounts
8 necessary and sufficient to cover the costs and expenses to establish, maintain, and operate the
9 collection unit including, but not limited to, computer hardware and software, maintenance of the
10 computer system to manage the system, and personnel to perform work within the collection unit.

11 (n) In addition to the implementation of any pilot program, the collection unit shall comply
12 with the provisions of this section in the collection of all delinquent debts under this section.

13 (o) The department of revenue is authorized to promulgate rules and regulations as it deems
14 appropriate with respect to the collection unit.

15 (p) By September 1, 2020, and each year thereafter, the department of revenue shall
16 specifically assess the performance, effectiveness, and revenue impact of the collections associated
17 with this section, including, but not limited to, the total amounts referred and collected by each
18 referring agency during the previous state fiscal year to the governor, the speaker of the house of
19 representatives, the president of the senate, the chairpersons of the house and senate finance
20 committees, and the house and senate fiscal advisors. Such report shall include the net revenue
21 impact to the state of the collection unit.

22 (q) No operations of a collection unit pursuant to this chapter shall be authorized after June
23 30, 2021.

24 SECTION 7. Sections 44-11-2.2 and 44-11-19 of the General Laws in Chapter 44-11
25 entitled "Business Corporation Tax" are hereby amended to read as follows:

26 **44-11-2.2. Pass-through entities -- Definitions -- Withholding -- Returns.**

27 (a) Definitions.

28 (1) "Administrative Adjustment Request" means an administrative adjustment request filed
29 by a partnership under IRC section 6227.

30 (2) "Audited Partnership" means a partnership or an entity taxed as a partnership federally
31 subject to a partnership level audit resulting in a federal adjustment.

32 (3) "Direct Partner" means a partner that holds an interest directly in a partnership or pass-
33 through entity.

34 (4) "Federal Adjustment" means a change to an item or amount determined under the

1 Internal Revenue Code (IRC) that is used by a taxpayer to compute Rhode Island tax owed whether
2 that change results from action by the IRS, including a partnership level audit, or the filing of an
3 amended federal return, federal refund claim, or an administrative adjustment request by the
4 taxpayer. A federal adjustment is positive to the extent that it increases state taxable income as
5 determined under Rhode Island state laws and is negative to the extent that it decreases state taxable
6 income as determined under Rhode Island state laws.

7 (5) "Final Determination Date" means if the federal adjustment arises from an IRS audit or
8 other action by the IRS, the final determination date is the first day on which no federal adjustments
9 arising from that audit or other action remain to be finally determined, whether by IRS decision
10 with respect to which all rights of appeal have been waived or exhausted, by agreement, or, if
11 appealed or contested, by a final decision with respect to which all rights of appeal have been
12 waived or exhausted. For agreements required to be signed by the IRS and the taxpayer, the final
13 determination date is the date on which the last party signed the agreement.

14 (6) "Final Federal Adjustment" means a federal adjustment after the final determination
15 date for that federal adjustment has passed.

16 (7) "Indirect Partner" means a partner in a partnership or pass-through entity that itself
17 holds an interest directly, or through another indirect partner, in a partnership or pass-through
18 entity.

19 ~~(1) "Pass-through entity" means a corporation that for the applicable tax year is treated as~~
20 ~~an S Corporation under IRC § 1362(a) [26 U.S.C. § 1362(a)], and a general partnership, limited~~
21 ~~partnership, limited liability partnership, trust, or limited liability company that for the applicable~~
22 ~~tax year is not taxed as a corporation for federal tax purposes under the state's check-the-box~~
23 ~~regulation.~~

24 ~~(2)~~(8) "Member" means an individual who is a shareholder of an S corporation; a partner
25 in a general partnership, a limited partnership, or a limited liability partnership; a member of a
26 limited liability company; or a beneficiary of a trust;

27 ~~(3)~~(9) "Nonresident" means an individual who is not a resident of or domiciled in the state,
28 a business entity that does not have its commercial domicile in the state, and a trust not organized
29 in the state.

30 (10) "Partner" means a person that holds an interest directly or indirectly in a partnership
31 or other pass-through entity.

32 (11) "Partnership" means an entity subject to taxation under Subchapter K of the IRC.

33 (12) "Partnership Level Audit" means an examination by the IRS at the partnership level
34 pursuant to Subchapter C of Title 26, Subtitle F, Chapter 63 of the IRC, as enacted by the Bipartisan

1 [Budget Act of 2015, Public Law 114-74, which results in Federal Adjustments.](#)

2 [\(13\) "Pass-through entity" means a corporation that for the applicable tax year is treated as](#)
3 [an S Corporation under IRC § 1362\(a\) \[26 U.S.C. § 1362\(a\)\], and a general partnership, limited](#)
4 [partnership, limited liability partnership, trust, or limited liability company that for the applicable](#)
5 [tax year is not taxed as a corporation for federal tax purposes under the state's check-the-box](#)
6 [regulation.](#)

7 [\(14\) "Tiered Partner" means any partner that is a partnership or pass-through entity.](#)

8 (b) Withholding.

9 (1) A pass-through entity shall withhold income tax at the highest Rhode Island
10 withholding tax rate provided for individuals or seven percent (7%) for corporations on the
11 member's share of income of the entity that is derived from or attributable to sources within this
12 state distributed to each nonresident member and pay the withheld amount in the manner prescribed
13 by the tax administrator. The pass-through entity shall be liable for the payment of the tax required
14 to be withheld under this section and shall not be liable to such member for the amount withheld
15 and paid over in compliance with this section. A member of a pass-through entity that is itself a
16 pass-through entity (a "lower-tier pass-through entity") shall be subject to this same requirement to
17 withhold and pay over income tax on the share of income distributed by the lower-tier pass-through
18 entity to each of its nonresident members. The tax administrator shall apply tax withheld and paid
19 over by a pass-through entity on distributions to a lower-tier pass-through entity to the withholding
20 required of that lower-tier pass-through entity.

21 (2) A pass-through entity shall, at the time of payment made pursuant to this section, deliver
22 to the tax administrator a return upon a form prescribed by the tax administrator showing the total
23 amounts paid or credited to its nonresident members, the amount withheld in accordance with this
24 section, and any other information the tax administrator may require. A pass-through entity shall
25 furnish to its nonresident member annually, but not later than the fifteenth day of the third month
26 after the end of its taxable year, a record of the amount of tax withheld on behalf of such member
27 on a form prescribed by the tax administrator.

28 (c) Notwithstanding subsection (b), a pass-through entity is not required to withhold tax
29 for a nonresident member if:

30 (1) The member has a pro rata or distributive share of income of the pass-through entity
31 from doing business in, or deriving income from sources within, this state of less than \$1,000 per
32 annual accounting period;

33 (2) The tax administrator has determined by regulation, ruling, or instruction that the
34 member's income is not subject to withholding;

1 (3) The member elects to have the tax due paid as part of a composite return filed by the
2 pass-through entity under subsection (d); or

3 (4) The entity is a publicly traded partnership as defined by 26 U.S.C. § 7704(b) that is
4 treated as a partnership for the purposes of the Internal Revenue Code and that has agreed to file
5 an annual information return reporting the name, address, taxpayer identification number and other
6 information requested by the tax administrator of each unitholder with an income in the state in
7 excess of \$500.

8 (d) Composite return.

9 (1) A pass-through entity may file a composite income tax return on behalf of electing
10 nonresident members reporting and paying income tax at the state's highest marginal rate on the
11 members' pro rata or distributive shares of income of the pass-through entity from doing business
12 in, or deriving income from sources within, this State.

13 (2) A nonresident member whose only source of income within a state is from one or more
14 pass-through entities may elect to be included in a composite return filed pursuant to this section.

15 (3) A nonresident member that has been included in a composite return may file an
16 individual income tax return and shall receive credit for tax paid on the member's behalf by the
17 pass-through entity.

18 (e) Partnership Level Audit

19 (1) A partnership shall report final federal adjustments pursuant to IRC section 6225(a)(2)
20 arising from a partnership level audit or an administrative adjustment request and make payments
21 by filing the applicable supplemental return as prescribed under § 44-11-2.2(e)(1)(ii), and as
22 required under § 44-11-19(b), in lieu of taxes owed by its direct and indirect partners.

23 (i) Failure of the audited partnership or tiered partner to report final federal adjustments
24 pursuant to IRC section 6225(a) and 6225(c) or pay does not prevent the tax administrator from
25 assessing the audited partnership, direct partners or indirect partners for taxes they owe, using the
26 best information available, in the event that a partnership or tiered partner fails to timely make any
27 report or payment required by § 44-11-19(b) for any reason.

28 (ii) The tax administrator may promulgate rules and regulations, not inconsistent with law,
29 to carry into effect the provisions of this chapter.

30 **44-11-19. Supplemental returns -- Additional tax or refund.**

31 (a) Any taxpayer which fails to include in its return any items of income or assets or any
32 other information required by this chapter or by regulations prescribed in pursuance of this chapter
33 shall make a supplemental return disclosing these facts. Except in the case of final federal
34 adjustments that are required to be reported by a partnership and its partners using the procedures

1 under section (b) below. Any taxpayer whose return to the collector of internal revenue, or whose
2 net income returned, shall be changed or corrected by any official of the United States government
3 in any respect affecting a tax imposed by this chapter including a return or other similar report filed
4 pursuant to IRC section 6225(c)(2), shall, within sixty (60) days after receipt of a notification of
5 the final adjustment and determination of the change or correction, make the supplemental return
6 required by this section (a).

7 (b) Except for the distributive share of adjustments that have been reported as required
8 under section (a), partnerships and partners shall, within one hundred and eighty (180) days after
9 receipt of notification of the final federal adjustments arising from a partnership level audit or an
10 administrative adjustment, make the supplemental return and make payments as required by this
11 section (b).

12 ~~(b)~~(c) Upon the filing of a supplemental return the tax administrator shall examine the
13 return and shall determine any additional tax or refund that may be due and shall notify the taxpayer.
14 Any additional tax shall be paid within fifteen (15) days after the notification together with interest
15 at the annual rate provided by § 44-1-7 from the original due date of the return for the taxable year
16 to the date of payment of the additional tax. Any refund shall be made by the tax administrator
17 together with interest at the annual rate provided by § 44-1-7.1 from the date of payment of the tax
18 to the date of the refund.

19 SECTION 8. Chapter 44-11 of the General Laws entitled "Business Corporation Tax" is
20 hereby amended by adding thereto the following section:

21 **44-11-2.3. Pass-through entities -- Election to pay state income tax at the entity level.**

22 (a) Definitions. As used in this section:

23 (1) "Election" means the annual election to be made by the pass-through entity by filing
24 the prescribed tax form and remitting the appropriate tax.

25 (2) "Net income" means the net ordinary income, net rental real estate income, other net
26 rental income, guaranteed payments, and other business income less specially allocated
27 depreciation and deductions allowed pursuant to § 179 of the United States Revenue Code (26
28 U.S.C. § 179), all of which would be reported on federal tax form schedules C and E. Net income
29 for purposes of this section does not include specially allocated investment income or any other
30 types of deductions.

31 (3) "Owner" means an individual who is a shareholder of an S Corporation; a partner in a
32 general partnership, a limited partnership, or a limited liability partnership; a member of a limited
33 liability company, a beneficiary of a trust; or a sole proprietor.

34 (4) "Pass-through entity" means a corporation that for the applicable tax year is treated as

1 an S Corporation under I.R.C. 1362(a) (26 U.S.C. § 1362(a)), or a general partnership, limited
2 partnership, limited liability partnership, trust, limited liability company or unincorporated sole
3 proprietorship that for the applicable tax year is not taxed as a corporation for federal tax purposes
4 under the state's regulations.

5 (5) "State tax credit" means the amount of tax paid by the pass-through entity at the entity
6 level which is passed through to an owner on a pro rata basis.

7 (b) Elections.

8 (1) For tax years beginning on or after January 1, 2019, a pass-through entity may elect to
9 pay the state tax at the entity level at the rate of five and ninety-nine hundredths percent (5.99%).

10 (2) If a pass-through entity elects to pay an entity tax under this subsection, the entity shall
11 not have to comply with the provisions of § 44-11-2.2 regarding withholding on non-resident
12 owners. In that instance, the entity shall not have to comply with the provisions of § 44-11-2.2
13 regarding withholding on non-resident owners.

14 (c) Reporting.

15 (1) The pass-through entity shall report the pro rata share of the state income taxes paid by
16 the entity which sums will be allowed as a state tax credit for an owner on his or her personal
17 income tax return.

18 (2) The pass-through entity shall also report the pro rata share of the state income taxes
19 paid by the entity as an income (addition) modification to be reported by an owner on his or her
20 personal income tax returns.

21 (d) State tax credit shall be the amount of tax paid by the pass-through entity, at the entity
22 level, which is passed through to the owners, on a pro rata basis.

23 (e) A similar type of tax imposed by another state on the owners' income paid at the state
24 entity level shall be deemed to be allowed as a credit for taxes paid to another jurisdiction in
25 accordance with the provisions of § 44-30-18.

26 (f) "Combined reporting" as set forth in § 44-11-4.1 shall not apply to reporting under this
27 section.

28 SECTION 9. Sections 44-18-7, 44-18-7.1, 44-18-7.3, 44-18-8, 44-18-15, 44-18-15.2, 44-
29 18-18, 44-18-18.1, 44-18-20, 44-18-21, 44-18-22, 44-18-23, 44-18-25 and 44-18-36.1 of the
30 General Laws in Chapter 44-18 entitled "Sales and Use Taxes - Liability and Computation" are
31 hereby amended to read as follows:

32 **44-18-7. Sales defined.**

33 "Sales" means and includes:

34 (1) Any transfer of title or possession, exchange, barter, lease, or rental, conditional or

1 otherwise, in any manner or by any means of tangible personal property for a consideration.
2 "Transfer of possession", "lease", or "rental" includes transactions found by the tax administrator
3 to be in lieu of a transfer of title, exchange, or barter.

4 (2) The producing, fabricating, processing, printing, or imprinting of tangible personal
5 property for a consideration for consumers who furnish either directly or indirectly the materials
6 used in the producing, fabricating, processing, printing, or imprinting.

7 (3) The furnishing and distributing of tangible personal property for a consideration by
8 social, athletic, and similar clubs and fraternal organizations to their members or others.

9 (4) The furnishing, preparing, or serving for consideration of food, meals, or drinks,
10 including any cover, minimum, entertainment, or other charge in connection therewith.

11 (5) A transaction whereby the possession of tangible personal property is transferred, but
12 the seller retains the title as security for the payment of the price.

13 (6) Any withdrawal, except a withdrawal pursuant to a transaction in foreign or interstate
14 commerce, of tangible personal property from the place where it is located for delivery to a point
15 in this state for the purpose of the transfer of title or possession, exchange, barter, lease, or rental,
16 conditional or otherwise, in any manner or by any means whatsoever, of the property for a
17 consideration.

18 (7) A transfer for a consideration of the title or possession of tangible personal property,
19 which has been produced, fabricated, or printed to the special order of the customer, or any
20 publication.

21 (8) The furnishing and distributing of electricity, natural gas, artificial gas, steam,
22 refrigeration, and water.

23 (9)(i) The furnishing for consideration of intrastate, interstate, and international
24 telecommunications service sourced in this state in accordance with §§ 44-18.1-15 and 44-18.1-16
25 and all ancillary services, and any maintenance services of telecommunication equipment other
26 than as provided for in § 44-18-12(b)(ii). For the purposes of chapters 18 and 19 of this title only,
27 telecommunication service does not include service rendered using a prepaid telephone calling
28 arrangement.

29 (ii) Notwithstanding the provisions of paragraph (i) of this subdivision, in accordance with
30 the Mobile Telecommunications Sourcing Act (4 U.S.C. §§ 116 -- 126), subject to the specific
31 exemptions described in 4 U.S.C. § 116(c), and the exemptions provided in §§ 44-18-8 and 44-18-
32 12, mobile telecommunications services that are deemed to be provided by the customer's home
33 service provider are subject to tax under this chapter if the customer's place of primary use is in this
34 state regardless of where the mobile telecommunications services originate, terminate, or pass

1 through. Mobile telecommunications services provided to a customer, the charges for which are
2 billed by or for the customer's home service provider, shall be deemed to be provided by the
3 customer's home service provider.

4 (10) The furnishing of service for transmission of messages by telegraph, cable, or radio
5 and the furnishing of community antenna television, subscription television, and cable television
6 services.

7 (11) The rental of living quarters in any hotel, rooming house, or tourist camp.

8 (12) The transfer for consideration of prepaid telephone calling arrangements and the
9 recharge of prepaid telephone calling arrangements sourced to this state in accordance with §§ 44-
10 18.1-11 and 44-18.1-15. "Prepaid telephone calling arrangement" means and includes prepaid
11 calling service and prepaid wireless calling service.

12 (13) The sale, storage, use, or other consumption of over-the-counter drugs as defined in §
13 44-18-7.1(h)(ii).

14 (14) The sale, storage, use, or other consumption of prewritten computer software delivered
15 electronically or by load and leave as defined in § 44-18-7.1(g)(v).

16 (15) The sale, storage, use, or other consumption of vendor-hosted prewritten computer
17 software as defined in § 44-18-7.1(g)(vii).

18 [\(16\) The sale, storage, use, or other consumption of specified digital products as defined in](#)
19 [44-18-7.1\(x\).](#)

20 (17~~6~~) The sale, storage, use, or other consumption of medical marijuana as defined in § 21-
21 28.6-3.

22 (18~~7~~) The furnishing of services in this state as defined in § 44-18-7.3.

23 **44-18-7.1. Additional definitions.**

24 (a) "Agreement" means the streamlined sales and use tax agreement.

25 (b) "Alcoholic beverages" means beverages that are suitable for human consumption and
26 contain one-half of one percent (.5%) or more of alcohol by volume.

27 (c) "Bundled transaction" is the retail sale of two or more products, except real property
28 and services to real property, where (1) The products are otherwise distinct and identifiable, and
29 (2) The products are sold for one non-itemized price. A "bundled transaction" does not include the
30 sale of any products in which the "sales price" varies, or is negotiable, based on the selection by
31 the purchaser of the products included in the transaction.

32 (i) "Distinct and identifiable products" does not include:

33 (A) Packaging -- such as containers, boxes, sacks, bags, and bottles -- or other materials --
34 such as wrapping, labels, tags, and instruction guides -- that accompany the "retail sale" of the

1 products and are incidental or immaterial to the "retail sale" thereof. Examples of packaging that
2 are incidental or immaterial include grocery sacks, shoeboxes, dry cleaning garment bags, and
3 express delivery envelopes and boxes.

4 (B) A product provided free of charge with the required purchase of another product. A
5 product is "provided free of charge" if the "sales price" of the product purchased does not vary
6 depending on the inclusion of the products "provided free of charge."

7 (C) Items included in the member state's definition of "sales price," pursuant to appendix
8 C of the agreement.

9 (ii) The term "one non-itemized price" does not include a price that is separately identified
10 by product on binding sales or other supporting sales-related documentation made available to the
11 customer in paper or electronic form including, but not limited to, an invoice, bill of sale, receipt,
12 contract, service agreement, lease agreement, periodic notice of rates and services, rate card, or
13 price list.

14 (iii) A transaction that otherwise meets the definition of a "bundled transaction" as defined
15 above, is not a "bundled transaction" if it is:

16 (A) The "retail sale" of tangible personal property and a service where the tangible personal
17 property is essential to the use of the service, and is provided exclusively in connection with the
18 service, and the true object of the transaction is the service; or

19 (B) The "retail sale" of services where one service is provided that is essential to the use or
20 receipt of a second service and the first service is provided exclusively in connection with the
21 second service and the true object of the transaction is the second service; or

22 (C) A transaction that includes taxable products and nontaxable products and the "purchase
23 price" or "sales price" of the taxable products is de minimis.

24 1. De minimis means the seller's "purchase price" or "sales price" of the taxable products
25 is ten percent (10%) or less of the total "purchase price" or "sales price" of the bundled products.

26 2. Sellers shall use either the "purchase price" or the "sales price" of the products to
27 determine if the taxable products are de minimis. Sellers may not use a combination of the
28 "purchase price" and "sales price" of the products to determine if the taxable products are de
29 minimis.

30 3. Sellers shall use the full term of a service contract to determine if the taxable products
31 are de minimis; or

32 (D) The "retail sale" of exempt tangible personal property and taxable tangible personal
33 property where:

34 1. The transaction includes "food and food ingredients", "drugs", "durable medical

1 equipment", "mobility enhancing equipment", "over-the-counter drugs", "prosthetic devices" (all
2 as defined in this section) or medical supplies; and

3 2. Where the seller's "purchase price" or "sales price" of the taxable tangible personal
4 property is fifty percent (50%) or less of the total "purchase price" or "sales price" of the bundled
5 tangible personal property. Sellers may not use a combination of the "purchase price" and "sales
6 price" of the tangible personal property when making the fifty percent (50%) determination for a
7 transaction.

8 (d) "Certified automated system (CAS)" means software certified under the agreement to
9 calculate the tax imposed by each jurisdiction on a transaction, determine the amount of tax to remit
10 to the appropriate state, and maintain a record of the transaction.

11 (e) "Certified service provider (CSP)" means an agent certified under the agreement to
12 perform all the seller's sales and use tax functions, other than the seller's obligation to remit tax on
13 its own purchases.

14 (f) Clothing and related items.

15 (i) "Clothing" means all human wearing apparel suitable for general use.

16 (ii) "Clothing accessories or equipment" means incidental items worn on the person or in
17 conjunction with "clothing." "Clothing accessories or equipment" does not include "clothing",
18 "sport or recreational equipment", or "protective equipment."

19 (iii) "Protective equipment" means items for human wear and designed as protection of the
20 wearer against injury or disease or as protections against damage or injury of other persons or
21 property but not suitable for general use. "Protective equipment" does not include "clothing",
22 "clothing accessories or equipment", and "sport or recreational equipment."

23 (iv) "Sport or recreational equipment" means items designed for human use and worn in
24 conjunction with an athletic or recreational activity that are not suitable for general use. "Sport or
25 recreational equipment" does not include "clothing", "clothing accessories or equipment", and
26 "protective equipment."

27 (g) Computer and related items.

28 (i) "Computer" means an electronic device that accepts information in digital or similar
29 form and manipulates it for a result based on a sequence of instructions.

30 (ii) "Computer software" means a set of coded instructions designed to cause a "computer"
31 or automatic data processing equipment to perform a task.

32 (iii) "Delivered electronically" means delivered to the purchaser by means other than
33 tangible storage media.

34 (iv) "Electronic" means relating to technology having electrical, digital, magnetic, wireless,

1 optical, electromagnetic, or similar capabilities.

2 (v) "Load and leave" means delivery to the purchaser by use of a tangible storage media
3 where the tangible storage media is not physically transferred to the purchaser.

4 (vi) "Prewritten computer software" means "computer software," including prewritten
5 upgrades, that is not designed and developed by the author or other creator to the specifications of
6 a specific purchaser. The combining of two (2) or more "prewritten computer software" programs
7 or prewritten portions thereof does not cause the combination to be other than "prewritten computer
8 software." "Prewritten computer software" includes software designed and developed by the author
9 or other creator to the specifications of a specific purchaser when it is sold to a person other than
10 the specific purchaser. Where a person modifies or enhances "computer software" of which the
11 person is not the author or creator, the person shall be deemed to be the author or creator only of
12 such person's modifications or enhancements. "Prewritten computer software" or a prewritten
13 portion thereof that is modified or enhanced to any degree, where such modification or
14 enhancement is designed and developed to the specifications of a specific purchaser, remains
15 "prewritten computer software"; provided, however, that where there is a reasonable, separately
16 stated charge or an invoice or other statement of the price given to the purchaser for such
17 modification or enhancement, such modification or enhancement shall not constitute "prewritten
18 computer software."

19 (vii) "Vendor-hosted prewritten computer software" means prewritten computer software
20 that is accessed through the internet and/or a vendor-hosted server regardless of whether the access
21 is permanent or temporary and regardless of whether any downloading occurs.

22 (h) Drugs and related items.

23 (i) "Drug" means a compound, substance, or preparation, and any component of a
24 compound, substance, or preparation, other than "food and food ingredients," "dietary
25 supplements" or "alcoholic beverages":

26 (A) Recognized in the official United States Pharmacopoeia, official Homeopathic
27 Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them;

28 or

29 (B) Intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease;

30 or

31 (C) Intended to affect the structure or any function of the body.

32 "Drug" shall also include insulin and medical oxygen whether or not sold on prescription.

33 (ii) "Over-the-counter drug" means a drug that contains a label that identifies the product
34 as a drug as required by 21 C.F.R. § 201.66. The "over-the-counter drug" label includes:

1 (A) A "Drug Facts" panel; or

2 (B) A statement of the "active ingredient(s)" with a list of those ingredients contained in
3 the compound, substance, or preparation.

4 "Over-the-counter drug" shall not include "grooming and hygiene products."

5 (iii) "Grooming and hygiene products" are soaps and cleaning solutions, shampoo,
6 toothpaste, mouthwash, antiperspirants, and suntan lotions and screens, regardless of whether the
7 items meet the definition of "over-the-counter drugs."

8 (iv) "Prescription" means an order, formula, or recipe issued in any form of oral, written,
9 electronic, or other means of transmission by a duly licensed practitioner authorized by the laws of
10 the member state.

11 (i) "Delivery charges" means charges by the seller of personal property or services for
12 preparation and delivery to a location designated by the purchaser of personal property or services
13 including, but not limited to: transportation, shipping, postage, handling, crating, and packing.

14 "Delivery charges" shall not include the charges for delivery of "direct mail" if the charges
15 are separately stated on an invoice or similar billing document given to the purchaser.

16 (j) "Direct mail" means printed material delivered or distributed by United States mail or
17 other delivery service to a mass audience or to addressees on a mailing list provided by the
18 purchaser or at the direction of the purchaser when the cost of the items are not billed directly to
19 the recipients. "Direct mail" includes tangible personal property supplied directly or indirectly by
20 the purchaser to the direct mail seller for inclusion in the package containing the printed material.
21 "Direct mail" does not include multiple items of printed material delivered to a single address.

22 (k) "Durable medical equipment" means equipment including repair and replacement parts
23 for same which:

24 (i) Can withstand repeated use; and

25 (ii) Is primarily and customarily used to serve a medical purpose; and

26 (iii) Generally is not useful to a person in the absence of illness or injury; and

27 (iv) Is not worn in or on the body.

28 Durable medical equipment does not include mobility enhancing equipment.

29 (l) Food and related items.

30 (i) "Food and food ingredients" means substances, whether in liquid, concentrated, solid,
31 frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are
32 consumed for their taste or nutritional value. "Food and food ingredients" does not include
33 "alcoholic beverages", "tobacco", "candy", "dietary supplements", and "soft drinks."

34 (ii) "Prepared food" means:

1 (A) Food sold in a heated state or heated by the seller;

2 (B) Two (2) or more food ingredients mixed or combined by the seller for sale as a single
3 item; or

4 (C) Food sold with eating utensils provided by the seller, including: plates, knives, forks,
5 spoons, glasses, cups, napkins, or straws. A plate does not include a container or packaging used
6 to transport the food.

7 "Prepared food" in (B) does not include food that is only cut, repackaged, or pasteurized
8 by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring
9 cooking by the consumer as recommended by the Food and Drug Administration in chapter 3, part
10 401.11 of its Food Code so as to prevent food borne illnesses.

11 (iii) "Candy" means a preparation of sugar, honey, or other natural or artificial sweeteners
12 in combination with chocolate, fruits, nuts, or other ingredients or flavorings in the form of bars,
13 drops, or pieces. "Candy" shall not include any preparation containing flour and shall require no
14 refrigeration.

15 (iv) "Soft drinks" means non-alcoholic beverages that contain natural or artificial
16 sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice,
17 or similar milk substitutes, or greater than fifty percent (50%) of vegetable or fruit juice by volume.

18 (v) "Dietary supplement" means any product, other than "tobacco", intended to supplement
19 the diet that:

20 (A) Contains one or more of the following dietary ingredients:

21 1. A vitamin;

22 2. A mineral;

23 3. An herb or other botanical;

24 4. An amino acid;

25 5. A dietary substance for use by humans to supplement the diet by increasing the total
26 dietary intake; or

27 6. A concentrate, metabolite, constituent, extract, or combination of any ingredient
28 described above; and

29 (B) Is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or
30 if not intended for ingestion in such a form, is not represented as conventional food and is not
31 represented for use as a sole item of a meal or of the diet; and

32 (C) Is required to be labeled as a dietary supplement, identifiable by the "supplemental
33 facts" box found on the label and as required pursuant to 21 C.F.R. § 101.36.

34 (m) "Food sold through vending machines" means food dispensed from a machine or other

1 mechanical device that accepts payment.

2 (n) "Hotel" means every building or other structure kept, used, maintained, advertised as,
3 or held out to the public to be a place where living quarters are supplied for pay to transient or
4 permanent guests and tenants and includes a motel.

5 (i) "Living quarters" means sleeping rooms, sleeping or housekeeping accommodations, or
6 any other room or accommodation in any part of the hotel, rooming house, or tourist camp that is
7 available for or rented out for hire in the lodging of guests.

8 (ii) "Rooming house" means every house, boat, vehicle, motor court, or other structure
9 kept, used, maintained, advertised, or held out to the public to be a place where living quarters are
10 supplied for pay to transient or permanent guests or tenants, whether in one or adjoining buildings.

11 (iii) "Tourist camp" means a place where tents or tent houses, or camp cottages, or cabins
12 or other structures are located and offered to the public or any segment thereof for human
13 habitation.

14 (o) "Lease or rental" means any transfer of possession or control of tangible personal
15 property for a fixed or indeterminate term for consideration. A lease or rental may include future
16 options to purchase or extend. Lease or rental does not include:

17 (i) A transfer of possession or control of property under a security agreement or deferred
18 payment plan that requires the transfer of title upon completion of the required payments;

19 (ii) A transfer of possession or control of property under an agreement that requires the
20 transfer of title upon completion of required payments and payment of an option price does not
21 exceed the greater of one hundred dollars (\$100) or one percent of the total required payments; or

22 (iii) Providing tangible personal property along with an operator for a fixed or
23 indeterminate period of time. A condition of this exclusion is that the operator is necessary for the
24 equipment to perform as designed. For the purpose of this subsection, an operator must do more
25 than maintain, inspect, or set-up the tangible personal property.

26 (iv) Lease or rental does include agreements covering motor vehicles and trailers where the
27 amount of consideration may be increased or decreased by reference to the amount realized upon
28 sale or disposition of the property as defined in 26 U.S.C. § 7701(h)(1).

29 (v) This definition shall be used for sales and use tax purposes regardless if a transaction
30 is characterized as a lease or rental under generally accepted accounting principles, the Internal
31 Revenue Code, the Uniform Commercial Code, or other provisions of federal, state, or local law.

32 (vi) This definition will be applied only prospectively from the date of adoption and will
33 have no retroactive impact on existing leases or rentals. This definition shall neither impact any
34 existing sale-leaseback exemption or exclusions that a state may have, nor preclude a state from

1 adopting a sale-leaseback exemption or exclusion after the effective date of the agreement.

2 (p) "Mobility enhancing equipment" means equipment, including repair and replacement
3 parts to same, that:

4 (i) Is primarily and customarily used to provide or increase the ability to move from one
5 place to another and that is appropriate for use either in a home or a motor vehicle; and

6 (ii) Is not generally used by persons with normal mobility; and

7 (iii) Does not include any motor vehicle or equipment on a motor vehicle normally
8 provided by a motor vehicle manufacturer.

9 Mobility enhancing equipment does not include durable medical equipment.

10 (q) "Model 1 Seller" means a seller that has selected a CSP as its agent to perform all the
11 seller's sales and use tax functions, other than the seller's obligation to remit tax on its own
12 purchases.

13 (r) "Model 2 Seller" means a seller that has selected a CAS to perform part of its sales and
14 use tax functions, but retains responsibility for remitting the tax.

15 (s) "Model 3 Seller" means a seller that has sales in at least five member states, has total
16 annual sales revenue of at least five hundred million dollars (\$500,000,000), has a proprietary
17 system that calculates the amount of tax due each jurisdiction, and has entered into a performance
18 agreement with the member states that establishes a tax performance standard for the seller. As
19 used in this definition, a seller includes an affiliated group of sellers using the same proprietary
20 system.

21 (t) "Prosthetic device" means a replacement, corrective, or supportive device including
22 repair and replacement parts for same worn on or in the body to:

23 (i) Artificially replace a missing portion of the body;

24 (ii) Prevent or correct physical deformity or malfunction; or

25 (iii) Support a weak or deformed portion of the body.

26 (u) "Purchaser" means a person to whom a sale of personal property is made or to whom a
27 service is furnished.

28 (v) "Purchase price" applies to the measure subject to use tax and has the same meaning as
29 sales price.

30 (w) "Seller" means a person making sales, leases, or rentals of personal property or
31 services.

32 (x) Specified Digital Products

33 (i) "Specified digital products" means electronically transferred:

34 (A) "Digital Audio-Visual Works" which means a series of related images which, when

1 shown in succession, impart an impression of motion, together with accompanying sounds, if any:

2 (B) "Digital Audio Works" which means works that result from the fixation of a series of
3 musical, spoken, or other sounds, including ringtones, and/or;

4 (C) "Digital Books" which means works that are generally recognized in the ordinary and
5 usual sense as "books".

6 (ii) For purposes of the definition of "digital audio works", "ringtones" means digitized
7 sound files that are downloaded onto a device and that may be used to alert the customer with
8 respect to a communication.

9 (iii) For purposes of the definitions of "specified digital products", "transferred
10 electronically" means obtained by the purchaser by means other than tangible storage media.

11 (~~x~~y) "State" means any state of the United States and the District of Columbia.

12 (~~y~~z) "Telecommunications" tax base/exemption terms.

13 (i) Telecommunication terms shall be defined as follows:

14 (A) "Ancillary services" means services that are associated with or incidental to the
15 provision of "telecommunications services", including, but not limited to, "detailed
16 telecommunications billing", "directory assistance", "vertical service", and "voice mail services".

17 (B) "Conference bridging service" means an "ancillary service" that links two (2) or more
18 participants of an audio or video conference call and may include the provision of a telephone
19 number. "Conference bridging service" does not include the "telecommunications services" used
20 to reach the conference bridge.

21 (C) "Detailed telecommunications billing service" means an "ancillary service" of
22 separately stating information pertaining to individual calls on a customer's billing statement.

23 (D) "Directory assistance" means an "ancillary service" of providing telephone number
24 information, and/or address information.

25 (E) "Vertical service" means an "ancillary service" that is offered in connection with one
26 or more "telecommunications services", which offers advanced calling features that allow
27 customers to identify callers and to manage multiple calls and call connections, including
28 "conference bridging services".

29 (F) "Voice mail service" means an "ancillary service" that enables the customer to store,
30 send, or receive recorded messages. "Voice mail service" does not include any "vertical services"
31 that the customer may be required to have in order to utilize the "voice mail service".

32 (G) "Telecommunications service" means the electronic transmission, conveyance, or
33 routing of voice, data, audio, video, or any other information or signals to a point, or between or
34 among points. The term "telecommunications service" includes such transmission, conveyance, or

1 routing in which computer processing applications are used to act on the form, code, or protocol of
2 the content for purposes of transmission, conveyance, or routing without regard to whether such
3 service is referred to as voice over internet protocol services or is classified by the Federal
4 Communications Commission as enhanced or value added. "Telecommunications service" does
5 not include:

6 (1) Data processing and information services that allow data to be generated, acquired,
7 stored, processed, or retrieved and delivered by an electronic transmission to a purchaser where
8 such purchaser's primary purpose for the underlying transaction is the processed data or
9 information;

10 (2) Installation or maintenance of wiring or equipment on a customer's premises;

11 (3) Tangible personal property;

12 (4) Advertising, including, but not limited to, directory advertising;

13 (5) Billing and collection services provided to third parties;

14 (6) Internet access service;

15 (7) Radio and television audio and video programming services, regardless of the medium,
16 including the furnishing of transmission, conveyance, and routing of such services by the
17 programming service provider. Radio and television audio and video programming services shall
18 include, but not be limited to, cable service as defined in 47 U.S.C. § 522(6) and audio and video
19 programming services delivered by commercial mobile radio service providers as defined in 47
20 C.F.R. § 20.3;

21 (8) "Ancillary services"; or

22 (9) Digital products "delivered electronically", including, but not limited to: software,
23 music, video, reading materials, or ring tones.

24 (H) "800 service" means a "telecommunications service" that allows a caller to dial a toll-
25 free number without incurring a charge for the call. The service is typically marketed under the
26 name "800", "855", "866", "877", and "888" toll-free calling, and any subsequent numbers
27 designated by the Federal Communications Commission.

28 (I) "900 service" means an inbound toll "telecommunications service" purchased by a
29 subscriber that allows the subscriber's customers to call in to the subscriber's prerecorded
30 announcement or live service. "900 service" does not include the charge for: collection services
31 provided by the seller of the "telecommunications services" to the subscriber, or service or product
32 sold by the subscriber to the subscriber's customer. The service is typically marketed under the
33 name "900 service," and any subsequent numbers designated by the Federal Communications
34 Commission.

1 (J) "Fixed wireless service" means a "telecommunications service" that provides radio
2 communication between fixed points.

3 (K) "Mobile wireless service" means a "telecommunications service" that is transmitted,
4 conveyed, or routed regardless of the technology used, whereby the origination and/or termination
5 points of the transmission, conveyance, or routing are not fixed, including, by way of example only,
6 "telecommunications services" that are provided by a commercial mobile radio service provider.

7 (L) "Paging service" means a "telecommunications service" that provides transmission of
8 coded radio signals for the purpose of activating specific pagers; such transmissions may include
9 messages and/or sounds.

10 (M) "Prepaid calling service" means the right to access exclusively "telecommunications
11 services", which must be paid for in advance and that enables the origination of calls using an
12 access number or authorization code, whether manually or electronically dialed, and that is sold in
13 predetermined units or dollars of which the number declines with use in a known amount.

14 (N) "Prepaid wireless calling service" means a "telecommunications service" that provides
15 the right to utilize "mobile wireless service", as well as other non-telecommunications services,
16 including the download of digital products "delivered electronically", content and "ancillary
17 services" which must be paid for in advance that is sold in predetermined units of dollars of which
18 the number declines with use in a known amount.

19 (O) "Private communications service" means a telecommunications service that entitles the
20 customer to exclusive or priority use of a communications channel or group of channels between
21 or among termination points, regardless of the manner in which such channel or channels are
22 connected, and includes switching capacity, extension lines, stations, and any other associated
23 services that are provided in connection with the use of such channel or channels.

24 (P) "Value-added non-voice data service" means a service that otherwise meets the
25 definition of "telecommunications services" in which computer processing applications are used to
26 act on the form, content, code, or protocol of the information or data primarily for a purpose other
27 than transmission, conveyance, or routing.

28 (ii) "Modifiers of Sales Tax Base/Exemption Terms" -- the following terms can be used to
29 further delineate the type of "telecommunications service" to be taxed or exempted. The terms
30 would be used with the broader terms and subcategories delineated above.

31 (A) "Coin-operated telephone service" means a "telecommunications service" paid for by
32 inserting money into a telephone accepting direct deposits of money to operate.

33 (B) "International" means a "telecommunications service" that originates or terminates in
34 the United States and terminates or originates outside the United States, respectively. United States

1 includes the District of Columbia or a U.S. territory or possession.

2 (C) "Interstate" means a "telecommunications service" that originates in one United States
3 state, or a United States territory or possession, and terminates in a different United States state or
4 a United States territory or possession.

5 (D) "Intrastate" means a "telecommunications service" that originates in one United States
6 state or a United States territory or possession, and terminates in the same United States state or a
7 United States territory or possession.

8 (E) "Pay telephone service" means a "telecommunications service" provided through any
9 pay telephone.

10 (F) "Residential telecommunications service" means a "telecommunications service" or
11 "ancillary services" provided to an individual for personal use at a residential address, including an
12 individual dwelling unit such as an apartment. In the case of institutions where individuals reside,
13 such as schools or nursing homes, "telecommunications service" is considered residential if it is
14 provided to and paid for by an individual resident rather than the institution.

15 The terms "ancillary services" and "telecommunications service" are defined as a broad
16 range of services. The terms "ancillary services" and "telecommunications service" are broader
17 than the sum of the subcategories. Definitions of subcategories of "ancillary services" and
18 "telecommunications service" can be used by a member state alone or in combination with other
19 subcategories to define a narrower tax base than the definitions of "ancillary services" and
20 "telecommunications service" would imply. The subcategories can also be used by a member state
21 to provide exemptions for certain subcategories of the more broadly defined terms.

22 A member state that specifically imposes tax on, or exempts from tax, local telephone or
23 local telecommunications service may define "local service" in any manner in accordance with §
24 44-18.1-28, except as limited by other sections of this Agreement.

25 (~~z~~aa) "Tobacco" means cigarettes, cigars, chewing, or pipe tobacco, or any other item that
26 contains tobacco.

27 **44-18-7.3. Services defined.**

28 (a) "Services" means all activities engaged in for other persons for a fee, retainer,
29 commission, or other monetary charge, which activities involve the performance of a service in this
30 state as distinguished from selling property.

31 (b) The following businesses and services performed in this state, along with the applicable
32 ~~2007~~ 2017 North American Industrial Classification System (NAICS) codes, are included in the
33 definition of services:

34 (1) Taxicab and limousine services including but not limited to:

1 (i) Taxicab services including taxi dispatchers (485310); and
2 (ii) Limousine services (485320).
3 (2) Other road transportation service including but not limited to:
4 (i) Charter bus service (485510);
5 (ii) "Transportation network companies" (TNC) defined as an entity that uses a digital
6 network to connect transportation network company riders to transportation network operators who
7 provide prearranged rides. Any TNC operating in this state is a retailer as provided in § 44-18-15
8 and is required to file a business application and registration form and obtain a permit to make sales
9 at retail with the tax administrator, to charge, collect, and remit Rhode Island sales and use tax; and
10 (iii) All other transit and ground passenger transportation (485999).
11 (3) Pet care services (812910) except veterinary and testing laboratories services.
12 (4)(i) "Room reseller" or "reseller" means any person, except a tour operator as defined in
13 § 42-63.1-2, having any right, permission, license, or other authority from or through a hotel as
14 defined in § 42-63.1-2, to reserve, or arrange the transfer of occupancy of, accommodations the
15 reservation or transfer of which is subject to this chapter, such that the occupant pays all or a portion
16 of the rental and other fees to the room reseller or reseller. Room reseller or reseller shall include,
17 but not be limited to, sellers of travel packages as defined in this section. Notwithstanding the
18 provisions of any other law, where said reservation or transfer of occupancy is done using a room
19 reseller or reseller, the application of the sales and use tax under §§ 44-18-18 and 44-18-20, and
20 the hotel tax under § 44-18-36.1 shall be as follows: The room reseller or reseller is required to
21 register with, and shall collect and pay to, the tax administrator the sales and use and hotel taxes,
22 with said taxes being calculated upon the amount of rental and other fees paid by the occupant to
23 the room reseller or reseller, less the amount of any rental and other fees paid by the room reseller
24 or reseller to the hotel. The hotel shall collect and pay to the tax administrator said taxes upon the
25 amount of rental and other fees paid to the hotel by the room reseller or reseller and/or the occupant.
26 No assessment shall be made by the tax administrator against a hotel because of an incorrect
27 remittance of the taxes under this chapter by a room reseller or reseller. No assessment shall be
28 made by the tax administrator against a room reseller or reseller because of an incorrect remittance
29 of the taxes under this chapter by a hotel. If the hotel has paid the taxes imposed under this chapter,
30 the occupant and/or room reseller or reseller, as applicable, shall reimburse the hotel for said taxes.
31 If the room reseller or reseller has paid said taxes, the occupant shall reimburse the room reseller
32 or reseller for said taxes. Each hotel and room reseller or reseller shall add and collect, from the
33 occupant or the room reseller or the reseller, the full amount of the taxes imposed on the rental and
34 other fees. When added to the rental and other fees, the taxes shall be a debt owed by the occupant

1 to the hotel or room reseller or reseller, as applicable, and shall be recoverable at law in the same
2 manner as other debts. The amount of the taxes collected by the hotel and/or room reseller or
3 reseller from the occupant under this chapter shall be stated and charged separately from the rental
4 and other fees, and shall be shown separately on all records thereof, whether made at the time the
5 transfer of occupancy occurs, or on any evidence of the transfer issued or used by the hotel or the
6 room reseller or the reseller. A room reseller or reseller shall not be required to disclose to the
7 occupant the amount of tax charged by the hotel; provided, however, the room reseller or reseller
8 shall represent to the occupant that the separately stated taxes charged by the room reseller or
9 reseller include taxes charged by the hotel. No person shall operate a hotel in this state, or act as a
10 room reseller or reseller for any hotel in the state, unless the tax administrator has issued a permit
11 pursuant to § 44-19-1.

12 (ii) "Travel package" means a room, or rooms, bundled with one or more other, separate
13 components of travel such as air transportation, car rental, or similar items, which travel package
14 is charged to the customer or occupant for a single, retail price. When the room occupancy is
15 bundled for a single consideration, with other property, services, amusement charges, or any other
16 items, the separate sale of which would not otherwise be subject to tax under this chapter, the entire
17 single consideration shall be treated as the rental or other fees for room occupancy subject to tax
18 under this chapter; provided, however, that where the amount of the rental, or other fees for room
19 occupancy is stated separately from the price of such other property, services, amusement charges,
20 or other items, on any sales slip, invoice, receipt, or other statement given the occupant, and such
21 rental and other fees are determined by the tax administrator to be reasonable in relation to the
22 value of such other property, services, amusement charges, or other items, only such separately
23 stated rental and other fees will be subject to tax under this chapter. The value of the transfer of any
24 room, or rooms, bundled as part of a travel package may be determined by the tax administrator
25 from the room reseller's and/or reseller's and/or hotel's books and records that are kept in the regular
26 course of business.

27 (5) Investigation, Guard, and Armored Car Services (~~56164~~ [561611](#), [561612](#) & [561613](#)).

28 (c) All services as defined herein are required to file a business application and registration
29 form and obtain a permit to make sales at retail with the tax administrator, to charge, collect, and
30 remit Rhode Island sales and use tax.

31 (d) The tax administrator is authorized to promulgate rules and regulations in accordance
32 with the provisions of chapter 35 of title 42 to carry out the provisions, policies, and purposes of
33 this chapter.

34 **44-18-8. Retail sale or sale at retail defined.**

1 A "retail sale" or "sale at retail" means any sale, lease, or rentals of tangible personal
2 property, prewritten computer software delivered electronically or by load and leave, vendor-hosted
3 prewritten computer software, [specified digital products](#), or services as defined in § 44-18-7.3 for
4 any purpose other than resale, sublease, or subrent in the regular course of business. The sale of
5 tangible personal property to be used for purposes of rental in the regular course of business is
6 considered to be a sale for resale. In regard to telecommunications service as defined in § 44-18-
7 7(9), retail sale does not include the purchase of telecommunications service by a
8 telecommunications provider from another telecommunication provider for resale to the ultimate
9 consumer; provided, that the purchaser submits to the seller a certificate attesting to the
10 applicability of this exclusion, upon receipt of which the seller is relieved of any tax liability for
11 the sale.

12 **44-18-15. "Retailer" defined.**

13 (a) "Retailer" includes:

14 (1) Every person engaged in the business of making sales at retail including prewritten
15 computer software delivered electronically or by load and leave, vendor-hosted prewritten
16 computer software, [specified digital products](#), sales of services as defined in § 44-18-7.3, and sales
17 at auction of tangible personal property owned by the person or others.

18 (2) Every person making sales of tangible personal property including prewritten computer
19 software delivered electronically or by load and leave, or vendor-hosted prewritten computer
20 software [or specified digital products](#), or sales of services as defined in § 44-18-7.3, through an
21 independent contractor or other representative, if the retailer enters into an agreement with a
22 resident of this state, under which the resident, for a commission or other consideration, directly or
23 indirectly refers potential customers, whether by a link on an internet website or otherwise, to the
24 retailer, provided the cumulative gross receipts from sales by the retailer to customers in the state
25 who are referred to the retailer by all residents with this type of an agreement with the retailer, is
26 in excess of five thousand dollars (\$5,000) during the preceding four (4) quarterly periods ending
27 on the last day of March, June, September and December. Such retailer shall be presumed to be
28 soliciting business through such independent contractor or other representative, which presumption
29 may be rebutted by proof that the resident with whom the retailer has an agreement did not engage
30 in any solicitation in the state on behalf of the retailer that would satisfy the nexus requirement of
31 the United States Constitution during such four (4) quarterly periods.

32 (3) Every person engaged in the business of making sales for storage, use, or other
33 consumption of: (i) tangible personal property, (ii) sales at auction of tangible personal property
34 owned by the person or others, (iii) prewritten computer software delivered electronically or by

1 load and leave, (iv) vendor-hosted prewritten computer software, (v) specified digital products, and
2 ~~(vi)~~ services as defined in § 44-18-7.3.

3 (4) A person conducting a horse race meeting with respect to horses, which are claimed
4 during the meeting.

5 (5) Every person engaged in the business of renting any living quarters in any hotel as
6 defined in § 42-63.1-2, rooming house, or tourist camp.

7 (6) Every person maintaining a business within or outside of this state who engages in the
8 regular or systematic solicitation of sales of tangible personal property, prewritten computer
9 software delivered electronically or by load and leave, vendor-hosted prewritten computer
10 software, and/or specified digital products in this State by means of:

11 (i) Advertising in newspapers, magazines, and other periodicals published in this state, sold
12 over the counter in this state or sold by subscription to residents of this state, billboards located in
13 this state, airborne advertising messages produced or transported in the airspace above this state,
14 display cards and posters on common carriers or any other means of public conveyance
15 incorporated or operated primarily in this state, brochures, catalogs, circulars, coupons, pamphlets,
16 samples, and similar advertising material mailed to, or distributed within this state to residents of
17 this state;

18 (ii) Telephone;

19 (iii) Computer assisted shopping networks; and

20 (iv) Television, radio or any other electronic media, which is intended to be broadcast to
21 consumers located in this state.

22 (b) When the tax administrator determines that it is necessary for the proper administration
23 of chapters 18 and 19 of this title to regard any salespersons, representatives, truckers, peddlers, or
24 canvassers as the agents of the dealers, distributors, supervisors, employers, or persons under whom
25 they operate or from whom they obtain the tangible personal property sold by them, irrespective of
26 whether they are making sales on their own behalf or on behalf of the dealers, distributors,
27 supervisors, or employers, the tax administrator may so regard them and may regard the dealers,
28 distributors, supervisors, or employers as retailers for purposes of chapters 18 and 19 of this title.

29 **44-18-15.2. "Remote seller" and "remote sale" defined -- Collection of sales and use**
30 **tax by remote seller.**

31 (a) As used in this section:

32 (1) "Remote seller" means any seller, other than a marketplace facilitator or referrer, who
33 does not have a physical presence in this state and makes retail sales to purchasers.

34 ~~(b) Upon passage of any federal law authorizing states to require remote sellers to collect~~

1 ~~and remit sales and use taxes, this state will require a remote seller making remote sales in the state~~
2 ~~to pay, collect, and remit sales and use taxes at the rate imposed under § 44-18-18, and in~~
3 ~~accordance with the provisions of this article, chapters 18.1 and 19 of this title, and applicable~~
4 ~~federal law.~~

5 **44-18-18. Sales tax imposed.**

6 A tax is imposed upon sales at retail in this state including charges for rentals of living
7 quarters in hotels as defined in § 42-63.1-2, rooming houses, or tourist camps, at the rate of six
8 percent (6%) of the gross receipts of the retailer from the sales or rental charges; provided, that the
9 tax imposed on charges for the rentals applies only to the first period of not exceeding thirty (30)
10 consecutive calendar days of each rental; provided, further, that for the period commencing July 1,
11 1990, the tax rate is seven percent (7%). The tax is paid to the tax administrator by the retailer at
12 the time and in the manner provided. Excluded from this tax are those living quarters in hotels,
13 rooming houses, or tourist camps for which the occupant has a written lease for the living quarters
14 which lease covers a rental period of twelve (12) months or more. ~~In recognition of the work being~~
15 ~~performed by the streamlined sales and use tax governing board, upon passage of any federal law~~
16 ~~that authorizes states to require remote sellers to collect and remit sales and use taxes, the rate~~
17 ~~imposed under this section shall be reduced from seven percent (7%) to six and one half percent~~
18 ~~(6.5%). The six and one half percent (6.5%) rate shall take effect on the date that the state requires~~
19 ~~remote sellers to collect and remit sale and use taxes.~~

20 **44-18-18.1. Local meals and beverage tax.**

21 (a) There is hereby levied and imposed, upon every purchaser of a meal and/or beverage,
22 in addition to all other taxes and fees now imposed by law, a local meals and beverage tax upon
23 each and every meal and/or beverage sold within the state of Rhode Island in or from an eating
24 and/or drinking establishment, whether prepared in the eating and/or drinking establishment or not
25 and whether consumed at the premises or not, at a rate of one percent of the gross receipts. The tax
26 shall be paid to the tax administrator by the retailer at the time and in the manner provided.

27 (b) All sums received by the division of taxation under this section as taxes, penalties, or
28 forfeitures, interest, costs of suit, and fines shall be distributed at least quarterly and credited and
29 paid by the state treasurer to the city or town where the meals and beverages are delivered.

30 (c) When used in this section, the following words have the following meanings:

31 (1) "Beverage" means all nonalcoholic beverages, as well as alcoholic beverages, beer,
32 lager beer, ale, porter, wine, similar fermented malt, or vinous liquor.

33 (2) "Eating and/or drinking establishment" means and includes restaurants, bars, taverns,
34 lounges, cafeterias, lunch counters, drive-ins, roadside ice cream and refreshment stands, fish-and-

1 chip places, fried chicken places, pizzerias, food-and-drink concessions, or similar facilities in
2 amusement parks, bowling alleys, clubs, caterers, drive-in theatres, industrial plants, race tracks,
3 shore resorts or other locations, lunch carts, mobile canteens and other similar vehicles, and other
4 like places of business that furnish or provide facilities for immediate consumption of food at tables,
5 chairs, or, counters or from trays, plates, cups, or other tableware, or in parking facilities provided
6 primarily for the use of patrons in consuming products purchased at the location. Ordinarily, eating
7 establishment does not mean and include food stores and supermarkets. Eating establishments does
8 not mean "vending machines," a self-contained automatic device that dispenses for sale foods,
9 beverages, or confection products. Retailers selling prepared foods in bulk, either in customer-
10 furnished containers or in the seller's containers, for example "Soup and Sauce" establishments, are
11 deemed to be selling prepared foods ordinarily for immediate consumption and, as such, are
12 considered eating establishments.

13 (3) "Meal" means any prepared food or beverage offered or held out for sale by an eating
14 and/or drinking establishment for the purpose of being consumed by any person to satisfy the
15 appetite and that is ready for immediate consumption. All such food and beverage, unless otherwise
16 specifically exempted or excluded herein shall be included, whether intended to be consumed on
17 the seller's premises or elsewhere, whether designated as breakfast, lunch, snack, dinner, supper, or
18 by some other name, and without regard to the manner, time, or place of service.

19 (d) This local meals and beverage tax shall be administered and collected by the division
20 of taxation, and unless provided to the contrary in this chapter, all of the administration, collection,
21 and other provisions of chapters 18 and 19 of this title apply.

22 ~~In recognition of the work being performed by the streamlined sales and use tax governing~~
23 ~~board, upon passage of any federal law that authorizes states to require remote sellers to collect and~~
24 ~~remit sales and use taxes, the rate imposed under this section shall be increased from one percent~~
25 ~~(1%) to one and one half percent (1.5%). The one and one half percent (1.5%) rate shall take effect~~
26 ~~on the date that the state requires remote sellers to collect and remit sales and use taxes.~~

27 **44-18-20. Use tax imposed.**

28 (a) An excise tax is imposed on the storage, use, or other consumption in this state of
29 tangible personal property; prewritten computer software delivered electronically or by load and
30 leave; vendor-hosted prewritten computer software; specified digital products; or services as
31 defined in § 44-18-7.3, including a motor vehicle, a boat, an airplane, or a trailer, purchased from
32 any retailer at the rate of six percent (6%) of the sale price of the property.

33 (b) An excise tax is imposed on the storage, use, or other consumption in this state of a
34 motor vehicle, a boat, an airplane, or a trailer purchased from other than a licensed motor vehicle

1 dealer or other than a retailer of boats, airplanes, or trailers respectively, at the rate of six percent
2 (6%) of the sale price of the motor vehicle, boat, airplane, or trailer.

3 (c) The word "trailer," as used in this section and in § 44-18-21, means and includes those
4 defined in § 31-1-5(a) -- (f) and also includes boat trailers, camping trailers, house trailers, and
5 mobile homes.

6 (d) Notwithstanding the provisions contained in this section and in § 44-18-21 relating to
7 the imposition of a use tax and liability for this tax on certain casual sales, no tax is payable in any
8 casual sale:

9 (1) When the transferee or purchaser is the spouse, mother, father, brother, sister, or child
10 of the transferor or seller;

11 (2) When the transfer or sale is made in connection with the organization, reorganization,
12 dissolution, or partial liquidation of a business entity, provided:

13 (i) The last taxable sale, transfer, or use of the article being transferred or sold was subjected
14 to a tax imposed by this chapter;

15 (ii) The transferee is the business entity referred to or is a stockholder, owner, member, or
16 partner; and

17 (iii) Any gain or loss to the transferor is not recognized for income tax purposes under the
18 provisions of the federal income tax law and treasury regulations and rulings issued thereunder;

19 (3) When the sale or transfer is of a trailer, other than a camping trailer, of the type
20 ordinarily used for residential purposes and commonly known as a house trailer or as a mobile
21 home; or

22 (4) When the transferee or purchaser is exempt under the provisions of § 44-18-30 or other
23 general law of this state or special act of the general assembly of this state.

24 (e) The term "casual" means a sale made by a person other than a retailer, provided, that in
25 the case of a sale of a motor vehicle, the term means a sale made by a person other than a licensed
26 motor vehicle dealer or an auctioneer at an auction sale. In no case is the tax imposed under the
27 provisions of subsections (a) and (b) of this section on the storage, use, or other consumption in
28 this state of a used motor vehicle less than the product obtained by multiplying the amount of the
29 retail dollar value at the time of purchase of the motor vehicle by the applicable tax rate; provided,
30 that where the amount of the sale price exceeds the amount of the retail dollar value, the tax is
31 based on the sale price. The tax administrator shall use as his or her guide the retail dollar value as
32 shown in the current issue of any nationally recognized, used-vehicle guide for appraisal purposes
33 in this state. On request within thirty (30) days by the taxpayer after payment of the tax, if the tax
34 administrator determines that the retail dollar value as stated in this subsection is inequitable or

1 unreasonable, he or she shall, after affording the taxpayer reasonable opportunity to be heard, re-
2 determine the tax.

3 (f) Every person making more than five (5) retail sales of tangible personal property or
4 prewritten computer software delivered electronically or by load and leave, or vendor-hosted
5 prewritten computer software, or specified digital products, or services as defined in § 44-18-7.3
6 during any twelve-month (12) period, including sales made in the capacity of assignee for the
7 benefit of creditors or receiver or trustee in bankruptcy, is considered a retailer within the provisions
8 of this chapter.

9 (g)(1) "Casual sale" includes a sale of tangible personal property not held or used by a
10 seller in the course of activities for which the seller is required to hold a seller's permit or permits
11 or would be required to hold a seller's permit or permits if the activities were conducted in this
12 state, provided that the sale is not one of a series of sales sufficient in number, scope, and character
13 (more than five (5) in any twelve-month (12) period) to constitute an activity for which the seller
14 is required to hold a seller's permit or would be required to hold a seller's permit if the activity were
15 conducted in this state.

16 (2) Casual sales also include sales made at bazaars, fairs, picnics, or similar events by
17 nonprofit organizations, that are organized for charitable, educational, civic, religious, social,
18 recreational, fraternal, or literary purposes during two (2) events not to exceed a total of six (6)
19 days duration each calendar year. Each event requires the issuance of a permit by the division of
20 taxation. Where sales are made at events by a vendor that holds a sales tax permit and is not a
21 nonprofit organization, the sales are in the regular course of business and are not exempt as casual
22 sales.

23 (h) The use tax imposed under this section for the period commencing July 1, 1990, is at
24 the rate of seven percent (7%). ~~In recognition of the work being performed by the streamlined sales
25 and use tax governing board, upon passage of any federal law that authorizes states to require
26 remote sellers to collect and remit sales and use taxes, effective the first (1st) day of the first (1st)
27 state fiscal quarter following the change, the rate imposed under § 44-18-18 shall be reduced from
28 seven percent (7.0%) to six and one half percent (6.5%). The six and one half percent (6.5%) rate
29 shall take effect on the date that the state requires remote sellers to collect and remit sales and use
30 taxes.~~

31 **44-18-21. Liability for use tax.**

32 (a) Every person storing, using, or consuming in this state tangible personal property,
33 including a motor vehicle, boat, airplane, or trailer, purchased from a retailer, and a motor vehicle,
34 boat, airplane, or trailer, purchased from other than a licensed motor vehicle dealer or other than a

1 retailer of boats, airplanes, or trailers respectively; or storing, using or consuming specified
2 prewritten computer software delivered electronically or by load and leave, or vendor-hosted
3 prewritten computer software, [or specified digital products](#), or services as defined in § 44-18-7.3 is
4 liable for the use tax. The person's liability is not extinguished until the tax has been paid to this
5 state, except that a receipt from a retailer engaging in business in this state or from a retailer who
6 is authorized by the tax administrator to collect the tax under rules and regulations that he or she
7 may prescribe, given to the purchaser pursuant to the provisions of § 44-18-22, is sufficient to
8 relieve the purchaser from further liability for the tax to which the receipt refers.

9 (b) Each person before obtaining an original or transferral registration for any article or
10 commodity in this state, which article or commodity is required to be licensed or registered in the
11 state, shall furnish satisfactory evidence to the tax administrator that any tax due under this chapter
12 with reference to the article or commodity has been paid, and for the purpose of effecting
13 compliance, the tax administrator, in addition to any other powers granted to him or her, may invoke
14 the provisions of § 31-3-4 in the case of a motor vehicle. The tax administrator, when he or she
15 deems it to be for the convenience of the general public, may authorize any agency of the state
16 concerned with the licensing or registering of these articles or commodities to collect the use tax
17 on any articles or commodities which the purchaser is required by this chapter to pay before
18 receiving an original or transferral registration. The general assembly shall annually appropriate a
19 sum that it deems necessary to carry out the purposes of this section. Notwithstanding the
20 provisions of §§ 44-18-19, 44-18-22, and 44-18-24, the sales or use tax on any motor vehicle and/or
21 recreational vehicle requiring registration by the administrator of the division of motor vehicles
22 shall not be added by the retailer to the sale price or charge but shall be paid directly by the
23 purchaser to the tax administrator, or his or her authorized deputy or agent as provided in this
24 section.

25 (c) In cases involving total loss or destruction of a motor vehicle occurring within one
26 hundred twenty (120) days from the date of purchase and upon which the purchaser has paid the
27 use tax, the amount of the tax constitutes an overpayment. The amount of the overpayment may be
28 credited against the amount of use tax on any subsequent vehicle which the owner acquires to
29 replace the lost or destroyed vehicle or may be refunded, in whole or in part.

30 **44-18-22. Collection of use tax by retailer.**

31 Every retailer engaging in business in this state and making sales of tangible personal
32 property or prewritten computer software delivered electronically or by load and leave, or vendor-
33 hosted prewritten computer software, [or specified digital products](#), or services as defined in § 44-
34 18-7.3, for storage, use, or other consumption in this state, not exempted under this chapter shall,

1 at the time of making the sales, or if the storage, use, or other consumption of the tangible personal
2 property, prewritten computer software delivered electronically or by load and leave, vendor-hosted
3 prewritten computer software, [or specified digital products](#), or services as defined in § 44-18-7.3,
4 is not then taxable under this chapter, at the time the storage, use, or other consumption becomes
5 taxable, collect the tax from the purchaser and give to the purchaser a receipt in the manner and
6 form prescribed by the tax administrator.

7 **44-18-23. "Engaging in business" defined.**

8 As used in §§ 44-18-21 and 44-18-22 the term "engaging in business in this state" means
9 the selling or delivering in this state, or any activity in this state related to the selling or delivering
10 in this state of tangible personal property or prewritten computer software delivered electronically
11 or by load and leave, or vendor-hosted prewritten computer software, [or specified digital products](#),
12 for storage, use, or other consumption in this state; or services as defined in § 44-18-7.3 in this
13 state. This term includes, but is not limited to, the following acts or methods of transacting business:

14 (1) Maintaining, occupying, or using in this state permanently or temporarily, directly or
15 indirectly or through a subsidiary, representative, or agent by whatever name called and whether or
16 not qualified to do business in this state, any office, place of distribution, sales or sample room or
17 place, warehouse or storage place, or other place of business;

18 (2) Having any subsidiary, representative, agent, salesperson, canvasser, or solicitor
19 permanently or temporarily, and whether or not the subsidiary, representative, or agent is qualified
20 to do business in this state, operate in this state for the purpose of selling, delivering, or the taking
21 of orders for any tangible personal property, or prewritten computer software delivered
22 electronically or by load and leave, or vendor-hosted prewritten computer software, [or specified](#)
23 [digital products](#), or services as defined in § 44-18-7.3;

24 (3) The regular or systematic solicitation of sales of tangible personal property, or
25 prewritten computer software delivered electronically or by load and leave, or vendor-hosted
26 prewritten computer software, [or specified digital products](#), or services as defined in § 44-18-7.3,
27 in this state by means of:

28 (i) Advertising in newspapers, magazines, and other periodicals published in this state, sold
29 over the counter in this state or sold by subscription to residents of this state, billboards located in
30 this state, airborne advertising messages produced or transported in the air space above this state,
31 display cards and posters on common carriers or any other means of public conveyance
32 incorporated or operating primarily in this state, brochures, catalogs, circulars, coupons, pamphlets,
33 samples, and similar advertising material mailed to, or distributed within this state to residents of
34 this state;

- 1 (ii) Telephone;
- 2 (iii) Computer-assisted shopping networks; and
- 3 (iv) Television, radio or any other electronic media, which is intended to be broadcast to
- 4 consumers located in this state.

5 **44-18-25. Presumption that sale is for storage, use, or consumption -- Resale**

6 **certificate.**

7 It is presumed that all gross receipts are subject to the sales tax, and that the use of all

8 tangible personal property, or prewritten computer software delivered electronically or by load and

9 leave, or vendor-hosted prewritten computer software, [or specified digital products](#), or services as

10 defined in § 44-18-7.3, are subject to the use tax, and that all tangible personal property, or

11 prewritten computer software delivered electronically or by load and leave, or vendor-hosted

12 prewritten computer software, [or specified digital products](#), or services as defined in § 44-18-7.3,

13 sold or in processing or intended for delivery or delivered in this state is sold or delivered for

14 storage, use, or other consumption in this state, until the contrary is established to the satisfaction

15 of the tax administrator. The burden of proving the contrary is upon the person who makes the sale

16 and the purchaser, unless the person who makes the sale takes from the purchaser a certificate to

17 the effect that the purchase was for resale. The certificate shall contain any information and be in

18 the form that the tax administrator may require.

19 **44-18-30. Gross receipts exempt from sales and use taxes.**

20 There are exempted from the taxes imposed by this chapter the following gross receipts:

21 (1) Sales and uses beyond constitutional power of state. From the sale and from the storage,

22 use, or other consumption in this state of tangible personal property the gross receipts from the sale

23 of which, or the storage, use, or other consumption of which, this state is prohibited from taxing

24 under the Constitution of the United States or under the constitution of this state.

25 (2) Newspapers.

26 (i) From the sale and from the storage, use, or other consumption in this state of any

27 newspaper.

28 (ii) "Newspaper" means an unbound publication printed on newsprint that contains news,

29 editorial comment, opinions, features, advertising matter, and other matters of public interest.

30 (iii) "Newspaper" does not include a magazine, handbill, circular, flyer, sales catalog, or

31 similar item unless the item is printed for, and distributed as, a part of a newspaper.

32 (3) School meals. From the sale and from the storage, use, or other consumption in this

33 state of meals served by public, private, or parochial schools, school districts, colleges, universities,

34 student organizations, and parent-teacher associations to the students or teachers of a school,

1 college, or university whether the meals are served by the educational institutions or by a food
2 service or management entity under contract to the educational institutions.

3 (4) Containers.

4 (i) From the sale and from the storage, use, or other consumption in this state of:

5 (A) Non-returnable containers, including boxes, paper bags, and wrapping materials that
6 are biodegradable and all bags and wrapping materials utilized in the medical and healing arts,
7 when sold without the contents to persons who place the contents in the container and sell the
8 contents with the container.

9 (B) Containers when sold with the contents if the sale price of the contents is not required
10 to be included in the measure of the taxes imposed by this chapter.

11 (C) Returnable containers when sold with the contents in connection with a retail sale of
12 the contents or when resold for refilling.

13 (D) Keg and barrel containers, whether returnable or not, when sold to alcoholic beverage
14 producers who place the alcoholic beverages in the containers.

15 (ii) As used in this subdivision, the term "returnable containers" means containers of a kind
16 customarily returned by the buyer of the contents for reuse. All other containers are "non-returnable
17 containers".

18 (5)(i) Charitable, educational, and religious organizations. From the sale to, as in defined
19 in this section, and from the storage, use, and other consumption in this state, or any other state of
20 the United States of America, of tangible personal property by hospitals not operated for a profit;
21 "educational institutions" as defined in subdivision (18) not operated for a profit; churches,
22 orphanages, and other institutions or organizations operated exclusively for religious or charitable
23 purposes; interest-free loan associations not operated for profit; nonprofit, organized sporting
24 leagues and associations and bands for boys and girls under the age of nineteen (19) years; the
25 following vocational student organizations that are state chapters of national vocational student
26 organizations: Distributive Education Clubs of America (DECA); Future Business Leaders of
27 America, Phi Beta Lambda (FBLA/PBL); Future Farmers of America (FFA); Future Homemakers
28 of America/Home Economics Related Occupations (FHA/HERD); Vocational Industrial Clubs of
29 America (VICA); organized nonprofit golden age and senior citizens clubs for men and women;
30 and parent-teacher associations; and from the sale, storage, use, and other consumption in this state,
31 of and by the Industrial Foundation of Burrillville, a Rhode Island domestic nonprofit corporation.

32 (ii) In the case of contracts entered into with the federal government, its agencies, or
33 instrumentalities, this state, or any other state of the United States of America, its agencies, any
34 city, town, district, or other political subdivision of the states; hospitals not operated for profit;

1 educational institutions not operated for profit; churches, orphanages, and other institutions or
2 organizations operated exclusively for religious or charitable purposes, the contractor may purchase
3 such materials and supplies (materials and/or supplies are defined as those that are essential to the
4 project) that are to be utilized in the construction of the projects being performed under the contracts
5 without payment of the tax.

6 (iii) The contractor shall not charge any sales or use tax to any exempt agency, institution,
7 or organization but shall in that instance provide his or her suppliers with certificates in the form
8 as determined by the division of taxation showing the reason for exemption and the contractor's
9 records must substantiate the claim for exemption by showing the disposition of all property so
10 purchased. If any property is then used for a nonexempt purpose, the contractor must pay the tax
11 on the property used.

12 (6) Gasoline. From the sale and from the storage, use, or other consumption in this state of:
13 (i) gasoline and other products taxed under chapter 36 of title 31 and (ii) fuels used for the
14 propulsion of airplanes.

15 (7) Purchase for manufacturing purposes.

16 (i) From the sale and from the storage, use, or other consumption in this state of computer
17 software, tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration, and
18 water, when the property or service is purchased for the purpose of being manufactured into a
19 finished product for resale and becomes an ingredient, component, or integral part of the
20 manufactured, compounded, processed, assembled, or prepared product, or if the property or
21 service is consumed in the process of manufacturing for resale computer software, tangible personal
22 property, electricity, natural gas, artificial gas, steam, refrigeration, or water.

23 (ii) "Consumed" means destroyed, used up, or worn out to the degree or extent that the
24 property cannot be repaired, reconditioned, or rendered fit for further manufacturing use.

25 (iii) "Consumed" includes mere obsolescence.

26 (iv) "Manufacturing" means and includes: manufacturing, compounding, processing,
27 assembling, preparing, or producing.

28 (v) "Process of manufacturing" means and includes all production operations performed in
29 the producing or processing room, shop, or plant, insofar as the operations are a part of and
30 connected with the manufacturing for resale of tangible personal property, electricity, natural gas,
31 artificial gas, steam, refrigeration, or water and all production operations performed insofar as the
32 operations are a part of and connected with the manufacturing for resale of computer software.

33 (vi) "Process of manufacturing" does not mean or include administration operations such
34 as general office operations, accounting, collection, or sales promotion, nor does it mean or include

1 distribution operations that occur subsequent to production operations, such as handling, storing,
2 selling, and transporting the manufactured products, even though the administration and
3 distribution operations are performed by, or in connection with, a manufacturing business.

4 (8) State and political subdivisions. From the sale to, and from the storage, use, or other
5 consumption by, this state, any city, town, district, or other political subdivision of this state. Every
6 redevelopment agency created pursuant to chapter 31 of title 45 is deemed to be a subdivision of
7 the municipality where it is located.

8 (9) Food and food ingredients. From the sale and storage, use, or other consumption in this
9 state of food and food ingredients as defined in § 44-18-7.1(l).

10 For the purposes of this exemption "food and food ingredients" shall not include candy,
11 soft drinks, dietary supplements, alcoholic beverages, tobacco, food sold through vending
12 machines, or prepared food, as those terms are defined in § 44-18-7.1, unless the prepared food is:

13 (i) Sold by a seller whose primary NAICS classification is manufacturing in sector 311,
14 except sub-sector 3118 (bakeries);

15 (ii) Sold in an unheated state by weight or volume as a single item;

16 (iii) Bakery items, including: bread, rolls, buns, biscuits, bagels, croissants, pastries,
17 donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and

18 is not sold with utensils provided by the seller, including: plates, knives, forks, spoons,
19 glasses, cups, napkins, or straws.

20 (10) Medicines, drugs, and durable medical equipment. From the sale and from the storage,
21 use, or other consumption in this state, of:

22 (i) "Drugs" as defined in § 44-18-7.1(h)(i), sold on prescriptions, medical oxygen, and
23 insulin whether or not sold on prescription. For purposes of this exemption drugs shall not include
24 over-the-counter drugs and grooming and hygiene products as defined in § 44-18-7.1(h)(iii).

25 (ii) Durable medical equipment as defined in § 44-18-7.1(k) for home use only, including,
26 but not limited to: syringe infusers, ambulatory drug delivery pumps, hospital beds, convalescent
27 chairs, and chair lifts. Supplies used in connection with syringe infusers and ambulatory drug
28 delivery pumps that are sold on prescription to individuals to be used by them to dispense or
29 administer prescription drugs, and related ancillary dressings and supplies used to dispense or
30 administer prescription drugs, shall also be exempt from tax.

31 (11) Prosthetic devices and mobility enhancing equipment. From the sale and from the
32 storage, use, or other consumption in this state, of prosthetic devices as defined in § 44-18-7.1(t),
33 sold on prescription, including, but not limited to: artificial limbs, dentures, spectacles, eyeglasses,
34 and artificial eyes; artificial hearing devices and hearing aids, whether or not sold on prescription;

1 and mobility enhancing equipment as defined in § 44-18-7.1(p), including wheelchairs, crutches,
2 and canes.

3 (12) Coffins, caskets, urns, shrouds and burial garments. From the sale and from the
4 storage, use, or other consumption in this state of coffins, ~~or~~ caskets, ~~and~~ urns, shrouds ~~or~~ and other
5 burial garments that are ordinarily sold by a funeral director as part of the business of funeral
6 directing.

7 (13) Motor vehicles sold to nonresidents.

8 (i) From the sale, subsequent to June 30, 1958, of a motor vehicle to a bona fide nonresident
9 of this state who does not register the motor vehicle in this state, whether the sale or delivery of the
10 motor vehicle is made in this state or at the place of residence of the nonresident. A motor vehicle
11 sold to a bona fide nonresident whose state of residence does not allow a like exemption to its
12 nonresidents is not exempt from the tax imposed under § 44-18-20. In that event, the bona fide
13 nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate that would be imposed
14 in his or her state of residence not to exceed the rate that would have been imposed under § 44-18-
15 20. Notwithstanding any other provisions of law, a licensed motor vehicle dealer shall add and
16 collect the tax required under this subdivision and remit the tax to the tax administrator under the
17 provisions of chapters 18 and 19 of this title. When a Rhode Island licensed, motor vehicle dealer
18 is required to add and collect the sales and use tax on the sale of a motor vehicle to a bona fide
19 nonresident as provided in this section, the dealer in computing the tax takes into consideration the
20 law of the state of the nonresident as it relates to the trade-in of motor vehicles.

21 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may
22 require any licensed motor vehicle dealer to keep records of sales to bona fide nonresidents as the
23 tax administrator deems reasonably necessary to substantiate the exemption provided in this
24 subdivision, including the affidavit of a licensed motor vehicle dealer that the purchaser of the
25 motor vehicle was the holder of, and had in his or her possession a valid out-of-state motor vehicle
26 registration or a valid out-of-state driver's license.

27 (iii) Any nonresident who registers a motor vehicle in this state within ninety (90) days of
28 the date of its sale to him or her is deemed to have purchased the motor vehicle for use, storage, or
29 other consumption in this state, and is subject to, and liable for, the use tax imposed under the
30 provisions of § 44-18-20.

31 (14) Sales in public buildings by blind people. From the sale and from the storage, use, or
32 other consumption in all public buildings in this state of all products or wares by any person
33 licensed under § 40-9-11.1.

34 (15) Air and water pollution control facilities. From the sale, storage, use, or other

1 consumption in this state of tangible personal property or supplies acquired for incorporation into
2 or used and consumed in the operation of a facility, the primary purpose of which is to aid in the
3 control of the pollution or contamination of the waters or air of the state, as defined in chapter 12
4 of title 46 and chapter 23 of title 23, respectively, and that has been certified as approved for that
5 purpose by the director of environmental management. The director of environmental management
6 may certify to a portion of the tangible personal property or supplies acquired for incorporation
7 into those facilities or used and consumed in the operation of those facilities to the extent that that
8 portion has as its primary purpose the control of the pollution or contamination of the waters or air
9 of this state. As used in this subdivision, "facility" means any land, facility, device, building,
10 machinery, or equipment.

11 (16) Camps. From the rental charged for living quarters, or sleeping, or housekeeping
12 accommodations at camps or retreat houses operated by religious, charitable, educational, or other
13 organizations and associations mentioned in subsection (5), or by privately owned and operated
14 summer camps for children.

15 (17) Certain institutions. From the rental charged for living or sleeping quarters in an
16 institution licensed by the state for the hospitalization, custodial, or nursing care of human beings.

17 (18) Educational institutions. From the rental charged by any educational institution for
18 living quarters, or sleeping, or housekeeping accommodations or other rooms or accommodations
19 to any student or teacher necessitated by attendance at an educational institution. "Educational
20 institution" as used in this section means an institution of learning not operated for profit that is
21 empowered to confer diplomas, educational, literary, or academic degrees; that has a regular
22 faculty, curriculum, and organized body of pupils or students in attendance throughout the usual
23 school year; that keeps and furnishes to students and others records required and accepted for
24 entrance to schools of secondary, collegiate, or graduate rank; and no part of the net earnings of
25 which inures to the benefit of any individual.

26 (19) Motor vehicle and adaptive equipment for persons with disabilities.

27 (i) From the sale of: (A) Special adaptations; (B) The component parts of the special
28 adaptations; or (C) A specially adapted motor vehicle; provided that the owner furnishes to the tax
29 administrator an affidavit of a licensed physician to the effect that the specially adapted motor
30 vehicle is necessary to transport a family member with a disability or where the vehicle has been
31 specially adapted to meet the specific needs of the person with a disability. This exemption applies
32 to not more than one motor vehicle owned and registered for personal, noncommercial use.

33 (ii) For the purpose of this subsection the term "special adaptations" includes, but is not
34 limited to: wheelchair lifts, wheelchair carriers, wheelchair ramps, wheelchair securements, hand

1 controls, steering devices, extensions, relocations, and crossovers of operator controls, power-
2 assisted controls, raised tops or dropped floors, raised entry doors, or alternative signaling devices
3 to auditory signals.

4 (iii) From the sale of: (a) Special adaptations, (b) The component parts of the special
5 adaptations, for a "wheelchair accessible taxicab" as defined in § 39-14-1, and/or a "wheelchair
6 accessible public motor vehicle" as defined in § 39-14.1-1.

7 (iv) For the purpose of this subdivision the exemption for a "specially adapted motor
8 vehicle" means a use tax credit not to exceed the amount of use tax that would otherwise be due on
9 the motor vehicle, exclusive of any adaptations. The use tax credit is equal to the cost of the special
10 adaptations, including installation.

11 (20) Heating fuels. From the sale and from the storage, use, or other consumption in this
12 state of every type of heating fuel.

13 (21) Electricity and gas. From the sale and from the storage, use, or other consumption in
14 this state of electricity and gas.

15 (22) Manufacturing machinery and equipment.

16 (i) From the sale and from the storage, use, or other consumption in this state of tools, dies,
17 molds, machinery, equipment (including replacement parts), and related items to the extent used in
18 an industrial plant in connection with the actual manufacture, conversion, or processing of tangible
19 personal property, or to the extent used in connection with the actual manufacture, conversion, or
20 processing of computer software as that term is utilized in industry numbers 7371, 7372, and 7373
21 in the standard industrial classification manual prepared by the Technical Committee on Industrial
22 Classification, Office of Statistical Standards, Executive Office of the President, United States
23 Bureau of the Budget, as revised from time to time, to be sold, or that machinery and equipment
24 used in the furnishing of power to an industrial manufacturing plant. For the purposes of this
25 subdivision, "industrial plant" means a factory at a fixed location primarily engaged in the
26 manufacture, conversion, or processing of tangible personal property to be sold in the regular
27 course of business;

28 (ii) Machinery and equipment and related items are not deemed to be used in connection
29 with the actual manufacture, conversion, or processing of tangible personal property, or in
30 connection with the actual manufacture, conversion, or processing of computer software as that
31 term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification
32 manual prepared by the Technical Committee on Industrial Classification, Office of Statistical
33 Standards, Executive Office of the President, United States Bureau of the Budget, as revised from
34 time to time, to be sold to the extent the property is used in administration or distribution operations;

1 (iii) Machinery and equipment and related items used in connection with the actual
2 manufacture, conversion, or processing of any computer software or any tangible personal property
3 that is not to be sold and that would be exempt under subdivision (7) or this subdivision if purchased
4 from a vendor or machinery and equipment and related items used during any manufacturing,
5 converting, or processing function is exempt under this subdivision even if that operation, function,
6 or purpose is not an integral or essential part of a continuous production flow or manufacturing
7 process;

8 (iv) Where a portion of a group of portable or mobile machinery is used in connection with
9 the actual manufacture, conversion, or processing of computer software or tangible personal
10 property to be sold, as previously defined, that portion, if otherwise qualifying, is exempt under
11 this subdivision even though the machinery in that group is used interchangeably and not otherwise
12 identifiable as to use.

13 (23) Trade-in value of motor vehicles. From the sale and from the storage, use, or other
14 consumption in this state of so much of the purchase price paid for a new or used automobile as is
15 allocated for a trade-in allowance on the automobile of the buyer given in trade to the seller, or of
16 the proceeds applicable only to the automobile as are received from the manufacturer of
17 automobiles for the repurchase of the automobile whether the repurchase was voluntary or not
18 towards the purchase of a new or used automobile by the buyer. For the purpose of this subdivision,
19 the word "automobile" means a private passenger automobile not used for hire and does not refer
20 to any other type of motor vehicle.

21 (24) Precious metal bullion.

22 (i) From the sale and from the storage, use, or other consumption in this state of precious
23 metal bullion, substantially equivalent to a transaction in securities or commodities.

24 (ii) For purposes of this subdivision, "precious metal bullion" means any elementary
25 precious metal that has been put through a process of smelting or refining, including, but not limited
26 to: gold, silver, platinum, rhodium, and chromium, and that is in a state or condition that its value
27 depends upon its content and not upon its form.

28 (iii) The term does not include fabricated precious metal that has been processed or
29 manufactured for some one or more specific and customary industrial, professional, or artistic uses.

30 (25) Commercial vessels. From sales made to a commercial ship, barge, or other vessel of
31 fifty (50) tons burden or over, primarily engaged in interstate or foreign commerce, and from the
32 repair, alteration, or conversion of the vessels, and from the sale of property purchased for the use
33 of the vessels including provisions, supplies, and material for the maintenance and/or repair of the
34 vessels.

1 (26) Commercial fishing vessels. From the sale and from the storage, use, or other
2 consumption in this state of vessels and other watercraft that are in excess of five (5) net tons and
3 that are used exclusively for "commercial fishing", as defined in this subdivision, and from the
4 repair, alteration, or conversion of those vessels and other watercraft, and from the sale of property
5 purchased for the use of those vessels and other watercraft including provisions, supplies, and
6 material for the maintenance and/or repair of the vessels and other watercraft and the boats nets,
7 cables, tackle, and other fishing equipment appurtenant to or used in connection with the
8 commercial fishing of the vessels and other watercraft. "Commercial fishing" means taking or
9 attempting to take any fish, shellfish, crustacea, or bait species with the intent of disposing of it for
10 profit or by sale, barter, trade, or in commercial channels. The term does not include subsistence
11 fishing, i.e., the taking for personal use and not for sale or barter; or sport fishing; but shall include
12 vessels and other watercraft with a Rhode Island party and charter boat license issued by the
13 department of environmental management pursuant to § 20-2-27.1 that meet the following criteria:
14 (i) The operator must have a current U.S.C.G. license to carry passengers for hire; (ii) U.S.C.G.
15 vessel documentation in the coast wide fishery trade; (iii) U.S.C.G. vessel documentation as to
16 proof of Rhode Island home port status or a Rhode Island boat registration to prove Rhode Island
17 home port status; and (iv) The vessel must be used as a commercial passenger carrying fishing
18 vessel to carry passengers for fishing. The vessel must be able to demonstrate that at least fifty
19 percent (50%) of its annual gross income derives from charters or provides documentation of a
20 minimum of one hundred (100) charter trips annually; and (v) The vessel must have a valid Rhode
21 Island party and charter boat license. The tax administrator shall implement the provisions of this
22 subdivision by promulgating rules and regulations relating thereto.

23 (27) Clothing and footwear. From the sales of articles of clothing, including footwear,
24 intended to be worn or carried on or about the human body for sales prior to October 1, 2012.
25 Effective October 1, 2012, the exemption will apply to the sales of articles of clothing, including
26 footwear, intended to be worn or carried on or about the human body up to two hundred and fifty
27 dollars (\$250) of the sales price per item. For the purposes of this section, "clothing or footwear"
28 does not include clothing accessories or equipment or special clothing or footwear primarily
29 designed for athletic activity or protective use as these terms are defined in section 44-18-7.1(f). In
30 recognition of the work being performed by the streamlined sales and use tax governing board,
31 upon passage of any federal law that authorizes states to require remote sellers to collect and remit
32 sales and use taxes, this unlimited exemption will apply as it did prior to October 1, 2012. The
33 unlimited exemption on sales of clothing and footwear shall take effect on the date that the state
34 requires remote sellers to collect and remit sales and use taxes.

1 (28) Water for residential use. From the sale and from the storage, use, or other
2 consumption in this state of water furnished for domestic use by occupants of residential premises.

3 (29) Bibles. [Unconstitutional; see Ahlburn v. Clark, 728 A.2d 449 (R.I. 1999); see Notes
4 to Decisions.] From the sale and from the storage, use, or other consumption in the state of any
5 canonized scriptures of any tax-exempt nonprofit religious organization including, but not limited
6 to, the Old Testament and the New Testament versions.

7 (30) Boats.

8 (i) From the sale of a boat or vessel to a bona fide nonresident of this state who does not
9 register the boat or vessel in this state or document the boat or vessel with the United States
10 government at a home port within the state, whether the sale or delivery of the boat or vessel is
11 made in this state or elsewhere; provided, that the nonresident transports the boat within thirty (30)
12 days after delivery by the seller outside the state for use thereafter solely outside the state.

13 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may
14 require the seller of the boat or vessel to keep records of the sales to bona fide nonresidents as the
15 tax administrator deems reasonably necessary to substantiate the exemption provided in this
16 subdivision, including the affidavit of the seller that the buyer represented himself or herself to be
17 a bona fide nonresident of this state and of the buyer that he or she is a nonresident of this state.

18 (31) Youth activities equipment. From the sale, storage, use, or other consumption in this
19 state of items for not more than twenty dollars (\$20.00) each by nonprofit Rhode Island
20 eleemosynary organizations, for the purposes of youth activities that the organization is formed to
21 sponsor and support; and by accredited elementary and secondary schools for the purposes of the
22 schools or of organized activities of the enrolled students.

23 (32) Farm equipment. From the sale and from the storage or use of machinery and
24 equipment used directly for commercial farming and agricultural production; including, but not
25 limited to: tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors,
26 balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment,
27 greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and
28 other farming equipment, including replacement parts appurtenant to or used in connection with
29 commercial farming and tools and supplies used in the repair and maintenance of farming
30 equipment. "Commercial farming" means the keeping or boarding of five (5) or more horses or the
31 production within this state of agricultural products, including, but not limited to, field or orchard
32 crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or production
33 provides at least two thousand five hundred dollars (\$2,500) in annual gross sales to the operator,
34 whether an individual, a group, a partnership, or a corporation for exemptions issued prior to July

1 1, 2002. For exemptions issued or renewed after July 1, 2002, there shall be two (2) levels. Level I
2 shall be based on proof of annual, gross sales from commercial farming of at least twenty-five
3 hundred dollars (\$2,500) and shall be valid for purchases subject to the exemption provided in this
4 subdivision except for motor vehicles with an excise tax value of five thousand dollars (\$5,000) or
5 greater. Level II shall be based on proof of annual gross sales from commercial farming of at least
6 ten thousand dollars (\$10,000) or greater and shall be valid for purchases subject to the exemption
7 provided in this subdivision including motor vehicles with an excise tax value of five thousand
8 dollars (\$5,000) or greater. For the initial issuance of the exemptions, proof of the requisite amount
9 of annual gross sales from commercial farming shall be required for the prior year; for any renewal
10 of an exemption granted in accordance with this subdivision at either level I or level II, proof of
11 gross annual sales from commercial farming at the requisite amount shall be required for each of
12 the prior two (2) years. Certificates of exemption issued or renewed after July 1, 2002, shall clearly
13 indicate the level of the exemption and be valid for four (4) years after the date of issue. This
14 exemption applies even if the same equipment is used for ancillary uses, or is temporarily used for
15 a non-farming or a non-agricultural purpose, but shall not apply to motor vehicles acquired after
16 July 1, 2002, unless the vehicle is a farm vehicle as defined pursuant to § 31-1-8 and is eligible for
17 registration displaying farm plates as provided for in § 31-3-31.

18 (33) Compressed air. From the sale and from the storage, use, or other consumption in the
19 state of compressed air.

20 (34) Flags. From the sale and from the storage, consumption, or other use in this state of
21 United States, Rhode Island or POW-MIA flags.

22 (35) Motor vehicle and adaptive equipment to certain veterans. From the sale of a motor
23 vehicle and adaptive equipment to and for the use of a veteran with a service-connected loss of or
24 the loss of use of a leg, foot, hand, or arm, or any veteran who is a double amputee, whether service
25 connected or not. The motor vehicle must be purchased by and especially equipped for use by the
26 qualifying veteran. Certificate of exemption or refunds of taxes paid is granted under rules or
27 regulations that the tax administrator may prescribe.

28 (36) Textbooks. From the sale and from the storage, use, or other consumption in this state
29 of textbooks by an "educational institution", as defined in subsection (18) of this section, and any
30 educational institution within the purview of § 16-63-9(4), and used textbooks by any purveyor.

31 (37) Tangible personal property and supplies used in on-site hazardous waste recycling,
32 reuse, or treatment. From the sale, storage, use, or other consumption in this state of tangible
33 personal property or supplies used or consumed in the operation of equipment, the exclusive
34 function of which is the recycling, reuse, or recovery of materials (other than precious metals, as

1 defined in subdivision (24)(ii) of this section) from the treatment of "hazardous wastes", as defined
2 in § 23-19.1-4, where the "hazardous wastes" are generated in Rhode Island solely by the same
3 taxpayer and where the personal property is located at, in, or adjacent to a generating facility of the
4 taxpayer in Rhode Island. The taxpayer shall procure an order from the director of the department
5 of environmental management certifying that the equipment and/or supplies as used or consumed,
6 qualify for the exemption under this subdivision. If any information relating to secret processes or
7 methods of manufacture, production, or treatment is disclosed to the department of environmental
8 management only to procure an order, and is a "trade secret" as defined in § 28-21-10(b), it is not
9 open to public inspection or publicly disclosed unless disclosure is required under chapter 21 of
10 title 28 or chapter 24.4 of title 23.

11 (38) Promotional and product literature of boat manufacturers. From the sale and from the
12 storage, use, or other consumption of promotional and product literature of boat manufacturers
13 shipped to points outside of Rhode Island that either: (i) Accompany the product that is sold; (ii)
14 Are shipped in bulk to out-of-state dealers for use in the sale of the product; or (iii) Are mailed to
15 customers at no charge.

16 (39) Food items paid for by food stamps. From the sale and from the storage, use, or other
17 consumption in this state of eligible food items payment for which is properly made to the retailer
18 in the form of U.S. government food stamps issued in accordance with the Food Stamp Act of 1977,
19 7 U.S.C. § 2011 et seq.

20 (40) Transportation charges. From the sale or hiring of motor carriers as defined in § 39-
21 12-2(1) to haul goods, when the contract or hiring cost is charged by a motor freight tariff filed with
22 the Rhode Island public utilities commission on the number of miles driven or by the number of
23 hours spent on the job.

24 (41) Trade-in value of boats. From the sale and from the storage, use, or other consumption
25 in this state of so much of the purchase price paid for a new or used boat as is allocated for a trade-
26 in allowance on the boat of the buyer given in trade to the seller or of the proceeds applicable only
27 to the boat as are received from an insurance claim as a result of a stolen or damaged boat, towards
28 the purchase of a new or used boat by the buyer.

29 (42) Equipment used for research and development. From the sale and from the storage,
30 use, or other consumption of equipment to the extent used for research and development purposes
31 by a qualifying firm. For the purposes of this subsection, "qualifying firm" means a business for
32 which the use of research and development equipment is an integral part of its operation and
33 "equipment" means scientific equipment, computers, software, and related items.

34 (43) Coins. From the sale and from the other consumption in this state of coins having

1 numismatic or investment value.

2 (44) Farm structure construction materials. Lumber, hardware, and other materials used in
3 the new construction of farm structures, including production facilities such as, but not limited to:
4 farrowing sheds, free stall and stanchion barns, milking parlors, silos, poultry barns, laying houses,
5 fruit and vegetable storages, rooting cellars, propagation rooms, greenhouses, packing rooms,
6 machinery storage, seasonal farm worker housing, certified farm markets, bunker and trench silos,
7 feed storage sheds, and any other structures used in connection with commercial farming.

8 (45) Telecommunications carrier access service. Carrier access service or
9 telecommunications service when purchased by a telecommunications company from another
10 telecommunications company to facilitate the provision of telecommunications service.

11 (46) Boats or vessels brought into the state exclusively for winter storage, maintenance,
12 repair, or sale. Notwithstanding the provisions of §§ 44-18-10, 44-18-11 and 44-18-20, the tax
13 imposed by § 44-18-20 is not applicable for the period commencing on the first day of October in
14 any year up to and including the 30th day of April next succeeding with respect to the use of any
15 boat or vessel within this state exclusively for purposes of: (i) Delivery of the vessel to a facility in
16 this state for storage, including dry storage and storage in water by means of apparatus preventing
17 ice damage to the hull, maintenance, or repair; (ii) The actual process of storage, maintenance, or
18 repair of the boat or vessel; or (iii) Storage for the purpose of selling the boat or vessel.

19 (47) Jewelry display product. From the sale and from the storage, use, or other consumption
20 in this state of tangible personal property used to display any jewelry product; provided that title to
21 the jewelry display product is transferred by the jewelry manufacturer or seller and that the jewelry
22 display product is shipped out of state for use solely outside the state and is not returned to the
23 jewelry manufacturer or seller.

24 (48) Boats or vessels generally. Notwithstanding the provisions of this chapter, the tax
25 imposed by §§ 44-18-20 and 44-18-18 shall not apply with respect to the sale and to the storage,
26 use, or other consumption in this state of any new or used boat. The exemption provided for in this
27 subdivision does not apply after October 1, 1993, unless prior to October 1, 1993, the federal ten
28 percent (10%) surcharge on luxury boats is repealed.

29 (49) Banks and regulated investment companies interstate toll-free calls. Notwithstanding
30 the provisions of this chapter, the tax imposed by this chapter does not apply to the furnishing of
31 interstate and international, toll-free terminating telecommunication service that is used directly
32 and exclusively by or for the benefit of an eligible company as defined in this subdivision; provided
33 that an eligible company employs on average during the calendar year no less than five hundred
34 (500) "full-time equivalent employees" as that term is defined in § 42-64.5-2. For purposes of this

1 section, an "eligible company" means a "regulated investment company" as that term is defined in
2 the Internal Revenue Code of 1986, 26 U.S.C. § 851, or a corporation to the extent the service is
3 provided, directly or indirectly, to or on behalf of a regulated investment company, an employee
4 benefit plan, a retirement plan or a pension plan, or a state-chartered bank.

5 (50) Mobile and manufactured homes generally. From the sale and from the storage, use,
6 or other consumption in this state of mobile and/or manufactured homes as defined and subject to
7 taxation pursuant to the provisions of chapter 44 of title 31.

8 (51) Manufacturing business reconstruction materials.

9 (i) From the sale and from the storage, use, or other consumption in this state of lumber,
10 hardware, and other building materials used in the reconstruction of a manufacturing business
11 facility that suffers a disaster, as defined in this subdivision, in this state. "Disaster" means any
12 occurrence, natural or otherwise, that results in the destruction of sixty percent (60%) or more of
13 an operating manufacturing business facility within this state. "Disaster" does not include any
14 damage resulting from the willful act of the owner of the manufacturing business facility.

15 (ii) Manufacturing business facility includes, but is not limited to, the structures housing
16 the production and administrative facilities.

17 (iii) In the event a manufacturer has more than one manufacturing site in this state, the sixty
18 percent (60%) provision applies to the damages suffered at that one site.

19 (iv) To the extent that the costs of the reconstruction materials are reimbursed by insurance,
20 this exemption does not apply.

21 (52) Tangible personal property and supplies used in the processing or preparation of floral
22 products and floral arrangements. From the sale, storage, use, or other consumption in this state of
23 tangible personal property or supplies purchased by florists, garden centers, or other like producers
24 or vendors of flowers, plants, floral products, and natural and artificial floral arrangements that are
25 ultimately sold with flowers, plants, floral products, and natural and artificial floral arrangements
26 or are otherwise used in the decoration, fabrication, creation, processing, or preparation of flowers,
27 plants, floral products, or natural and artificial floral arrangements, including descriptive labels,
28 stickers, and cards affixed to the flower, plant, floral product, or arrangement, artificial flowers,
29 spray materials, floral paint and tint, plant shine, flower food, insecticide, and fertilizers.

30 (53) Horse food products. From the sale and from the storage, use, or other consumption
31 in this state of horse food products purchased by a person engaged in the business of the boarding
32 of horses.

33 (54) Non-motorized recreational vehicles sold to nonresidents.

34 (i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle to

1 a bona fide nonresident of this state who does not register the non-motorized recreational vehicle
2 in this state, whether the sale or delivery of the non-motorized recreational vehicle is made in this
3 state or at the place of residence of the nonresident; provided that a non-motorized recreational
4 vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption to
5 its nonresidents is not exempt from the tax imposed under § 44-18-20; provided, further, that in
6 that event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate
7 that would be imposed in his or her state of residence not to exceed the rate that would have been
8 imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed, non-motorized
9 recreational vehicle dealer shall add and collect the tax required under this subdivision and remit
10 the tax to the tax administrator under the provisions of chapters 18 and 19 of this title. Provided,
11 that when a Rhode Island licensed, non-motorized recreational vehicle dealer is required to add and
12 collect the sales and use tax on the sale of a non-motorized recreational vehicle to a bona fide
13 nonresident as provided in this section, the dealer in computing the tax takes into consideration the
14 law of the state of the nonresident as it relates to the trade-in of motor vehicles.

15 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may
16 require any licensed, non-motorized recreational vehicle dealer to keep records of sales to bona fide
17 nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption
18 provided in this subdivision, including the affidavit of a licensed, non-motorized recreational
19 vehicle dealer that the purchaser of the non-motorized recreational vehicle was the holder of, and
20 had in his or her possession a valid out-of-state non-motorized recreational vehicle registration or
21 a valid out-of-state driver's license.

22 (iii) Any nonresident who registers a non-motorized recreational vehicle in this state within
23 ninety (90) days of the date of its sale to him or her is deemed to have purchased the non-motorized
24 recreational vehicle for use, storage, or other consumption in this state, and is subject to, and liable
25 for, the use tax imposed under the provisions of § 44-18-20.

26 (iv) "Non-motorized recreational vehicle" means any portable dwelling designed and
27 constructed to be used as a temporary dwelling for travel, camping, recreational, and vacation use
28 that is eligible to be registered for highway use, including, but not limited to, "pick-up coaches" or
29 "pick-up campers," "travel trailers," and "tent trailers" as those terms are defined in chapter 1 of
30 title 31.

31 (55) Sprinkler and fire alarm systems in existing buildings. From the sale in this state of
32 sprinkler and fire alarm systems; emergency lighting and alarm systems; and the materials
33 necessary and attendant to the installation of those systems that are required in buildings and
34 occupancies existing therein in July 2003 in order to comply with any additional requirements for

1 such buildings arising directly from the enactment of the Comprehensive Fire Safety Act of 2003
2 and that are not required by any other provision of law or ordinance or regulation adopted pursuant
3 to that act. The exemption provided in this subdivision shall expire on December 31, 2008.

4 (56) Aircraft. Notwithstanding the provisions of this chapter, the tax imposed by §§ 44-18-
5 18 and 44-18-20 shall not apply with respect to the sale and to the storage, use, or other consumption
6 in this state of any new or used aircraft or aircraft parts.

7 (57) Renewable energy products. Notwithstanding any other provisions of Rhode Island
8 general laws, the following products shall also be exempt from sales tax: solar photovoltaic
9 modules or panels, or any module or panel that generates electricity from light; solar thermal
10 collectors, including, but not limited to, those manufactured with flat glass plates, extruded plastic,
11 sheet metal, and/or evacuated tubes; geothermal heat pumps, including both water-to-water and
12 water-to-air type pumps; wind turbines; towers used to mount wind turbines if specified by or sold
13 by a wind turbine manufacturer; DC to AC inverters that interconnect with utility power lines; and
14 manufactured mounting racks and ballast pans for solar collector, module, or panel installation. Not
15 to include materials that could be fabricated into such racks; monitoring and control equipment, if
16 specified or supplied by a manufacturer of solar thermal, solar photovoltaic, geothermal, or wind
17 energy systems or if required by law or regulation for such systems but not to include pumps, fans
18 or plumbing or electrical fixtures unless shipped from the manufacturer affixed to, or an integral
19 part of, another item specified on this list; and solar storage tanks that are part of a solar domestic
20 hot water system or a solar space heating system. If the tank comes with an external heat exchanger
21 it shall also be tax exempt, but a standard hot water tank is not exempt from state sales tax.

22 (58) Returned property. The amount charged for property returned by customers upon
23 rescission of the contract of sale when the entire amount exclusive of handling charges paid for the
24 property is refunded in either cash or credit, and where the property is returned within one hundred
25 twenty (120) days from the date of delivery.

26 (59) Dietary supplements. From the sale and from the storage, use, or other consumption
27 of dietary supplements as defined in § 44-18-7.1(l)(v), sold on prescriptions.

28 (60) Blood. From the sale and from the storage, use, or other consumption of human blood.

29 (61) Agricultural products for human consumption. From the sale and from the storage,
30 use, or other consumption of livestock and poultry of the kinds of products that ordinarily constitute
31 food for human consumption and of livestock of the kind the products of which ordinarily constitute
32 fibers for human use.

33 (62) Diesel emission control technology. From the sale and use of diesel retrofit technology
34 that is required by § 31-47.3-4.

1 (63) Feed for certain animals used in commercial farming. From the sale of feed for animals
2 as described in subsection (61) of this section.

3 (64) Alcoholic beverages. From the sale and storage, use, or other consumption in this state
4 by a Class A licensee of alcoholic beverages, as defined in § 44-18-7.1, excluding beer and malt
5 beverages; provided, further, notwithstanding § 6-13-1 or any other general or public law to the
6 contrary, alcoholic beverages, as defined in § 44-18-7.1, shall not be subject to minimum markup.

7 (65) Seeds and plants used to grow food and food ingredients. From the sale, storage, use,
8 or other consumption in this state of seeds and plants used to grow food and food ingredients as
9 defined in § 44-18-7.1(1)(i). "Seeds and plants used to grow food and food ingredients" shall not
10 include marijuana seeds or plants.

11 [\(66\) Feminine hygiene products. From the sale and from the storage, use, or other](#)
12 [consumption of tampons, panty liners, menstrual cups, sanitary napkins, and other similar products](#)
13 [the principal use of which is feminine hygiene in connection with the menstrual cycle.](#)

14 **44-18-36.1. Hotel tax.**

15 (a) There is imposed a hotel tax of five percent (5%) upon the total consideration charged
16 for occupancy of any space furnished by any hotel, travel packages, or room reseller or reseller as
17 defined in § 44-18-7.3(b) in this state. A house, condominium, or other resident dwelling shall be
18 exempt from the five percent (5%) hotel tax under this subsection if the house, condominium, or
19 other resident dwelling is rented in its entirety. The hotel tax is in addition to any sales tax imposed.
20 This hotel tax is administered and collected by the division of taxation and unless provided to the
21 contrary in this chapter, all the administration, collection, and other provisions of chapters 18 and
22 19 of this title apply. Nothing in this chapter shall be construed to limit the powers of the convention
23 authority of the city of Providence established pursuant to the provisions of chapter 84 of the public
24 laws of 1980, except that distribution of hotel tax receipts shall be made pursuant to chapter 63.1
25 of title 42 rather than chapter 84 of the public laws of 1980.

26 (b) There is hereby levied and imposed, upon the total consideration charged for occupancy
27 of any space furnished by any hotel in this state, in addition to all other taxes and fees now imposed
28 by law, a local hotel tax at a rate of one percent (1%). The local hotel tax shall be administered and
29 collected in accordance with subsection (a).

30 (c) All sums received by the division of taxation from the local hotel tax, penalties or
31 forfeitures, interest, costs of suit and fines shall be distributed at least quarterly, credited and paid
32 by the state treasurer to the city or town where the space for occupancy that is furnished by the
33 hotel is located. Unless provided to the contrary in this chapter, all of the administration, collection,
34 and other provisions of chapters 18 and 19 of this title shall apply.

1 (d) Notwithstanding the provisions of subsection (a) of this section, the city of Newport
2 shall have the authority to collect from hotels located in the city of Newport the tax imposed by
3 subsection (a) of this section.

4 (1) Within ten (10) days of collection of the tax, the city of Newport shall distribute the tax
5 as provided in § 42-63.1-3. No later than the first day of March and the first day of September in
6 each year in which the tax is collected, the city of Newport shall submit to the division of taxation
7 a report of the tax collected and distributed during the six (6) month period ending thirty (30) days
8 prior to the reporting date.

9 (2) The city of Newport shall have the same authority as the division of taxation to recover
10 delinquent hotel taxes pursuant to chapter 44-19, and the amount of any hotel tax, penalty and
11 interest imposed by the city of Newport until collected constitutes a lien on the real property of the
12 taxpayer.

13 ~~In recognition of the work being performed by the Streamlined Sales and Use Tax~~
14 ~~Governing Board, upon any federal law which requires remote sellers to collect and remit taxes,~~
15 ~~effective the first (1st) day of the first (1st) state fiscal quarter following the change, the rate~~
16 ~~imposed under § 44-18-36.1(b) shall be one and one half percent (1.5%).~~

17 SECTION 10. Sections 44-18.2-2 and 44-18.2-3 of the General Laws in Chapter 44-18.2
18 entitled "Sales and Use Tax - Non-Collecting Retailers, Referrers, and Retail Sale Facilitators Act"
19 are hereby amended to read as follows:

20 **44-18.2-2. Definitions.**

21 For the purposes of this chapter:

22 (1) "Division of taxation" means the Rhode Island department of revenue, division of
23 taxation. The division may also be referred to in this chapter as the "division of taxation", "tax
24 division", or "division."

25 (2) "In-state customer" means a person or persons who makes a purchase of tangible
26 personal property, prewritten computer software delivered electronically or by load and leave as
27 defined in § 44-18-7.1(g)(v), vendor-hosted prewritten computer software, [specified digital](#)
28 [products](#), and/or taxable services as defined under § 44-18-1 et seq. for use, storage, and/or other
29 consumption in this state.

30 (3) "In-state software" means software used by in-state customers on their computers,
31 smartphones, and other electronic and/or communication devices, including information or
32 software such as cached files, cached software, or "cookies", or other data tracking tools, that are
33 stored on property in this state or distributed within this state, for the purpose of purchasing tangible
34 personal property, prewritten computer software delivered electronically or by load and leave,

1 vendor-hosted prewritten computer software, [specified digital products](#), and/or taxable services.

2 (4) "Marketplace" means a physical or electronic place including, but not limited to, a store,
3 booth, Internet website, catalog, television or radio broadcast, or a dedicated sales software
4 application where tangible personal property, prewritten computer software delivered
5 electronically or by load and leave, vendor-hosted prewritten computer software, [specified digital](#)
6 [products](#), and/or taxable services is/are sold or offered for sale for delivery in this state regardless
7 of whether the tangible personal property, prewritten computer software delivered electronically or
8 by load and leave, ~~or~~ vendor-hosted prewritten computer software, [or specified digital products](#)
9 have a physical presence in the state.

10 (5) "Marketplace facilitator" means any person or persons that contracts or otherwise
11 agrees with a marketplace seller to facilitate for consideration, regardless of whether deducted as
12 fees from the transaction, the sale of the marketplace seller's products through a physical or
13 electronic marketplace operated by the person or persons, and engages:

14 (a) Directly or indirectly, through one or more affiliated persons in any of the following:

15 (i) Transmitting or otherwise communicating the offer or acceptance between the buyer
16 and seller;

17 (ii) Owning or operating the infrastructure, electronic or physical, or technology that brings
18 buyers and sellers together;

19 (iii) Providing a virtual currency that buyers are allowed or required to use to purchase
20 products from the seller; or

21 (iv) Software development or research and development activities related to any of the
22 activities described in (b) of this subsection (5), if such activities are directly related to a physical
23 or electronic marketplace operated by the person or an affiliated person; and

24 (b) In any of the following activities with respect to the seller's products:

25 (i) Payment processing services;

26 (ii) Fulfillment or storage services;

27 (iii) Listing products for sale;

28 (iv) Setting prices;

29 (v) Branding sales as those of the marketplace facilitator;

30 (vi) Order taking;

31 (vii) Advertising or promotion; or

32 (viii) Providing customer service or accepting or assisting with returns or exchanges.

33 (6) "Marketplace seller" means a person, not a related party to a marketplace facilitator,
34 who has an agreement with a marketplace facilitator and makes retail sales of tangible personal

1 property, prewritten computer software delivered electronically or by load and leave, vendor-hosted
2 prewritten computer software, [specified digital products](#), and/or taxable services through a
3 marketplace owned, operated, or controlled by a marketplace facilitator, whether or not such person
4 is required to register to collect and remit sales tax.

5 (7) "Non-collecting retailer" means any person or persons who meets at least one of the
6 following criteria:

7 (A) Uses in-state software to make sales at retail of tangible personal property, prewritten
8 computer software delivered electronically or by load and leave, and/or taxable services; or

9 (B) Sells, leases, or delivers in this state, or participates in any activity in this state in
10 connection with the selling, leasing, or delivering in this state, of tangible personal property,
11 prewritten computer software delivered electronically or by load and leave, and/or taxable services
12 for use, storage, distribution, or consumption within this state. This includes, but shall not be limited
13 to, any of the following acts or methods of transacting business:

14 (i) Engaging in, either directly or indirectly through a referrer, retail sale facilitator, or other
15 third party, direct response marketing targeted at in-state customers. For purposes of this
16 subsection, direct response marketing includes, but is not limited to, sending, transmitting, or
17 broadcasting via flyers, newsletters, telephone calls, targeted electronic mail, text messages, social
18 media messages, targeted mailings; collecting, analyzing and utilizing individual data on in-state
19 customers; using information or software, including cached files, cached software, or "cookies", or
20 other data tracking tools, that are stored on property in or distributed within this state; or taking any
21 other action(s) that use persons, tangible property, intangible property, digital files or information,
22 or software in this state in an effort to enhance the probability that the person's contacts with a
23 potential in-state customer will result in a sale to that in-state customer;

24 (ii) Entering into one or more agreements under which a person or persons who has
25 physical presence in this state refers, either directly or indirectly, potential in-state customers of
26 tangible personal property, prewritten computer software delivered electronically or by load and
27 leave, and/or taxable services to the non-collecting retailer for a fee, commission, or other
28 consideration whether by an internet-based link or an internet website, or otherwise. An agreement
29 under which a non-collecting retailer purchases advertisements from a person or persons in this
30 state to be delivered in this state on television, radio, in print, on the internet or by any other medium
31 in this state, shall not be considered an agreement under this subsection (ii), unless the
32 advertisement revenue or a portion thereof paid to the person or persons in this state consists of a
33 fee, commission, or other consideration that is based in whole or in part upon sales of tangible
34 personal property, prewritten computer software delivered electronically or by load and leave,

1 and/or taxable services; or

2 (iii) Using a retail sale facilitator to sell, lease, or deliver in this state, or participate in any
3 activity in this state in connection with the selling, leasing, or delivering in this state, of tangible
4 personal property, prewritten computer software delivered electronically or by load and leave,
5 and/or taxable services for use, storage, or consumption in this state.

6 (C) Uses a sales process that includes listing, branding, or selling tangible personal
7 property, prewritten computer software delivered electronically or by load and leave, and/or taxable
8 services for sale, soliciting, processing orders, fulfilling orders, providing customer service and/or
9 accepting or assisting with returns or exchanges occurring in this state, regardless of whether that
10 part of the process has been subcontracted to an affiliate or third party. The sales process for which
11 the in-state customer is charged not more than the basic charge for shipping and handling as used
12 in this subsection shall not include shipping via a common carrier or the United States mail;

13 (D) Offers its tangible personal property, prewritten computer software delivered
14 electronically or by load and leave, and/or taxable services for sale through one or more retail sale
15 facilitators that has physical presence in this state;

16 (E) Is related to a person that has physical presence in this state, and such related person
17 with a physical presence in this state:

18 (i) Sells tangible personal property, prewritten computer software delivered electronically
19 or by load and leave, and/or taxable services that are the same or substantially similar to that sold
20 by a non-collecting retailer under a business name that is the same or substantially similar to that
21 of the non-collecting retailer;

22 (ii) Maintains an office, distribution facility, salesroom, warehouse, storage place, or other
23 similar place of business in this state to facilitate the delivery of tangible personal property,
24 prewritten computer software delivered electronically or by load and leave, and/or taxable services
25 sold by the non-collecting retailer;

26 (iii) Uses, with consent or knowledge of the non-collecting retailer, trademarks, service
27 marks, or trade names in this state that are the same or substantially similar to those used by the
28 non-collecting retailer;

29 (iv) Delivers or has delivered (except for delivery by common carrier or United States mail
30 for which the in-state customer is charged not more than the basic charge for shipping and
31 handling), installs, or assembles tangible personal property in this state, or performs maintenance
32 or repair services on tangible personal property in this state, which tangible personal property is
33 sold to in-state customers by the non-collecting retailer;

34 (v) Facilitates the delivery of tangible personal property purchased from a non-collecting

1 retailer but delivered in this state by allowing an in-state customer to pick up the tangible personal
2 property at an office distribution facility, salesroom, warehouse, storage place, or other similar
3 place of business maintained in this state; or

4 (vi) Shares management, business systems, business practices, computer resources,
5 communication systems, payroll, personnel, or other such business resources and activities with
6 the non-collecting retailer, and/or engages in intercompany transactions with the non-collecting
7 retailer, either or both of which relate to the activities that establish or maintain the non-collecting
8 retailer's market in this state.

9 (F) Any person or persons who meets at least one of the criteria in subsections (7)(A) --
10 (7)(E) above shall be presumed to be a non-collecting retailer.

11 (G) The term "non-collecting retailer" will no longer apply to any entity that meets the
12 definition of this subsection effective ninety (90) days after the enactment of this amended chapter,
13 at which time such entity shall be classified as a "remote seller" as referenced in R.I. Gen. Laws §
14 44-18-15.2.

15 (8) "Person" means person as defined in § 44-18-6.

16 (9) "Referrer" means every person who:

17 (A) Contracts or otherwise agrees with a retailer to list and/or advertise for sale in this state
18 tangible personal property, prewritten computer software delivered electronically or by load and
19 leave, vendor-hosted prewritten computer software, and/or taxable services in any forum,
20 including, but not limited to, a catalog or internet website;

21 (B) Receives a fee, commission, and/or other consideration from a retailer for the listing
22 and/or advertisement;

23 (C) Transfers, via in-state software, internet link, or otherwise, an in-state customer to the
24 retailer or the retailer's employee, affiliate, or website to complete a purchase; and

25 (D) Does not collect payments from the in-state customer for the transaction.

26 (E) A person or persons who engages in the activity set forth in all of the activities set forth
27 in subsections (9)(A) -- (9)(D) above shall be presumed to be a referrer.

28 (10) "Related" means:

29 (A) Having a relationship with the non-collecting retailer within the meaning of the internal
30 revenue code of 1986 as amended; or

31 (B) Having one or more ownership relationships and a purpose of having the ownership
32 relationship is to avoid the application of this chapter.

33 (11) A "retail sale" or "sale at retail" means any retail sale or sale at retail as defined in §
34 44-18-8.

1 (12) "Retail sale facilitator" means any person or persons that facilitates a sale by a retailer
2 by engaging in the following types of activities:

3 (A) Using in-state software to make sales at retail of tangible personal property, prewritten
4 computer software delivered electronically or by load and leave, and/or taxable services; or

5 (B) Contracting or otherwise agreeing with a retailer to list and/or advertise for sale
6 tangible personal property, prewritten computer software delivered electronically or by load and
7 leave, and/or taxable services in any forum, including, but not limited to, a catalog or internet
8 website; and

9 (C) Either directly or indirectly through agreements or arrangements with third parties,
10 collecting payments from the in-state customer and transmitting those payments to a retailer. A
11 person or persons may be a retail sale facilitator regardless of whether they deduct any fees from
12 the transaction. The division may define in regulation circumstances under which a retail sale
13 facilitator shall be deemed to facilitate a retail sale.

14 (D) A person or persons who engages in the type of activity set forth in subsection (12) (A)
15 above or both of the types of activities set forth in subsections (12) (B) and (12) (C) above shall be
16 presumed to be a retail sale facilitator.

17 (E) The term "retail sale facilitator" will no longer apply to any entity that meets the
18 definition of this subsection effective ninety (90) days after the enactment of this amended chapter,
19 at which time such entity shall be classified as a "marketplace facilitator" as referenced above in
20 R.I. Gen. Laws § 44-18.2-2(5).

21 (13) A "retailer" means retailer as defined in § 44-18-15.

22 [\(14\) Specified digital products refers to the same term as defined in § 44-18-7.1\(x\) effective](#)
23 [July 1, 2019.](#)

24 ~~(14)~~[\(15\)](#) "State" means the State of Rhode Island and Providence Plantations.

25 ~~(15)~~[\(16\)](#) "Streamlined agreement" means the Streamlined Sales and Use Tax Agreement
26 as referenced in § 44-18.1-1 et seq.

27 ~~(16)~~[\(17\)](#) "Vendor-hosted prewritten computer software" refers to the same term as defined
28 in R.I. Gen. Laws § 44-18-7.1(g)(vii) effective October 1, 2018.

29 **44-18.2-3. Requirements for non-collecting retailers, referrers, and retail sale**
30 **facilitators.**

31 (A) Except as otherwise provided below in § 44-18.2-4, beginning on the later of July 15,
32 2017, or two (2) weeks after the enactment of this chapter, and for each tax year thereafter prior to
33 ninety (90) days after the effective date of the amendment of this chapter, any non-collecting
34 retailer, referrer, or retail sale facilitator, as defined in this chapter, that in the immediately

1 preceding calendar year either:

2 (i) Has gross revenue from the sale of tangible personal property, prewritten computer
3 software delivered electronically or by load and leave, and/or has taxable services delivered into
4 this state equal to or exceeding one hundred thousand dollars (\$100,000); or

5 (ii) Has sold tangible personal property, prewritten computer software delivered
6 electronically or by load and leave, and/or taxable services for delivery into this state in two
7 hundred (200) or more separate transactions shall comply with the requirements in subsections (F),
8 (G), and (H) as applicable.

9 (B) A non-collecting retailer, as defined in this chapter, shall comply with subsection (F)
10 below if it meets the criteria of either subsection (A)(i) or (A)(ii) above.

11 (C) A referrer, as defined in this chapter, shall comply with subsection (G) below if it meets
12 the criteria of either subsection (A)(i) or (A)(ii) above.

13 (D) A retail sale facilitator, as defined in this chapter, shall comply with subsection (H)
14 below if it meets the criteria of either subsection (A)(i) or (A)(ii) above.

15 (E) Any noncollecting retailer, retail sale facilitator and/or referrer that is collecting and
16 remitting sales tax into this state prior to the enactment of this amended chapter, date to be inserted
17 after enactment, shall be deemed a remote seller and/or marketplace facilitator and/or referrer and
18 shall continue to collect and remit sales tax.

19 Beginning on ninety (90) days after the enactment of this amended chapter, date to be
20 inserted after enactment, any remote seller, marketplace seller, marketplace facilitator, and/or
21 referrer, as defined in this chapter, who is not collecting and remitting sales tax shall comply with
22 the requirements in subsection (I) if that remote seller, marketplace seller, marketplace facilitator,
23 and/or referrer, as defined in this chapter: (i) has not been collecting or remitting sales tax in this
24 state and, in the immediately preceding calendar year either:

25 (i) Has gross revenue from the sale of tangible personal property, prewritten computer
26 software delivered electronically or by load and leave, vendor-hosted prewritten computer
27 software, [specified digital products](#), and/or has taxable services delivered into this state equal to or
28 exceeding one hundred thousand dollars (\$100,000); or

29 (ii) Has sold tangible personal property, prewritten computer software delivered
30 electronically or by load and leave, vendor-hosted prewritten computer software, [specified digital](#)
31 [products](#), and/or taxable services for delivery into this state in two hundred (200) or more separate
32 transactions.

33 (F) Non-collecting retailer. A non-collecting retailer shall either register in this state for a
34 permit to make sales at retail and collect and remit sales and use tax on all taxable sales into the

1 state or:

2 (1) Post a conspicuous notice on its website that informs in-state customers that sales or
3 use tax is due on certain purchases made from the non-collecting retailer and that this state requires
4 the in-state customer to file a sales or use tax return;

5 (2) At the time of purchase, notify in-state customers that sales or use tax is due on taxable
6 purchases made from the non-collecting retailer and that the state of Rhode Island requires the in-
7 state customer to file a sales or use tax return;

8 (3) Within forty-eight (48) hours of the time of purchase, notify in-state customers in
9 writing that sales or use tax is due on taxable purchases made from the non-collecting retailer and
10 that this state requires the in-state customer to file a sales or use tax return reflecting said purchase;

11 (4) On or before January 31 of each year, including January 31, 2018, for purchases made
12 in calendar year 2017, send a written notice to all in-state customers who have cumulative annual
13 taxable purchases from the non-collecting retailer totaling one hundred dollars (\$100) or more for
14 the prior calendar year. The notification shall show the name of the non-collecting retailer, the total
15 amount paid by the in-state customer to the non-collecting retailer in the previous calendar year,
16 and, if available, the dates of purchases, the dollar amount of each purchase, and the category or
17 type of the purchase, including, whether the purchase is exempt or not exempt from taxation in
18 Rhode Island. The notification shall include such other information as the division may require by
19 rule and regulation. The notification shall state that the state of Rhode Island requires a sales or use
20 tax return to be filed and sales or use tax to be paid on certain categories or types of purchases made
21 by the in-state customer from the non-collecting retailer. The notification shall be sent separately
22 to all in-state customers by first-class mail and shall not be included with any other shipments or
23 mailings. The notification shall include the words "Important Tax Document Enclosed" on the
24 exterior of the mailing; and

25 (5) Beginning on February 15, 2018, and not later than each February 15 thereafter, a non-
26 collecting retailer that has not registered in this state for a permit to make sales at retail and collect
27 and remit sales and use tax on all taxable sales into the state for any portion of the prior calendar
28 year, shall file with the division on such form and/or in such format as the division prescribes an
29 attestation that the non-collecting retailer has complied with the requirements of subsections (F)
30 (1) -- (F) (4) herein.

31 (G) Referrer. At such time during any calendar year, or any portion thereof, that a referrer
32 receives more than ten thousand dollars (\$10,000) from fees, commissions, and/or other
33 compensation paid to it by retailers with whom it has a contract or agreement to list and/or advertise
34 for sale tangible personal property, prewritten computer software delivered electronically or by

1 load and leave, and/or taxable services, said referrer shall within thirty (30) days provide written
2 notice to all such retailers that the retailers' sales may be subject to this state's sales and use tax.

3 (H) Retail sale facilitator. Beginning January 15, 2018, and each year thereafter, a retail
4 sale facilitator shall provide the division of taxation with:

5 (i) A list of names and addresses of the retailers for whom during the prior calendar year
6 the retail sale facilitator collected Rhode Island sales and use tax; and

7 (ii) A list of names and addresses of the retailers who during the prior calendar year used
8 the retail sale facilitator to serve in-state customers but for whom the retail sale facilitator did not
9 collect Rhode Island sales and use tax.

10 (I) *Remote sellers, referrers, and marketplace facilitators.* A remote seller, referrer, and
11 marketplace facilitator shall register in this state for a permit to make sales at retail and collect and
12 remit sales and use tax on all taxable sales into the state.

13 (i) A marketplace facilitator shall collect sales and use tax on all sales made through the
14 marketplace to purchasers in this state whether or not the marketplace seller (1) has or is required
15 to have a permit to make sales at retail or (2) would have been required to collect and remit sales
16 and use tax had the sale not been made through the marketplace ~~provider~~ facilitator.

17 (ii) A marketplace facilitator shall certify to its marketplace sellers that it will collect and
18 remit sales and use tax on sales of taxable items made through the marketplace. A marketplace
19 seller that accepts a marketplace ~~provider's~~ facilitator's collection certificate in good faith may
20 exclude sales made through the marketplace from the marketplace seller's returns under Chapters
21 18 and 19 of Title 44 of the Rhode Island General Laws.

22 (iii) A marketplace facilitator with respect to a sale of tangible personal property,
23 prewritten computer software delivered electronically by load and leave, vendor-hosted prewritten
24 software, and/or taxable services it facilitates:

25 ~~(A)~~ (a) shall have all the obligations and rights of a retailer under Chapters 18 and 19 of
26 Title 44 of the Rhode Island General Laws and under any regulations adopted pursuant thereto,
27 including, but not limited to, the duty to obtain a certificate of authority, to collect tax, file returns,
28 remit tax, and the right to accept a certificate or other documentation from a customer substantiating
29 an exemption or exclusion from tax, the right to receive a refund or credit allowed by law; and ~~(B)~~
30 (b) shall keep such records and information and cooperate with the tax administrator to ensure the
31 proper collection and remittance of tax imposed, collected, or required to be collected under
32 Chapters 18 and 19 of Title 44 of the Rhode Island General Laws.

33 (iv) A marketplace facilitator shall be subject to audit by the tax administrator with respect
34 to all retail sales for which it is required to collect and pay the tax imposed under Chapters 18 and

1 19 of Title 44 of the Rhode Island General Laws. Where the tax administrator audits the
2 marketplace facilitator, the tax administrator is prohibited from auditing the marketplace seller for
3 the same retail sales unless the marketplace facilitator seeks relief under ~~this subsection (iv)~~
4 [subsection \(v\)](#).

5 (v) If the marketplace facilitator demonstrates to the tax administrator's satisfaction that the
6 marketplace facilitator has made a reasonable effort to obtain accurate information from the
7 marketplace seller about a retail sale and that the failure to collect and pay the correct amount of
8 tax imposed under Chapters 18 and 19 of Title 44 of the Rhode Island General Laws was due to
9 incorrect information provided to the marketplace facilitator by the marketplace seller, then the
10 marketplace facilitator shall be relieved of liability of the tax for that retail sale. This subsection (v)
11 does not apply with regard to a retail sale for which the marketplace facilitator is the seller or if the
12 marketplace facilitator and seller are affiliates. Where the marketplace facilitator is relieved under
13 this subsection (v), the seller is liable for the tax imposed under Chapters 18 and 19 of Title 44 of
14 the Rhode Island General Laws.

15 (vi) A class action may not be brought against a marketplace facilitator on behalf of
16 purchasers arising from or in any way related to an overpayment of sales or use tax collected by
17 the marketplace facilitator, regardless of whether such action is characterized as a tax refund claim.
18 Nothing in this subsection (vi) shall affect a purchaser's right to seek a refund as otherwise allowed
19 by law.

20 (J) Any person or entity that engages in any activity or activities of a non-collecting retailer,
21 referrer, and/or retail sale facilitator as defined herein shall be presumed to be a non-collecting
22 retailer, referrer, and/or retail sale facilitator as applicable even if referred to by another name or
23 designation. Said person or entity shall be subject to the terms and conditions set forth in this
24 chapter.

25 SECTION 11. Section 44-19-7 of the General Laws in Chapter 44-19 entitled "Sales and
26 Use Taxes - Enforcement and Collection" is hereby amended to read as follows:

27 **44-19-7. Registration of retailers.**

28 Every retailer selling tangible personal property or prewritten computer software delivered
29 electronically or by load and leave or vendor-hosted prewritten computer software [or specified](#)
30 [digital products](#) for storage, use, or other consumption in this state, as well as services as defined
31 in § 44-18-7.3, in this state, or renting living quarters in any hotel as defined in § 42-63.1-2, rooming
32 house, or tourist camp in this state must register with the tax administrator and give the name and
33 address of all agents operating in this state, the location of all distribution or sales houses or offices,
34 or of any hotel as defined in § 42-63.1-2, rooming house, or tourist camp or other places of business

1 in this state, and other information that the tax administrator may require.

2 SECTION 12. Sections 44-30-59, 44-30-71.2, 44-30-71.4 and 44-30-84 of the General
3 Laws in Chapter 44-30 entitled "Personal Income Tax" are hereby amended to read as follows:

4 **44-30-59. Report of change in federal taxable income.**

5 (a) Subject to regulations of the tax administrator, if the amount of a taxpayer's federal
6 taxable income reported on his or her federal income tax return for any taxable year beginning on
7 or after January 1, 1971, is changed or corrected by the United States Internal Revenue Service or
8 other competent authority, or as the result of a renegotiation of a contract or subcontract with the
9 United States, the taxpayer shall report the change or correction in federal taxable income within
10 ninety (90) days after the final determination of the change, correction, or renegotiation, or as
11 otherwise required by the tax administrator, and shall concede the accuracy of the determination or
12 state wherein it is erroneous. Any taxpayer filing an amended federal income tax return shall also
13 file within ninety (90) days thereafter an amended Rhode Island personal income tax return and
14 shall give any information that the tax administrator may require.

15 (b) In the case of a partnership level audit pursuant to § 44-11-2.2(e)(1), partners shall,
16 within one hundred and eighty days (180) days after receipt of notification of the final federal
17 adjustments arising from a partnership level audit or an administrative adjustment, make the
18 supplemental return and make payments as required by this subsection (b).

19 ~~**44-30-71.2. Withholding of tax from lottery and pari-mutuel betting winnings**~~
20 **Withholding of tax from lottery, pari-mutuel betting, video lottery terminal games and casino**
21 **gaming winnings.**

22 (a) Consistent with federal rules and regulations and procedures related to W-2G
23 withholdings, the ~~The~~ director of lotteries shall:

24 (1) Deduct ~~deduct~~ and withhold from the prize money, of any person winning a prize from
25 the state lottery; and

26 (2) Require the deduction and withholding from winnings from video lottery terminal
27 games and casino gaming as defined in § 42-61.2-1 a tax computed in such a manner as to result,
28 so far as practicable, in an amount substantially equivalent to the tax reasonably estimated to be
29 due resulting from the inclusion in the individual's Rhode Island income of his or her prize money
30 received during the calendar year. The method of determining the amount to be withheld shall be
31 prescribed by regulations of the tax administrator, which regulations and amounts shall be based
32 upon the federal rules, regulations and procedures.

33 (b) Every licensee conducting or operating events upon which pari-mutuel betting is
34 allowed shall deduct and withhold from the winnings of any person a tax computed in such manner

1 as to result, so far as practicable, in an amount substantially equivalent to the tax reasonably
2 estimated to be due resulting from the inclusion in the individual's Rhode Island income of his or
3 her winnings received during the calendar year. The method of determining the amount to be
4 withheld shall be prescribed by regulations of the tax administrator, which regulations and the
5 amounts shall be based upon the federal rules, regulations and procedures.

6 **44-30-71.4. Employee leasing companies -- Payroll companies.**

7 (a) Employee leasing company certification.

8 (1) Every "employee leasing company", defined in this section as any individual, firm,
9 partnership or corporation engaged in providing workers to employers or firms under a contract or
10 leasing arrangement, shall, as a condition of doing business in this state, be certified by the division
11 of taxation each year, that the company has complied with the withholding provisions of chapter
12 30 of this title.

13 (2) Employee leasing companies must apply to the division of taxation during the month
14 of July of each year [on forms prescribed by the tax administrator](#) for a certificate executed by the
15 tax administrator certifying that all taxes withheld from employees, or subject to withholding from
16 employees have been remitted to the division of taxation including the withholding provisions of
17 chapter 30 of this title and the contribution, interest, and penalty provisions pursuant to the
18 Employment Security Act, chapters 42 -- 44 of title 28, and the Temporary Disability Insurance
19 Act, chapters 39 -- 41 of title 28 have been remitted to the department of labor and training. No
20 certificate shall be issued if taxes subject to withholding or contributions have not been withheld
21 and remitted.

22 (3) No employee leasing firm may conduct business in this state without the certification
23 prescribed in subdivision (2) of this subsection. Any employer or firm that engages any employee
24 leasing company that is not certified by the tax administrator shall be jointly and severally liable
25 for the taxes required to be withheld and remitted under § 44-30-71 or chapters 39 -- 44 of title 28.

26 (b) Payroll companies -- Joint liability. Every payroll company, herein defined as any
27 individual, firm, partnership or corporation engaging in providing payroll services to employers
28 which services include the withholding of tax including the withholding provisions of chapter 30
29 of this title and the contribution, interest, and penalty provisions pursuant to the Employment
30 Security Act, chapters 42 -- 44 of title 28, and the Temporary Disability Insurance Act, chapters 39
31 -- 41 of title 28 from employee wages and which receives moneys from a customer or employer for
32 Rhode Island withholding from the wages of the customer's employees, and who fails to remit said
33 withholding to the division of taxation or contributions to the department of labor and training on
34 a timely basis, shall be jointly and severally liable with the customer or employer for said

1 withholdings.

2 **44-30-84. Interest on underpayment.**

3 (a) General.

4 (1) If any amount of Rhode Island personal income tax, including any amount of the tax
5 withheld by an employer, is not paid on or before the due date, interest on the amount at the annual
6 rate provided by § 44-1-7 shall be paid for the period from the due date to the date paid, whether
7 or not any extension of time for payment was granted. The interest shall not be paid if its amount
8 is less than two dollars (\$2.00).

9 (2) Interest prescribed under this section may be waived by the tax administrator in the
10 event the underpayment results from the state's closing of banks and credit unions in which the
11 taxpayer's monies are deposited and the taxpayer has no other funds from which to pay his or her
12 tax.

13 (b) Estimated tax. If an individual fails to file a declaration of estimated Rhode Island
14 personal income tax as required by § 44-30-55, or to pay any installment of the tax as required by
15 § 44-30-56, the individual shall pay interest at the annual rate provided by § 44-1-7 for the period
16 the failure continues, until the fifteenth day of the fourth month following the close of the taxable
17 year. The interest in respect of any unpaid installment shall be computed on the amount by which
18 his or her actual payments and credits in respect of the tax are less than eighty percent (80%) of the
19 installment at the time it is due. Notwithstanding the foregoing, no interest shall be payable if one
20 of the exceptions specified in 26 U.S.C. § 6654(d)(1) or (2) would apply if the exceptions referred
21 to the corresponding Rhode Island tax amounts and returns.

22 (c) Payment prior to notice of deficiency. If, prior to the mailing to the taxpayer of notice
23 of deficiency under § 44-30-81, the tax administrator mails to the taxpayer a notice of proposed
24 increase of tax and within thirty (30) days after the date of the notice of the proposed increase the
25 taxpayer pays all amounts shown on the notice to be due to the tax administrator, no interest under
26 this section on the amount so paid shall be imposed for the period after the date of the notice of
27 proposed increase.

28 (d) Payment within ten (10) days after notice and demand. If notice and demand is made
29 for payment of any amount, and the amount is paid within ten (10) days after the effective date of
30 the notice and demand under § 44-30-81(b), interest under this section on the amount so paid shall
31 not be imposed for the period after the date of the notice and demand.

32 (e) Suspension of interest on deficiencies. If a waiver of restrictions on assessment of a
33 deficiency has been filed by the taxpayer, and if notice and demand by the tax administrator for
34 payment of the deficiency is not made within thirty (30) days after the filing of the waiver, interest

1 shall thereupon cease to accrue until the date of notice and demand.

2 (f) Interest treated as tax. Interest under this section shall be paid upon notice and demand
3 and shall be assessed, collected, and paid in the same manner as the tax, except that interest under
4 subsection (b) of this section may be assessed without regard to the restrictions of § 44-30-81.

5 (g) No interest on interest. No interest shall be imposed on any interest provided in this
6 section.

7 (h) Interest on civil penalties and additions to tax. Interest shall be imposed under
8 subsection (a) of this section in respect of any assessable civil penalty or addition to tax only if the
9 assessable penalty or addition to tax is not paid within fifteen (15) days from the effective date of
10 notice and demand therefor under § 44-30-81(b), and in that case interest shall be imposed only for
11 the period from the effective date of the notice and demand to the date of payment.

12 (i) Tax reduced by carryback. If the amount of tax for any taxable year is reduced by reason
13 of a carryback of a net operating loss, the reduction in tax shall not affect the computation of interest
14 under this section for the period ending with the last day of the taxable year in which the net
15 operating loss arises.

16 (j) Limitation on assessment or collection. Interest prescribed under this section may be
17 assessed or collected at any time during the period within which the tax or other amount to which
18 the interest relates may be assessed or collected.

19 (k) Interest on erroneous refund. Any portion of tax or other amount which has been
20 erroneously refunded, and which is recoverable by the tax administrator, shall bear interest at the
21 annual rate provided by § 44-1-7 from the date of the payment of the refund.

22 (l) Timely Deposits for Withheld Tax. If an entity fails to remit withheld tax at the times
23 prescribed by the tax administrator, there may be interest assessed at the annual rate provided by §
24 44-1-7 for the period the failure continues, until the thirty-first day of the first month following the
25 close of the taxable year. The interest with respect to any failed remittances shall be computed as
26 prescribed by the tax administrator.

27 SECTION 13. Chapter 44-30 of the General Laws entitled "Personal Income Tax" is hereby
28 amended by adding thereto the following section:

29 **44-30-85.1. Electronic filing of withholding tax returns and penalties.**

30 (1) Beginning on January 1, 2020, every employer required to deduct and withhold tax
31 under this chapter, who had an average tax amount of two hundred dollars (\$200) or more per
32 month for the previous calendar year, shall file a return and remit said payments by electronic funds
33 transfer or other electronic means as defined by the tax administrator. The tax administrator shall
34 adopt any rules necessary to administer a program of electronic funds transfer or other electronic

1 filing system.

2 (2) Beginning on January 1, 2020, if any person fails to pay said taxes by electronic funds
3 transfer or other electronic means defined by the tax administrator as required hereunder, there shall
4 be added to the amount of tax the lesser of five percent (5%) of the withheld tax payment amount
5 that was not filed electronically or five hundred dollars (\$500), whichever is less, unless there was
6 reasonable cause for the failure and such failure was not due to negligence or willful neglect.

7 (3) Notwithstanding the provisions of § 44-30-85.1(2), beginning on January 1, 2020, if
8 any person fails to file a return by electronic means defined by the tax administrator as required
9 hereunder, there shall be added to the amount of tax equal to fifty dollars (\$50), unless there was
10 reasonable cause for the failure and such failure was not due to negligence or willful neglect.

11 SECTION 14. Section 44-33.6-7 of the General Laws in Chapter 44-33.6 entitled "Historic
12 Preservation Tax Credits 2013" is hereby amended to read as follows:

13 **44-33.6-7. Timing and reapplication.**

14 (a) Taxpayers shall have twelve (12) months from the approval of Part 2 application to
15 commence substantial construction activities related to the subject substantial rehabilitation. Upon
16 commencing substantial construction activities, the taxpayer shall submit an affidavit of
17 commencement of substantial construction to the commission, together with evidence of such
18 requirements having been satisfied. Furthermore, after commencement of substantial construction
19 activities, no project shall remain idle prior to completion for a period of time exceeding six (6)
20 months. In the event that a taxpayer does not commence substantial construction activities within
21 twelve (12) months from the approval of Part 2 application, or in the event that a project remains
22 idle prior to completion for a period of time exceeding six (6) months, the subject taxpayer shall
23 forfeit all fees paid prior to such date and its then-current contract for tax credits shall be deemed
24 null and void, and shall terminate without need for further action or documentation. Upon any such
25 forfeiture and termination, a taxpayer may re-apply for tax credits pursuant to this chapter, however,
26 notwithstanding anything contained herein to the contrary, one hundred percent (100%) of the fees
27 required shall be paid upon reapplication and such fees shall be non-refundable. Additionally, any
28 taxpayer reapplying for tax credits pursuant to this § 44-33.6-7 shall be required to submit evidence
29 with its application establishing the reason for delay in commencement or the project sitting idle,
30 as the case may be, and provide evidence, reasonably satisfactory to the commission, that such
31 condition or event causing same has been resolved. All taxpayers shall submit a reasonably detailed
32 project timeline to the commission together with the Part 2 application. The provisions of this
33 section shall be further detailed and incorporated into the form of contract for tax credits used in
34 connection with this chapter.

1 (b) Notwithstanding any other provision of law to the contrary, projects that have been
2 approved for historic preservation tax credits and have been funded through the cultural arts and
3 the economy grant program, as enacted in chapter 145 of the 2014 Pub. L., and whose tax credits
4 expire on December 31, 2019, shall remain in full force and effect until December 31, 2022.

5 SECTION 15. Sections 44-44-3 and 44-44-3.7 of the General Laws in Chapter 44-44
6 entitled "Taxation of Beverage Containers, Hard-to-Dispose Material and Litter Control
7 Participation Permittee" are hereby amended to read as follows:

8 **44-44-3. Imposition of tax on beverage containers.**

9 There shall be levied and imposed a tax of ~~four cents (\$0.04)~~ eight cents (\$0.08) on each
10 case of beverage containers sold by a beverage wholesaler to a beverage retailer or consumer within
11 this state. The tax shall be collected by the beverage wholesaler. The tax provided for in this section
12 shall not be levied, imposed, or collected on reusable and refillable beverage containers.

13 **44-44-3.7. Imposition of tax on hard-to-dispose material.**

14 (a) There shall be levied and imposed a tax of ~~five cents (\$0.05)~~ ten cents (\$0.10) per quart
15 (32 oz.) or ~~five and 3/10th cents (\$0.053)~~ ten and 6/10 cents (\$0.106) per liter on lubricating oils,
16 ~~ten cents (\$0.10)~~ twenty cents (\$0.20) per gallon or ~~two and 64/100th cents (\$0.0264)~~ five and
17 28/100th cents (\$0.0528) per liter on antifreeze, ~~one fourth of one cent (\$.0025)~~ one half cent
18 (\$0.005) per gallon or ~~66/10,000ths cents (\$.00066)~~ one hundred thirty two thousandths (\$0.00132)
19 per liter on organic solvents, and ~~fifty cents (\$.50)~~ one dollar (\$1.00) per tire as defined above. The
20 tax shall be separately stated and collected upon the sale by the hard-to-dispose material
21 wholesalers to a hard-to-dispose material retailer. In the case of new motor vehicles, a fee of ~~three~~
22 ~~dollars (\$3.00)~~ six dollars (\$6.00) per vehicle shall be levied and paid to the division of motor
23 vehicles in conjunction with titling of the vehicle. Every hard-to-dispose material retailer selling,
24 using, or otherwise consuming in this state any hard-to-dispose material is liable for the tax imposed
25 by this section. Its liability is not extinguished until the tax has been paid to the state, except that a
26 receipt from a hard-to-dispose material wholesaler engaging in business in this state or from a hard-
27 to-dispose material wholesaler who is authorized by the tax administrator to collect the tax under
28 rules and regulations that he or she may prescribe given to the hard-to-dispose material retailer is
29 sufficient to relieve the hard-to-dispose material retailer from further liability for the tax to which
30 the receipt refers.

31 (b) In the event that a person purchases hard-to-dispose material for its own use or
32 consumption and not for resale from a hard-to-dispose material wholesaler or retailer not engaged
33 in business in this state or not authorized by the tax administrator to collect the tax, that person
34 shall be liable for the tax imposed by this section.

1 SECTION 16. The provisions of 44-18-30 (12) in section 9 relating to urns, the provisions
2 of 44-18-30 (66) in section 9 relating to feminine hygiene products, and the provisions of sections
3 9, 10 and 11 relating to specified digital products shall take effect October 1, 2019. The remainder
4 of this article shall take effect July 1, 2019.

ARTICLE 6

RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS

SECTION 1. This article shall serve as joint resolution required pursuant to Rhode Island General Law § 35-18-1, *et seq.*

SECTION 2. *University of Rhode Island – Memorial Union – Auxiliary Enterprise*

WHEREAS, The Council on Postsecondary Education and the University have a long-standing commitment to the overall development of their students; and

WHEREAS, The University believes that the Memorial Union celebrates life at URI and acts as the nexus for campus community, student engagement, and leadership. It is an intersection connecting the academic core of campus and the campus’s socially active residential community. The student union at the University is an integral part of the educational ecosystem that shapes the student experience; and

WHEREAS, The Council on Postsecondary Education and the University of Rhode Island are proposing a project which involves the renovation and expansion of the Memorial Union to meet the ongoing and growing needs of their students; and

WHEREAS, The University engaged a qualified architectural firm, which has completed an advanced planning study for this renovation; and

WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island and other public agencies of certain obligations including financing guarantees or other agreements; and

WHEREAS, The design and construction associated with this work of an Auxiliary Enterprise building will be financed through the Rhode Island Health and Educational Building Corporation (RIHEBC) revenue bonds, with an expected term of thirty (30) years; and

WHEREAS, The total project costs associated with completion of the project through the proposed financing method is fifty-one million five hundred thousand dollars (\$51,500,000), including cost of issuance. Debt service payments would be supported by revenues derived from student fees and retail lease payments associated with the respective Auxiliary Enterprises of the University of Rhode Island occupying said facility. Total debt service on the bonds is not expected to exceed one hundred twelve million three hundred thousand dollars (\$112,300,000) in the

1 aggregate based on an average interest rate of six (6%) percent; now, therefore be it

2 RESOLVED, That this General Assembly hereby approves financing in an amount not to
3 exceed fifty-one million five hundred thousand dollars (\$51,500,000) for the Memorial Union
4 project for the auxiliary enterprise building on the University of Rhode Island campus; and be it
5 further

6 RESOLVED, That this Joint Resolution shall take effect upon passage.

7 SECTION 3. *University of Rhode Island – Fraternity Circle Master Plan Implementation*

8 WHEREAS, The Rhode Island Council on Postsecondary Education and the University of
9 Rhode Island are proposing a project which involves improvements to the sector of the Kingston
10 Campus devoted to fraternity and sorority houses, referred to as Fraternity Circle, on the Kingston
11 Campus; and

12 WHEREAS, The University of Rhode Island is underway with a utility and infrastructure
13 project to replace, improve, and reorganize aged, incrementally developed utility and paved
14 infrastructure in Fraternity Circle, referred to in the University’s Capital Improvement Plan as
15 “Fraternity Circle Improvements” project, including improvements to water, wastewater, electrical,
16 telecommunications, natural gas connections, and storm water management systems, as well as
17 roadways, walkways, and parking lots as a first phase of improvements reflected in a “master plan”
18 for this unique neighborhood of on-campus residences serving organizations of students; and

19 WHEREAS, The second phase of the overall improvements to Fraternity Circle, referred
20 to on the University’s Capital Improvement Plan as the “Fraternity Circle Master Plan
21 Implementation” project is needed to complete this district of campus; and

22 WHEREAS, The design and execution of this project will improve student life and the
23 campus's environmental impact; and

24 WHEREAS, These timely project commitments serve the objectives of both the University
25 and the local community; and

26 WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the
27 General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island
28 and other public agencies of certain obligations including financing guarantees or other agreements;
29 and

30 WHEREAS, The design and construction will be financed through Rhode Island Health
31 and Educational Building Corporation revenue bonds, with an expected term of twenty (20) years;
32 and

33 WHEREAS, The project costs associated with completion of the project and proposed
34 financing method is two million one hundred thousand dollars (\$2,100,000), including cost of

1 issuance. Debt Service payments would be supported by the University's unrestricted general
2 fund. Total debt service on the bonds is not expected to exceed three million seven hundred
3 thousand dollars (\$3,700,000) in the aggregate based on an average interest rate of six percent
4 (6%); now, therefore be it

5 RESOLVED, That this General Assembly hereby approves financing in an amount not to
6 exceed two million one hundred thousand dollars (\$2,100,000) for the Fraternity Circle Master Plan
7 Implementation project at the University of Rhode Island; and be it further

8 RESOLVED, That, this Joint Resolution shall take effect upon passage.

9 SECTION 4. *University of Rhode Island – Combined Health & Counseling Center –*
10 *Auxiliary Enterprise*

11 WHEREAS, The Council on Postsecondary Education and the University have a long-
12 standing commitment to the health and wellness of their students; and

13 WHEREAS, The University has a desire to create a one-stop center to address the physical,
14 emotional, and mental health of its students; and

15 WHEREAS, The Council on Postsecondary Education and the University of Rhode Island
16 are proposing a project which involves the construction of a new Combined Health & Counseling
17 Center to meet the ongoing and growing health needs of their students; and

18 WHEREAS, The University engaged a qualified architectural firm, which has completed
19 an advanced planning study for this new building; and

20 WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the
21 General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island
22 and other public agencies of certain obligations including financing guarantees or other agreements;
23 and

24 WHEREAS, The design and construction associated with this work of an Auxiliary
25 Enterprise building will be financed through the Rhode Island Health and Educational Building
26 Corporation (RIHEBC) revenue bonds, with an expected term of thirty (30) years; and

27 WHEREAS, The total project costs associated with completion of the project through the
28 proposed financing method is twenty-six million nine hundred thousand dollars (\$26,900,000),
29 including cost of issuance. Debt service payments would be supported by revenues derived from
30 student fees associated with the respective Auxiliary Enterprises of the University of Rhode Island
31 occupying said facility. Total debt service on the bonds is not expected to exceed fifty-eight million
32 seven hundred thousand dollars (\$58,700,000) in the aggregate based on an average interest rate of
33 six (6%) percent; now, therefore be it

34 RESOLVED, That this General Assembly hereby approves financing in an amount not to

1 exceed twenty-six million nine hundred thousand dollars (\$26,900,000) for the Combined
2 Health & Counseling Center project for the auxiliary enterprise building on the University of Rhode
3 Island campus; and be it further

4 RESOLVED, That, this Joint Resolution shall take effect upon passage.

5 SECTION 5. *Rhode Island Turnpike and Bridge Authority Project*

6 WHEREAS, The Rhode Island Turnpike and Bridge Authority (the "authority") is a public
7 corporation of the state of Rhode Island (the "state"), constituting a public instrumentality and
8 agency exercising public and essential governmental functions of the state, created by the general
9 assembly pursuant to chapter 12 of title 24 (as enacted, reenacted and amended, the "act"); and

10 WHEREAS, The state recognizes that the Pell Bridge, the Jamestown Verrazzano Bridge,
11 the Mount Hope Bridge, the Sakonnet River Bridge and other facilities of or within the control of
12 the authority are an essential part of the state's transportation system and facilitates the tourism
13 industry; and it is the policy of the state that the public welfare and the further economic
14 development and the prosperity of the state requires the maintenance of such facilities and the
15 financing thereof; and

16 WHEREAS, The act provides that the authority shall have the power to charge and collect
17 tolls for the use of its facilities; and

18 WHEREAS, Pursuant to § 31-36-20, three and one-half cents (\$0.035) per gallon of the
19 motor fuel tax is transferred to the authority to be used for maintenance, operations, capital
20 expenditures and debt service on any of its projects as defined in chapter 12 of title 24; and

21 WHEREAS, The act also provides that the authority shall have the power to acquire, hold
22 and dispose of real and personal property in the exercise of its powers and performance of its duties;
23 and

24 WHEREAS, The act authorizes the authority to make and enter into all contracts and
25 agreements necessary or incidental to the performance of its duties and the execution of its powers
26 under the act, to issue revenue bonds of the authority for any of its purposes and to refund its bonds,
27 borrow money in anticipation of the issuance of its bonds, and secure its bonds and notes by the
28 pledge of its tolls and other revenues; and

29 WHEREAS, In furtherance of its corporate purposes, the authority is authorized to issue
30 from time to time its negotiable revenue bonds and notes in one or more series in such principal
31 amounts for the purpose of paying all or a part of the costs of any one or more projects authorized
32 by the act, making provision for working capital and a reserve for interest; and

33 WHEREAS, Pursuant to §§ 35-18-3 and 35-18-4 of the Rhode Island Public Corporation
34 Debt Management Act (as enacted, reenacted and amended, the "Debt Management Act"), the

1 authority hereby requests the approval of the general assembly of the authority's issuance of not
2 more than fifty million dollars (\$50,000,000) Rhode Island Turnpike and Bridge Authority
3 Revenue Bonds with a term not to exceed thirty (30) years and six (6) months (together with any
4 notes issued in anticipation of the issuance of bonds, the "bonds") to be secured by toll, transfers
5 of motor fuel taxes and/or other revenues, in any combination, for the purpose of providing funds
6 to finance the renovation, renewal, repair, rehabilitation, retrofitting, upgrading and improvement
7 of the Pell Bridge, the Jamestown Verrazzano Bridge, the Sakonnet River Bridge, Mount Hope
8 Bridge, and other projects authorized under the act, replacement of the components thereof,
9 working capital, capitalized interest, a debt service reserve and the costs of issuing and insuring the
10 bonds (the "project"); and

11 WHEREAS, The project constitutes essential public facilities directly benefiting the state;
12 and

13 WHEREAS, The authority is authorized pursuant to § 24-12-28 of the act to secure its
14 bonds by a pledge of the tolls and other revenues received by the authority; and

15 WHEREAS, The state shall directly benefit economically from the project by the repair,
16 maintenance and improvement of the state transportation infrastructure; and

17 WHEREAS, In the event that not all of the bond proceeds are used to carry out the specified
18 project, the authority will use any remaining funds to pay debt service on the bonds; now, therefore,
19 be it

20 RESOLVED AND ENACTED, That this general assembly finds that the project is an
21 essential public facility and is of a type and nature consistent with the purposes and within the
22 powers of the authority to undertake, and hereby approves the authority's issuance of not more than
23 fifty million dollars (\$50,000,000) in bonds, which amount is in addition to all prior authorizations;
24 and be further

25 RESOLVED, That the bonds will be special obligations of the authority payable from
26 funds received by the authority from tolls, transfers of motor fuel taxes and other revenues received
27 by the authority, in any combination or priority as may be designated in the proceedings of the
28 authority authorizing the issuance of such debt. The total debt service on the bonds is estimated to
29 average approximately three million five hundred ninety-four thousand dollars (\$3,594,000) per
30 year or approximately one hundred nine million three hundred sixteen thousand dollars
31 (\$109,316,000) in the aggregate, prior to the receipt of any federal subsidy and/or assistance, at an
32 average interest rate of approximately six percent (6%) and approximately a thirty (30) year
33 maturity; and be it further

34 RESOLVED, That the authority may issue interest bearing or discounted notes from time

1 to time in anticipation of the authorization or issue of bonds or in anticipation of the receipt of
2 federal aid for the purposes of this joint resolution, the amount of original notes issued in
3 anticipation of bonds may not exceed the amount of bonds which may be issued under this joint
4 resolution and the amount of original notes issued in anticipation of federal aid may not exceed the
5 amount of available federal aid as estimated by the authority, any such notes issued hereunder shall
6 be payable within five (5) years from their respective dates, but the principal of and interest on
7 notes issued for a shorter period may be renewed or paid from time to time by the issue of other
8 notes hereunder, provided the period from the date of an original note to the maturity of any note
9 issued to renew or pay the same debt or the interest thereon shall not exceed five (5) years, and any
10 such refunding of notes with notes or bonds may be effected without complying with § 35-18-3(5);
11 and be it further

12 RESOLVED, That the bonds will not constitute indebtedness of the state or any of its
13 subdivisions or a debt for which the full faith and credit of the state or any of its subdivisions is
14 pledged.

15 RESOLVED, That, this Joint Resolution shall take effect upon passage.

16 SECTION 6. *Issuance of GARVEE Bonds*

17 WHEREAS, The Rhode Island department of transportation ("the department") has
18 completed a detailed review of available funding sources for transportation reconstruction,
19 maintenance, and repair and has determined that the funding available to carry out an immediate
20 program of bridge reconstruction and preventative maintenance (the "program") is insufficient; and

21 WHEREAS, The limitation in funding has occurred, in part, due to the absence of a state-
22 funded capital investment program in transportation infrastructure, and the level funding of federal
23 appropriations to the state, along with a reduction in federal funding through the elimination of
24 federal earmarks and expiration of additional special federal funds; and

25 WHEREAS, Congress has enacted the Fixing America's Surface Transportation (FAST)
26 Act, which provides an increase in available federal funding; and

27 WHEREAS, The department has explored various options to finance the costs of a robust
28 infrastructure program and concluded that the federal-aid financing program authorized in federal
29 law by Section 311 of the National Highway System Designation Act of 1995 and commonly
30 referred to as the Grant Anticipation Revenue Vehicle Program ("GARVEE program") represents
31 the best financing mechanism for the state of Rhode Island inasmuch as the GARVEE program
32 accelerates the funding available to ensure that more Rhode Island bridges do not become
33 structurally deficient; and

34 WHEREAS, The GARVEE program allows a state to issue bonds ("GARVEE Bonds") or

1 other debt instruments backed by future appropriations for federal-aid transportation projects
2 whereby such amounts are used to cover an assortment of bond-related costs, including principal
3 and interest payments, issuance costs, insurance, and other costs incidental to financing; and

4 WHEREAS, Among other advantages, GARVEE Bonds may be issued as special revenue
5 bonds without a full faith and credit pledge by the state of Rhode Island; and

6 WHEREAS, This general assembly finds that the reconstruction, maintenance, and repair
7 of the transportation infrastructure of the state is critical for economic development and the general
8 welfare of both businesses and residents; and

9 WHEREAS, The general assembly has studied the issue of sustainable transportation
10 funding and has determined that no single approach, instrument or method is able to provide
11 sufficient revenue to maintain the state transportation system in a state of good repair; and

12 WHEREAS, The department has determined that GARVEE Bonds should be utilized to
13 fund the bridge replacement, reconstruction, and maintenance component of the ten (10) year
14 capital program known as RhodeWorks; and

15 WHEREAS, In connection with the issuance of GARVEE Bonds, the state of Rhode
16 Island, acting by and through RIDOT, may elect to receive in lieu of certain monies which would
17 otherwise have been received as reimbursement from FHWA for project costs for bridges in the
18 RhodeWorks program, debt service payments to repay indebtedness in the form of bonds or notes
19 issued to finance the costs of the construction and financing bridges in the RhodeWorks program;
20 and

21 WHEREAS, The Rhode Island Public Corporation Debt Management Act (chapter 8 of
22 title 35) requires the general assembly to provide its consent to the issuance of certain obligations
23 for essential public facilities of the type referenced herein; and

24 WHEREAS, The design, construction, equipping and completion of these improvements
25 will be financed in whole or in part through revenue bonds issued pursuant to the GARVEE
26 program by the Rhode Island commerce corporation ("commerce corporation") or through revenue
27 bonds issued pursuant to the GARVEE program by another agency, instrumentality or quasi-public
28 corporation established by the state of Rhode Island now or hereafter and otherwise authorized and
29 empowered pursuant to law to issue bonds of the type referenced herein for the types of projects
30 enumerated herein, with such issuance having an expected term of fifteen (15) years, and annual
31 revenues for the operation and maintenance of the bridges to be included in the annual operating
32 budget of RIDOT; and

33 WHEREAS, The capital costs and anticipated bond issuance amounts associated with these
34 projects are estimated to be two hundred million dollars (\$200,000,000); now, therefore, be it

1 RESOLVED AND ENACTED, That the bridges in the RhodeWorks program are each
2 essential public facilities and critical to ensure the economic viability of the citizens, businesses,
3 transportation, marine trades and port facilities of the state of Rhode Island and otherwise in the
4 best interests of the state of Rhode Island, and that this general assembly hereby approves financing
5 not to exceed two hundred million dollars (\$200,000,000) in principal amount of GARVEE Bonds,
6 the repayment of which shall be derived from and supported by FHWA funds due the state of
7 Rhode Island. The term of the GARVEE Bonds shall not exceed fifteen (15) years and the total
8 debt service on the GARVEE Bonds shall not exceed two hundred seventy-five million dollars
9 (\$275,000,000); and be it further

10 RESOLVED, That the governor of the state of Rhode Island or the director of the
11 department of transportation or the director of the department of administration or the chief
12 executive officer or the chief operating officer of the commerce corporation each be and each
13 hereafter are, acting singly, authorized and empowered by the general assembly to enter into a
14 financing lease, guarantee, loan and trust agreement, indenture or other obligations or contracts or
15 agreements and to take such other actions as such official shall deem necessary or appropriate in
16 order to issue or facilitate the issuance of the GARVEE Bonds and to provide the commerce
17 corporation or any subsidiary thereof or other instrumentality, agency or quasi-public corporation
18 otherwise authorized and empowered to issue the bonds specified in this Joint Resolution for the
19 RhodeWorks program with the necessary debt service payments up to the amount specified above
20 and the necessary security for such bonds consistent with the provisions of this Joint Resolution,
21 including any action to pledge, assign or otherwise transfer the right to receive all or any portion
22 of future FHWA appropriations for federal-aid transportation projects or other revenues permitted
23 by the laws of the state of Rhode Island to secure or provide for the payment of any such GARVEE
24 Bonds; and be it further

25 RESOLVED, That, this Joint Resolution shall take effect upon passage.

26 SECTION 7. This Article shall take effect upon passage.

27

1 **ARTICLE 7**

2 RELATING TO MOTOR VEHICLES

3 SECTION 1. Section 31-2-27 of the General Laws in Chapter 31-2 entitled "Division of
4 Motor Vehicles" is hereby amended to read as follows:

5 **31-2-27. Technology surcharge fee.**

6 (a) The division of motor vehicles shall collect a technology surcharge fee of ~~one dollar~~
7 ~~and fifty cents (\$1.50)~~ two dollars and fifty cents (\$2.50) per transaction for every division of motor
8 vehicles' fee transaction, except as otherwise provided by law and provided no surcharge fee is
9 assessed on motor vehicle inspection transactions conducted pursuant to § 31-38-4. One dollar and
10 fifty cents (\$1.50) of each two dollars and fifty cents (\$2.50) ~~All technology surcharge fees~~
11 collected pursuant to this section shall be deposited into the information technology investment
12 fund established pursuant to § 42-11-2.5 and shall be used for project-related payments and/or
13 ongoing maintenance of and enhancements to the division of motor vehicles' computer system and
14 to reimburse the information technology investment fund for advances made to cover project-
15 related payments. The remaining one dollar (\$1.00) shall be deposited into a restricted receipt
16 account managed by the division of motor vehicles and restricted to the project-related payments
17 and/or ongoing maintenance of and enhancements to the division of motor vehicles' computer
18 system.

19 ~~(b) Authorization to collect the technology surcharge fee provided for in subsection (a)~~
20 ~~shall sunset and expire on June 30, 2022.~~

21 (b) Beginning July 1, 2022, the full two dollars and fifty cents (\$2.50) shall be deposited
22 into the division of motor vehicles restricted account and restricted to the project-related payments
23 and/or ongoing maintenance of and enhancements to the division of motor vehicles' computer
24 system.

25 SECTION 2. Section 31-3-33 of the General Laws in Chapter 31-3 entitled "Registration
26 of Vehicles" is hereby amended to read as follows:

27 **31-3-33. Renewal of registration.**

28 (a) Application for renewal of a vehicle registration shall be made by the owner on a proper
29 application form and by payment of the registration fee for the vehicle as provided by law.

30 (b) The division of motor vehicles may receive applications for renewal of registration, and

1 may grant the renewal and issue new registration cards and plates at any time prior to expiration of
2 registration.

3 (c) Upon renewal, owners will be issued a renewal sticker for each registration plate that
4 shall be placed at the bottom, right-hand corner of the plate. Owners shall be issued a new, fully
5 reflective plate beginning ~~January 1, 2020~~ June 1, 2020, at the time of initial registration or at the
6 renewal of an existing registration and reissuance will be conducted no less than every ten (10)
7 years.

8 (d) No later than August 15, 2019, and every fifteenth day of the month through August
9 15, 2020, the division of motor vehicles shall submit a report outlining the previous month's activity
10 and progress towards the implementation of the license plate reissuance to the chairpersons of the
11 house finance and senate finance committee, the house fiscal advisor, and the senate fiscal advisor.
12 The report shall include, but not be limited to, information on the status of project plans, obstacles
13 to implementation, and actions taken toward implementation.

14 SECTION 3. Section 31-6-1 of the General Laws in Chapter 31-6 entitled "Registration
15 Fees" is hereby amended to read as follows:

16 **31-6-1. Amount of registration and miscellaneous fees.**

17 (a) The following registration fees shall be paid to the division of motor vehicles for the
18 registration of motor vehicles, trailers, semi-trailers, and school buses subject to registration for
19 each year of registration:

20 (1) For the registration of every automobile, when equipped with pneumatic tires, the gross
21 weight of which is not more than four thousand pounds (4,000 lbs.): thirty dollars (\$30.00).

22 (2) For the registration of every motor truck or tractor when equipped with pneumatic tires,
23 the gross weight of which is not more than four thousand pounds (4,000 lbs.): thirty-four dollars
24 (\$34.00).

25 (3) For the registration of every automobile, motor truck or tractor, when equipped with
26 pneumatic tires, the gross weight of which is:

27 (i) More than four thousand pounds (4,000 lbs.), but not more than five thousand pounds
28 (5,000 lbs.): forty dollars (\$40.00);

29 (ii) More than five thousand pounds (5,000 lbs.), but not more than six thousand pounds
30 (6,000 lbs.): forty-eight dollars (\$48.00);

31 (iii) More than six thousand pounds (6,000 lbs.), but not more than seven thousand pounds
32 (7,000 lbs.): fifty-six dollars (\$56.00);

33 (iv) More than seven thousand pounds (7,000 lbs.), but not more than eight thousand
34 pounds (8,000 lbs.): sixty-four dollars (\$64.00);

- 1 (v) More than eight thousand pounds (8,000 lbs.), but not more than nine thousand pounds
2 (9,000 lbs.): seventy dollars (\$70.00);
- 3 (vi) More than nine thousand pounds (9,000 lbs.), but not more than ten thousand pounds
4 (10,000 lbs.): seventy-eight dollars (\$78.00);
- 5 (vii) More than ten thousand pounds (10,000 lbs.), but not more than twelve thousand
6 pounds (12,000 lbs.): one hundred six dollars (\$106);
- 7 (viii) More than twelve thousand pounds (12,000 lbs.), but not more than fourteen thousand
8 pounds (14,000 lbs.): one hundred twenty-four dollars (\$124);
- 9 (ix) More than fourteen thousand pounds (14,000 lbs.), but not more than sixteen thousand
10 pounds (16,000 lbs.): one hundred forty dollars (\$140);
- 11 (x) More than sixteen thousand pounds (16,000 lbs.), but not more than eighteen thousand
12 pounds (18,000 lbs.): one hundred fifty-eight dollars (\$158);
- 13 (xi) More than eighteen thousand pounds (18,000 lbs.), but not more than twenty thousand
14 pounds (20,000 lbs.): one hundred seventy-six dollars (\$176);
- 15 (xii) More than twenty thousand pounds (20,000 lbs.), but not more than twenty-two
16 thousand pounds (22,000 lbs.): one hundred ninety-four dollars (\$194);
- 17 (xiii) More than twenty-two thousand pounds (22,000 lbs.), but not more than twenty-four
18 thousand pounds (24,000 lbs.): two hundred ten dollars (\$210);
- 19 (xiv) More than twenty-four thousand pounds (24,000 lbs.), but not more than twenty-six
20 thousand pounds (26,000 lbs.): two hundred thirty dollars (\$230);
- 21 (xv) More than twenty-six thousand pounds (26,000 lbs.), but not more than twenty-eight
22 thousand pounds (28,000 lbs.): two hundred ninety-six dollars (\$296);
- 23 (xvi) More than twenty-eight thousand pounds (28,000 lbs.), but not more than thirty
24 thousand pounds (30,000 lbs.): three hundred sixteen dollars (\$316);
- 25 (xvii) More than thirty thousand pounds (30,000 lbs.), but not more than thirty-two
26 thousand pounds (32,000 lbs.): four hundred and twenty-two dollars (\$422);
- 27 (xviii) More than thirty-two thousand pounds (32,000 lbs.), but not more than thirty-four
28 thousand pounds (34,000 lbs.): four hundred and forty-eight dollars (\$448);
- 29 (xix) More than thirty-four thousand pounds (34,000 lbs.), but not more than thirty-six
30 thousand pounds (36,000 lbs.): four hundred and seventy-six dollars (\$476);
- 31 (xx) More than thirty-six thousand pounds (36,000 lbs.), but not more than thirty-eight
32 thousand pounds (38,000 lbs.): five hundred and two dollars (\$502);
- 33 (xxi) More than thirty-eight thousand pounds (38,000 lbs.), but not more than forty
34 thousand pounds (40,000 lbs.): five hundred and twenty-eight dollars (\$528);

1 (xxii) More than forty thousand pounds (40,000 lbs.), but not more than forty-two thousand
2 pounds (42,000 lbs.): five hundred and fifty-four dollars (\$554);

3 (xxiii) More than forty-two thousand pounds (42,000 lbs.), but not more than forty-six
4 thousand pounds (46,000 lbs.): six hundred and eight dollars (\$608);

5 (xxiv) More than forty-six thousand pounds (46,000 lbs.), but not more than fifty thousand
6 pounds (50,000 lbs.): six hundred and sixty dollars (\$660);

7 (xxv) More than fifty thousand pounds (50,000 lbs.), but not more than fifty-four thousand
8 pounds (54,000 lbs.): seven hundred and twelve dollars (\$712);

9 (xxvi) More than fifty-four thousand pounds (54,000 lbs.), but not more than fifty-eight
10 thousand pounds (58,000 lbs.): seven hundred and sixty-eight dollars (\$768);

11 (xxvii) More than fifty-eight thousand pounds (58,000 lbs.), but not more than sixty-two
12 thousand pounds (62,000 lbs.): eight hundred and sixteen dollars (\$816);

13 (xxviii) More than sixty-two thousand pounds (62,000 lbs.), but not more than sixty-six
14 thousand pounds (66,000 lbs.): eight hundred and seventy-six dollars (\$876);

15 (xxix) More than sixty-six thousand pounds (66,000 lbs.), but not more than seventy
16 thousand pounds (70,000 lbs.): nine hundred and twenty-four dollars (\$924);

17 (xxx) More than seventy thousand pounds (70,000 lbs.), but not more than seventy-four
18 thousand pounds (74,000 lbs.): nine hundred and seventy-two dollars (\$972);

19 (xxxi) Over seventy-four thousand pounds (74,000 lbs.): nine hundred and seventy-two
20 dollars (\$972), plus twenty-four dollars (\$24.00) per two thousand pounds (2,000 lbs.) gross
21 weight.

22 (4) For the registration of every semi-trailer to be used with a truck-tractor, as defined in §
23 31-1-4(f), shall be as follows: an annual fee of twelve dollars (\$12.00) for a one-year registration;
24 for multi-year registrations the fee of fifty dollars (\$50.00) for a five-year (5) registration; and
25 eighty dollars (\$80.00) for an eight-year (8) registration. However, when in use, the weight of the
26 resulting semi-trailer unit and its maximum carrying capacity shall not exceed the gross weight of
27 the original semi-trailer unit from which the gross weight of the tractor was determined. A
28 registration certificate and registration plate shall be issued for each semi-trailer so registered.
29 There shall be no refund of payment of such fee, except that when a plate is returned prior to ninety
30 (90) days before the effective date of that year's registration, the pro rate amount, based on the
31 unused portion of the multi-year registration plate period at time of surrender, shall be refunded. A
32 multi-year semi-trailer registration may be transferred to another semi-trailer subject to the
33 provisions and fee set forth in § 31-6-11. Thirty percent (30%) of the semi-trailer registration fee
34 shall be retained by the division of motor vehicles to defray the costs of implementation of the

1 international registration plan (IRP) and fleet registration section.

2 (5) For the registration of every automobile, motor truck, or tractor, when equipped with
3 other than pneumatic tires, there shall be added to the above gross weight fees a charge of ten cents
4 (10¢) for each one hundred pounds (100 lbs.) of gross weight.

5 (6) For the registration of every public bus, the rates provided for motor vehicles for hire
6 plus two dollars (\$2.00) for each passenger that bus is rated to carry, the rating to be determined by
7 the administrator of the division of motor vehicles.

8 (7) For the registration of every motorcycle, or motor-driven cycle, thirteen dollars
9 (\$13.00). Three dollars (\$3.00) from that sum shall be turned over to the department of education
10 to assist in the payment of the cost of the motorcycle driver's education program as enumerated in
11 § 31-10.1-1.1.

12 (8) For the registration of every trailer, not including semi-trailers used with a truck-tractor
13 as defined in § 31-1-4(d), with a gross weight of three thousand pounds (3,000 lbs.) or less, five
14 dollars (\$5.00). Trailers with a gross weight of more than three thousand pounds (3,000 lbs.) shall
15 be assessed a registration fee of one dollar and fifty cents (\$1.50) per thousand pounds (1,000 lbs.).

16 (9) The annual registration fee for a motor vehicle, commonly described as a boxcar and/or
17 locomotive, and used only by La Societe Des 40 Hommes et 8 Chevaux for civic demonstration,
18 parades, convention purposes, or social welfare work, shall be two dollars (\$2.00).

19 (10) For the registration of every motor vehicle, trailer, or semi-trailer owned by any
20 department or agency of any city or town or district, provided the name of the city or town or
21 district or state department or agency owning the same shall be plainly printed on two (2) sides of
22 the vehicle, two dollars (\$2.00).

23 (11) For the registration of motor vehicles used for racing, fifteen dollars (\$15.00).

24 (12) For every duplicate registration certificate, seventeen dollars (\$17.00).

25 (13) For every certified copy of a registration certificate or application, ten dollars (\$10.00).

26 (14) For every certificate assigning a special identification number or mark as provided in
27 § 31-3-37, one dollar (\$1.00).

28 (15) For every replacement of number plates or additional pair of number plates, without
29 changing the number, thirty dollars (\$30.00).

30 (16) For the registration of every farm vehicle, used in farming as provided in § 31-3-31:
31 ten dollars (\$10.00).

32 (17) For the registration of antique motor vehicles, five dollars (\$5.00).

33 (18) For the registration of a suburban vehicle, when used as a pleasure vehicle and the
34 gross weight of which is not more than four thousand pounds (4,000 lbs.), the same rates as charged

1 in subdivision (1) of this subsection shall be applicable and when used as a commercial vehicle and
2 the gross weight of which is not more than four thousand pounds (4,000 lbs.), the same rates as
3 provided in subdivision (2) of this subsection shall be applicable. The rates in subdivision (3) of
4 this subsection shall be applicable when the suburban vehicle has a gross weight of more than four
5 thousand pounds (4,000 lbs.), regardless of the use of the vehicle.

6 (19) For the registration of every motor bus that is used exclusively under contract with a
7 political subdivision or school district of the state for the transportation of school children, twenty-
8 five dollars (\$25); provided that the motor bus may also be used for the transportation of persons
9 to and from church and Sunday school services, and for the transportation of children to and from
10 educational or recreational projects sponsored by a city or town or by any association or
11 organization supported wholly or in part by public or private donations for charitable purposes,
12 without the payment of additional registration fee.

13 (20) For the registration of every motorized bicycle, ten dollars (\$10.00).

14 (21) For the registration of every motorized tricycle, ten dollars (\$10.00).

15 (22) For the replacement of number plates with a number change, twenty dollars (\$20.00).

16 (23) For the initial issuance and each reissuance of fully reflective plates, as required by §§
17 31-3-10 ~~and~~, 31-3-32, [and 31-3-33](#), an additional ~~six dollars (\$6.00)~~ [eight dollars \(\\$8.00\)](#).

18 (24) For the issuance of a trip permit under the International Registration Plan, twenty-five
19 dollars (\$25.00) per vehicle. The division of motor vehicles is authorized to issue seventy-two-hour
20 (72) trip permits for vehicles required to be registered in the International Registration Plan that
21 have not been apportioned with the state of Rhode Island.

22 (25) For the issuance of a hunter's permit under the International Registration Plan, twenty-
23 five dollars (\$25.00) per vehicle. The division of motor vehicles is authorized to issue hunter's
24 permits for motor vehicles based in the state of Rhode Island and otherwise required to be registered
25 in the International Registration Plan. These permits are valid for thirty (30) days.

26 (26) For the registration of a specially adapted motor vehicle necessary to transport a family
27 member with a disability for personal, noncommercial use, a fee of thirty dollars (\$30.00) assessed.

28 SECTION 4. Section 31-3.1-38 of the General Laws in Chapter 31-3.1 entitled
29 "Certificates of Title and Security Interests" is hereby amended to read as follows:

30 **31-3.1-38. Effective dates -- Applicability.**

31 This chapter shall apply to all model vehicles designated as 2001 models and all subsequent
32 model year vehicles. All vehicles designated as model years prior to 2001 shall be excluded from
33 these provisions, ~~provided that no title certificate shall be required once a vehicle is twenty (20)~~
34 ~~years old.~~

1 SECTION 5. This article shall take effect upon passage.

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ARTICLE 8

RELATING TO TRANSPORTATION

SECTION 1. Section 31-25-21 of the General Laws in Chapter 31-25 entitled "Size, Weight, and Load Limits" is hereby amended to read as follows:

31-25-21. Power to permit excess size or weight of loads. [Effective January 1, 2019.]

(a) The department of transportation, with respect to highways under its jurisdiction, may, in its discretion, upon application in writing and good cause being shown for it, approve the issuance of a special permit in writing by the division of motor vehicles authorizing the applicant to operate or move a vehicle, or combination of vehicles, of a size or weight of vehicle or load exceeding eighty thousand pounds (80,000 lbs.) or otherwise not in conformity with the provisions of chapters 1 -- 27 of this title upon any highway under the jurisdiction of the party granting the permit and for the maintenance of which the party is responsible. Permits that have been issued for a full year shall not be required to be renewed for the period of time for which payment has been made and the application and other required documentation has been completed and filed. Provided, that neither the department of transportation nor the local authorities may approve the issuance of permits for divisible loads weighing in excess of one hundred four thousand-eight hundred pounds (104,800 lbs.), gross vehicle weight, for five-axle (5) vehicles and seventy-six thousand six hundred fifty pounds (76,650 lbs.), gross vehicle weight, for three-axle (3) vehicles.

(1) Provided, however, that for milk products, any vehicle carrying fluid milk products shall be considered a load that cannot be easily dismantled or divided.

(b) The director of the department of transportation may enter into agreements with other states, the District of Columbia, and Canadian provinces providing for the reciprocal enforcement of the overweight or over-dimensional vehicle permit laws of those jurisdictions entering into the agreement.

(c) Trip permit fee. A fee of ~~twenty dollars (\$20.00)~~ forty dollars (\$40.00) shall be paid to the division of motor vehicles for the issuance of each non-reducible vehicle or load permit; provided, however, applicants seeking a permit for a non-divisible load exceeding one hundred thirty thousand pounds (130,000 lbs.) shall pay a fee of three hundred dollars (\$300.00) to the division of motor vehicles for consideration of a special trip permit approved by the department of transportation pursuant to subsection (e).

1 (d) Annual fee. An annual fee of ~~three hundred dollars (\$300)~~ four hundred dollars (\$400)
2 paid to the division of motor vehicles shall exempt the payor from the necessity of paying trip
3 permit fees for non-divisible loads of less than one hundred thirty thousand pounds (130,000 lbs.)
4 as found in subsection (c). However, payment of the fee shall not be deemed to authorize non-
5 compliance with the rules and regulations promulgated by the department of transportation entitled
6 "State of Rhode Island Manual for Overweight and Oversize Vehicle Permits".

7 (e) Blanket construction equipment permits may be issued, as determined by the
8 department of transportation, for intrastate movement of non-reducible loads upon payment of the
9 fee set forth in subsection (d). The duration of the blanket permit may not exceed one year, and the
10 construction equipment permit load shall be limited to a minimum overall length of fifty-five feet
11 (55'), a maximum overall length of eighty feet (80'), and a maximum width of twelve feet four
12 inches (12' 4"), provided that neither the division of motor vehicles nor local authorities may issue
13 blanket permits for non-divisible loads weighing in excess of one hundred thirty thousand pounds
14 (130,000 lbs.) on less than six (6) axles, with individual axle weights exceeding twenty-five
15 thousand pounds (25,000 lbs.); provided, further, that the department of transportation, with respect
16 to highways under its jurisdiction, may, in its discretion and upon application and for good cause
17 shown, approve the issuance of a special trip permit authorizing the applicant to exceed one hundred
18 thirty thousand pounds (130,000 lbs.) for non-divisible loads. A flashing amber light shall be in
19 operation above the highest point of the vehicle and shall be visible from both the front and rear of
20 the vehicle; and signs and red warning flags shall be affixed to all extremities. All blanket permits
21 issued in accordance with this section shall be effective during daylight and night-time hours for
22 all over-dimensional moves made and travel shall be allowed on state highways. The following
23 restrictions on travel times shall apply to:

24 (1) Freeways -- in general.

25 No travel will be allowed between the hours of 7:00 am and 9:00 am or between 3:00 pm
26 and 7:00 pm on any day of the week.

27 (2) Arterial roadways.

28 No travel will be allowed between the hours of 7:00 am and 9:00 am or between 3:00 pm
29 and 7:00 pm, Monday through Friday.

30 (3) Holidays.

31 Memorial Day, Victory Day, Labor Day and Columbus Day -- No Saturday, Sunday, or
32 Monday day or night travel.

33 Thanksgiving Day -- No Wednesday night or Thursday day or night travel. No travel on
34 Wednesday through Sunday of Thanksgiving week in any calendar year.

1 Independence Day, Veterans Day, Christmas Day -- No day or night travel and no travel
2 the previous night.

3 Easter Sunday. No Saturday night or Sunday travel.

4 (f) Construction equipment blanket permits shall not be granted for travel over the
5 following bridges:

6 Blackstone River Viaduct 750 carrying I-295 northbound and southbound over the
7 Blackstone River;

8 Kingston Road Bridge No. 403 carrying I-95 northbound and southbound over Kingston
9 Road.

10 (g) Travel of blanket permitted construction equipment through zones with reductions in
11 lane width such as construction zones will not be allowed. Prior to travel, blanket permit holders
12 are responsible to verify the location of construction zones and lane width reductions. Locations of
13 lane width reduction zones are available through the state department of transportation's
14 construction office.

15 SECTION 2. Sections 39-18.1-4 and 39-18.1-5 of the General Laws in Chapter 39-18.1
16 entitled "Transportation Investment and Debt Reduction Act of 2011" are hereby amended to read
17 as follows:

18 **39-18.1-4. Rhode Island highway maintenance account created.**

19 (a) There is hereby created a special account in the intermodal surface transportation fund
20 as established in § 31-36-20 that is to be known as the Rhode Island highway maintenance account.

21 (b) The fund shall consist of all those moneys that the state may from time to time direct
22 to the fund, including, but not necessarily limited to, moneys derived from the following sources:

23 (1) There is imposed a surcharge of thirty dollars (\$30.00) per vehicle or truck, other than
24 those with specific registrations set forth below in subsection (b)(1)(i). Such surcharge shall be paid
25 by each vehicle or truck owner in order to register that owner's vehicle or truck and upon each
26 subsequent biennial registration. This surcharge shall be phased in at the rate of ten dollars (\$10.00)
27 each year. The total surcharge will be ten dollars (\$10.00) from July 1, 2013, through June 30,
28 2014, twenty dollars (\$20.00) from July 1, 2014, through June 30, 2015, and thirty dollars (\$30.00)
29 from July 1, 2015, through June 30, 2016, and each year thereafter.

30 (i) For owners of vehicles or trucks with the following plate types, the surcharge shall be
31 as set forth below and shall be paid in full in order to register the vehicle or truck and upon each
32 subsequent renewal:

33 Plate Type	Surcharge
34 Antique	\$5.00

1	Farm	\$10.00
2	Motorcycle	\$13.00

3 (ii) For owners of trailers, the surcharge shall be one-half (1/2) of the biennial registration
4 amount and shall be paid in full in order to register the trailer and upon each subsequent renewal.

5 (2) There is imposed a surcharge of fifteen dollars (\$15.00) per vehicle or truck, other than
6 those with specific registrations set forth in subsection (b)(2)(i) below, for those vehicles or trucks
7 subject to annual registration, to be paid annually by each vehicle or truck owner in order to register
8 that owner's vehicle or truck and upon each subsequent annual registration. This surcharge will be
9 phased in at the rate of five dollars (\$5.00) each year. The total surcharge will be five dollars (\$5.00)
10 from July 1, 2013, through June 30, 2014, ten dollars (\$10.00) from July 1, 2014, through June 30,
11 2015, and fifteen dollars (\$15.00) from July 1, 2015, through June 30, 2016, and each year
12 thereafter.

13 (i) For registrations of the following plate types, the surcharge shall be as set forth below
14 and shall be paid in full in order to register the plate, and upon each subsequent renewal:

15	Plate Type	Surcharge
16	Boat Dealer	\$6.25
17	Cycle Dealer	\$6.25
18	In-transit	\$5.00
19	Manufacturer	\$5.00
20	New Car Dealer	\$5.00
21	Used Car Dealer	\$5.00
22	Racer Tow	\$5.00
23	Transporter	\$5.00
24	Bailee	\$5.00

25 (ii) For owners of trailers, the surcharge shall be one-half (1/2) of the annual registration
26 amount and shall be paid in full in order to register the trailer and upon each subsequent renewal.

27 (iii) For owners of school buses, the surcharge will be phased in at the rate of six dollars
28 and twenty-five cents (\$6.25) each year. The total surcharge will be six dollars and twenty-five
29 cents (\$6.25) from July 1, 2013, through June 30, 2014, and twelve dollars and fifty cents (\$12.50)
30 from July 1, 2014, through June 30, 2015, and each year thereafter.

31 (3) There is imposed a surcharge of thirty dollars (\$30.00) per license to operate a motor
32 vehicle to be paid every five (5) years by each licensed operator of a motor vehicle. This surcharge
33 will be phased in at the rate of ten dollars (\$10.00) each year. The total surcharge will be ten dollars
34 (\$10.00) from July 1, 2013, through June 30, 2014, twenty dollars (\$20.00) from July 1, 2014,

1 through June 30, 2015, and thirty dollars (\$30.00) from July 1, 2015, through June 30, 2016, and
2 each year thereafter. In the event that a license is issued or renewed for a period of less than five
3 (5) years, the surcharge will be prorated according to the period of time the license will be valid;

4 (4) All fees assessed pursuant to § 31-47.1-11, and chapters 3, 6, 10, and 10.1 of title 31,
5 except for fees assessed pursuant to §§ 31-10-31(6) and (8), shall be deposited into the Rhode Island
6 highway maintenance account, provided that for fiscal years 2016, 2017, and 2018 these fees be
7 transferred as follows:

8 (i) From July 1, 2015, through June 30, 2016, twenty-five percent (25%) will be deposited;

9 (ii) From July 1, 2016, through June 30, 2017, fifty percent (50%) will be deposited; and

10 (iii) From July 1, 2017, through June 30, 2018, sixty percent (60%) will be deposited;

11 (iv) From July 1, 2018, and each year thereafter, one hundred percent (100%) will be
12 deposited;

13 (5) All remaining funds from previous general obligation bond issues that have not
14 otherwise been allocated.

15 (c) Effective July 1, 2019, ninety-five percent (95%) of ~~At~~ all funds collected pursuant to
16 this section shall be deposited in the Rhode Island highway maintenance account and shall be used
17 only for the purposes set forth in this chapter. The remaining funds shall be retained as general
18 revenues to partially offset cost of collections.

19 (d) Unexpended balances and any earnings thereon shall not revert to the general fund but
20 shall remain in the Rhode Island highway maintenance account. There shall be no requirement that
21 monies received into the Rhode Island highway maintenance account during any given calendar
22 year or fiscal year be expended during the same calendar year or fiscal year.

23 (e) The Rhode Island highway maintenance account shall be administered by the director,
24 who shall allocate and spend monies from the fund only in accordance with the purposes and
25 procedures set forth in this chapter.

26 **39-18.1-5. Allocation of funds.**

27 (a) The monies in the highway maintenance fund to be directed to the department of
28 transportation pursuant to subsection (a)(1) of this section shall be allocated through the
29 transportation improvement program process to provide the state match for federal transportation
30 funds, in place of borrowing, as approved by the state planning council. The expenditure of moneys
31 in the highway maintenance fund shall only be authorized for projects that appear in the state's
32 transportation improvement program.

33 (b) Provided, however, that beginning with fiscal year 2015 and annually thereafter, the
34 department of transportation will allocate necessary funding to programs that are designed to

1 eliminate structural deficiencies of the state's bridge, road, and maintenance systems and
2 infrastructure.

3 (c) Provided, further, that beginning July 1, 2015, five percent (5%) of available proceeds
4 in the Rhode Island highway maintenance account shall be allocated annually to the Rhode Island
5 public transit authority for operating expenditures.

6 (d) Provided, further, that from July 1, 2017, ~~through June 30, 2019~~ and annually thereafter,
7 in addition to the amount above, the Rhode Island public transit authority shall receive an amount
8 of not less than five million dollars (\$5,000,000) each fiscal year.

9 (e) Provided, further, that the Rhode Island public transit authority shall convene a
10 coordinating council consisting of those state agencies responsible for meeting the needs of low-
11 income seniors and persons with disabilities, along with those stakeholders that the authority deems
12 appropriate and are necessary to inform, develop, and implement the federally required
13 Coordinated Public Transit Human Services Transportation Plan.

14 The council shall develop, as part of the state's federally required plan, recommendations
15 for the appropriate and sustainable funding of the free-fare program for low-income seniors and
16 persons with disabilities, while maximizing the use of federal funds available to support the
17 transportation needs of this population.

18 The council shall report these recommendations to the governor, the speaker of the house
19 of representatives, and the president of the senate no later than November 1, 2018.

20 SECTION 3. This article shall take effect upon passage.

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ARTICLE 9

RELATING TO EDUCATION

SECTION 1. Sections 16-7-20 and 16-7-21 of the General Laws in Chapter 16-7 entitled "Foundation Level School Support [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" are hereby amended to read as follows:

16-7-20. Determination of state's share.

(a) For each community the state's share shall be computed as follows: Let

R = state share ratio for the community.

v = adjusted equalized weighted assessed valuation for the community, as defined in

§ 16-7-21(3).

V = sum of the values of v for all communities.

m = average daily membership of pupils in the community as defined in § 16-7-22(3).

M = total average daily membership of pupils in the state.

E = approved reimbursable expenditures for the community for the reference year minus the excess costs of special education, tuitions, federal and state receipts, and other income.

Then the state share entitlement for the community shall be RE where

$R = 1 - 0.5vM/(Vm)$ through June 30, 2011, and $R = 1 - 0.475 vM/(Vm)$ beginning on July 1, 2011 and thereafter.

Except that in no case shall R be less than zero percent (0%).

(b) Whenever any funds are appropriated for educational purposes, the funds shall be used for educational purposes only and all state funds appropriated for educational purposes must be used to supplement any and all money allocated by a city or town for educational purposes and in no event shall state funds be used to supplant, directly or indirectly, any money allocated by a city or town for educational purposes. The courts of this state shall enforce this section by writ of mandamus.

(c) Notwithstanding the calculations in subsection (a), the hospital school at the Hasbro Children's Hospital shall be reimbursed one hundred percent (100%) of all expenditures approved by the board of regents for elementary and secondary education in accordance with currently existing rules and regulations for administering state aid, and subject to annual appropriations by

1 the general assembly including, but not limited to, expenditures for educational personnel, supplies,
2 and materials in the prior fiscal year.

3 (d) In the event the computation of the state's share for any local education agency as
4 outlined in subsection (a) is determined to have been calculated incorrectly after the state budget
5 for that fiscal year has been enacted, the commissioner of elementary of secondary education shall
6 notify affected local education agencies, the senate president and the speaker of the house within
7 fifteen (15) days of the determination.

8 (e) Realignment of aid payments to the affected local education agencies pursuant to
9 subsection (d) shall occur in the following fiscal year:

10 (1) If the determination shows aid is underpaid to the local education agency, any amounts
11 owed shall be paid in equal monthly installments.

12 (2) If the determination shows aid was overpaid, the department of elementary and
13 secondary education shall recapture some amount of the aid from the overpaid local education
14 agency. The amount to be withheld shall be equal to the amount of the overpayment prorated to the
15 number of full months remaining in the fiscal year when the notification required in subsection (d)
16 was made.

17 **16-7-21. Determination and adjustment of equalized weighted assessed valuation.**

18 On or before August 1 of each year the division of property valuation within the department
19 of revenue shall determine and certify to the commissioner of elementary and secondary education
20 the equalized weighted assessed valuation for each city and town in the following manner:

21 (1) The total assessed valuations of real and tangible personal property for each city and
22 town as of December 31 of the third preceding calendar year shall be weighted by bringing the
23 valuation to the true and market value of real and tangible personal property. The total assessed
24 valuations of real and tangible personal property for all cities and towns shall be applied to the true
25 and market valuations of the property for all cities and towns and the resulting percentage shall
26 determine the average throughout the state. This percentage applied to the sum of the total true and
27 market value of real and tangible personal property of each city and town shall be the equalized
28 weighted assessed valuation of each city and town.

29 (2) The equalized weighted assessed valuation for each city and town shall be allocated to
30 the particular city or town, and in the case of a regional school district which does not service all
31 grades, except the Chariho regional high school district, the commissioner of elementary and
32 secondary education shall apportion that proportion of the equalized weighted assessed valuation
33 of the member cities or towns which the average daily membership serviced by the regional school
34 district bears to the total average daily membership, and the equalized weighted assessed valuation

1 of the member cities and towns shall be appropriately reduced.

2 (3) The equalized weighted assessed valuation for each community as allocated or
3 apportioned in accordance with subdivision (2) of this section shall be adjusted by the ratio which
4 the median family income of a city or town bears to the statewide median family income as reported
5 in the latest available federal census data. The total state adjusted equalized weighted assessed
6 valuation shall be the same as the total state equalized weighted assessed valuation.

7 (4) In the event that certified data is later determined to be incorrect, the division of
8 property valuation in conjunction with the commissioner of elementary and secondary education,
9 shall inform local education agencies, the senate president and the speaker of the house of the
10 issue(s) within five (5) days of the determination.

11 SECTION 2. Legislative findings and intent. The general assembly hereby finds and
12 declares that:

13 (1) The University of Rhode Island has become a public research university educating more
14 than eighteen thousand (18,000) students annually, and offering opportunities to study in more than
15 ninety (90) bachelor's degree, more than seventy (70) graduate degree, and more than twenty (20)
16 certificate and non-degree programs.

17 (2) The aspirations of high school graduates and their families require the continuous
18 innovation and transformation of the university and its academic programs.

19 (3) The shrinking and shifting demographics of high school graduates in the region coupled
20 with the increased competitiveness of the higher education marketplace requires the university to
21 be strategic, nimble and innovative in its recruitment, financial aid and academic offerings in order
22 to be successful.

23 (4) The University of Rhode Island's peer institutions and aspirational competitor
24 institutions have governing bodies solely dedicated to the success of their mission and focus on
25 these higher education trends and best practices for their public research university, and

26 (5) The University of Rhode Island would benefit from having a Board of Trustees entirely
27 committed to exploring opportunities, addressing challenges, and creating new economic
28 opportunities and partnerships for the university.

29 (6) The general assembly finds that the establishment of a University of Rhode Island board
30 of trustees is necessary to effectuate these goals for the governance and support of the University
31 of Rhode Island.

32 SECTION 3. Sections 16-32-2, 16-32-2.1, 16-32-5, 16-32-9, 16-32-10, 16-32-11, 16-32-
33 12, 16-32-15, 16-32-25 and 16-32-26 of the General Laws in Chapter 16-32 entitled "University of
34 Rhode Island [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" are hereby

1 amended to read as follows:

2 **16-32-2. Continuation of powers of board. Board of Trustees established.**

3 ~~The change in name shall in no way affect the powers and duties of the board of governors~~
4 ~~for higher education defined in chapter 59 of this title; and the board of governors for higher~~
5 ~~education shall be responsible for the control, management, and operation of the University of~~
6 ~~Rhode Island in the same manner as previously it was responsible for the control, management, and~~
7 ~~operation of it under the name of Rhode Island State College.~~

8 (a) There is hereby created a board of trustees for the University of Rhode Island,
9 sometimes referred to as the "board" or "board of trustees", which shall be and is constituted a
10 public corporation, empowered to sue and be sued in its own name, to borrow money, to
11 compromise and settle claims, to have a seal, and to make and execute contracts and other
12 instruments necessary or convenient to the exercise of its powers, and to exercise all the powers, in
13 addition to those specifically enumerated in this chapter, usually appertaining to public corporations
14 entrusted with control of postsecondary educational institutions and functions. Upon its
15 organization, the board shall be vested with the legal title to all property, real and personal, now
16 owned by and/or under the control or in custody of the council on postsecondary education for the
17 use of the University of Rhode Island including all its departments, divisions, and branches,
18 sometimes referred to as the property.

19 (b) The board is empowered to hold and operate the property in trust for the state; to
20 acquire, hold, and dispose of the property and other like property as deemed necessary for the
21 execution of its corporate purposes. The board is made successor to all powers, rights, duties, and
22 privileges for the University of Rhode Island formerly belonging to the council on postsecondary
23 education pertaining to postsecondary education and the board of governors for higher education.

24 (c) The board shall be the employer of record for the university. It shall retain all authority
25 formerly vested in the council on postsecondary education and the board of education regarding
26 the employment of faculty and staff at the University of Rhode Island. The board shall appoint the
27 president of the university and shall review their performance on an annual basis.

28 (1) The board is empowered to enter into contracts and agreements with the council on
29 postsecondary education and/or the department of administration related to employee benefits,
30 including but not limited to retirement benefits, health, dental, vision and life insurance, disability
31 insurance, workers' compensation, and tuition waivers to maximize the state's and university's
32 purchasing and investment portfolio and educational opportunities for the benefit of its employees.

33 (2) The board is empowered to enter into collective bargaining agreements as appropriate
34 with its employees and all existing collective bargaining agreements in effect when the board is

1 established pursuant to § 16-32-2.2 shall be transferred from the council on postsecondary
2 education to the board.

3 (d) The board shall make rules and regulations for the control and use of all public
4 properties and highways under its care, and for violations of those rules and regulations; penalties,
5 up to one hundred dollars (\$100) and costs for any one offense, may be imposed by any district
6 court or police court in the city or town where the violation occurs; and, in general, the board shall
7 take all actions necessary for the proper execution of the powers and duties granted to, and imposed
8 upon, the board by the terms of this chapter.

9 (e) The board shall make rules and regulations pursuant to chapter 2 of title 37 to implement
10 its responsibilities as a public agency for procurement purposes as defined in § 37-2-7(16).

11 (f) The board shall evaluate data on which to base performance of the university as
12 described in subsection (g) of this section which shall be defined by the president of the university.
13 These measures may include and incorporate outcomes or goals from multiple, previous years. The
14 lack of information from previous years, however, will not affect the use of performance-based
15 measures.

16 (g) The University of Rhode Island shall have unique measures consistent with its purpose,
17 role, scope, and mission. The board shall provide faculty and students an opportunity to provide
18 input on the development of performance measures.

19 (1) The performance-based measures shall include, but not be limited to, the following
20 metrics:

21 (i) The number and percentage, including growth in relation to enrollment and prior years
22 of bachelor's degrees awarded to first-time, full-time students within four (4) years and six (6)
23 years, including summer graduates;

24 (ii) The number of degrees awarded that are tied to Rhode Island's high demand, high-wage
25 employment opportunities consistent with the institution's mission;

26 (iii) One metric that applies only to the university, in consultation with the president, which
27 shall consider faculty, staff and student input; and

28 (iv) Any other metrics that are deemed appropriate by the board.

29 (2) Weight may be assigned to any of the aforementioned metrics to reinforce the mission
30 of the university, the economic needs of the state, and the socio-economic status of the students.

31 (h) The board shall hold the university accountable for developing and implementing
32 transfer pathways for students from the Community College of Rhode Island and Rhode Island
33 College.

34 (i) The board shall supervise, coordinate, and/or authorize audits, civil and administrative

1 investigations, and inspections or oversight reviews, when necessary, relating to expenditure of
2 state or federal funds, or to any and all university programs and operations, as well as the
3 procurement of any supplies, services, or construction, by the university. In the course of an audit
4 or investigation, the board authorized auditor(s) shall review statutes and regulations of the
5 university and shall determine if the university is in compliance and shall make recommendations
6 concerning the efficiency of operations, and the effect of such statutes or regulations on internal
7 controls and the prevention and detection of fraud, waste and abuse. The board authorized
8 auditor(s) may recommend policies or procedures that may strengthen internal controls, or assist in
9 the prevention or detection of fraud, waste, and abuse or mismanagement. Any audits conducted
10 shall be transmitted to the office of internal audit established in general law 35-7.1.

11 **16-32-2.1. Additional powers of the President of the University.**

12 In addition to any powers granted to the president of the University of Rhode Island by law
13 or regulation, and consistent with shared governance practices, in conformity with § 16-32-10, the
14 president shall have the following additional powers and duties:

15 (a) To create, and consolidate departments, divisions, programs, and courses of study
16 within the university ~~with the assistance of the commissioner of postsecondary education within~~
17 and the approved role and scope of the president's authority adopted by the ~~council on~~
18 ~~postsecondary education pursuant to § 16-59-4~~ board of trustees. Any new or proposed eliminations
19 of departments, divisions, programs or courses of study that are outside the role and scope approved
20 by the ~~council~~ board shall require the review and approval of the ~~council on postsecondary~~
21 ~~education~~ board.

22 (b) To adopt a budget for the university and submit it to the ~~council on postsecondary~~
23 ~~education~~ board of trustees for approval.

24 (c) To be responsible for the general management of property of the university.

25 (d) To recommend to the ~~council on postsecondary education, after consultation with the~~
26 ~~commissioner of postsecondary education~~ board of trustees, tables of organization for the
27 university.

28 (e) To submit to the ~~office of postsecondary commissioner~~ board of trustees and to compile
29 and analyze the following information for presentation to the ~~council on postsecondary education~~
30 ~~and the board of education~~ board annually by May 1st the following:

31 (1) A detailed departmental breakdown of all faculty members employed at the university
32 by rank (including all professors, associate professors, assistant professors, lecturers, and
33 instructors) and tenure (tenured and non-tenured, and other) and by race (African American,
34 Hispanic, Native American, and Asian) and gender.

1 (2) A detailed report on current student enrollments for each class at the university by race
2 and gender, by academic department, and by outreach program (e.g. talent development),
3 guaranteed admissions program, and the current levels of funding and staff support for each of
4 these programs.

5 ~~(3) A report on the current status of the African and Afro-American studies programs at~~
6 ~~the university and a five (5) year budgetary history of the programs along with projections for~~
7 ~~budgetary support for the next two (2) years.~~

8 ~~(4)~~(3) A plan for recruitment of African American and Hispanic faculty into tenure track
9 positions at the university with specific reference to and planned involvement with the New
10 England higher education's minority faculty recruitment and development plan.

11 ~~(5)~~(4) Copies of the report shall be furnished to the ~~council of postsecondary education and~~
12 ~~the board of education~~ board of trustees.

13 (f) To assist the board of trustees in preparation and maintenance of a three (3) year
14 strategic funding plan for the university; to assist the board in the preparation and presentation
15 annually to the state budget officer in accordance with § 35-3-4 of a total university budget.

16 (g) To monitor, publish, and report to the board of trustees the level of performance on all
17 metrics of the universities set forth in § 16-32-2 and in accordance with this chapter. The president
18 shall revise the metrics at a time when performance has reached a level pre-defined by the board.
19 Future metrics may further goals identified by the board, the board of education and the governor's
20 workforce board, and the purpose and mission of the university. The university shall publish its
21 performance on all of its associated metrics prescribed in this chapter on its website.

22 **16-32-5. Authority over experiment station.**

23 The ~~board of governors for higher education~~ board of trustees shall have authority over the
24 experiment station of the university located in the town of South Kingstown.

25 **16-32-9. Annual appropriations.**

26 (a) The general assembly shall annually appropriate any sum as it may deem sufficient for
27 the purpose of defraying the expenses of the university, the appropriation to be expended under the
28 direction of the trustees and officers of the university. The state controller is authorized and directed
29 to draw his or her orders upon the general treasurer for the payment of the appropriations or so
30 much of the sums that are necessary for the purposes appropriated, upon the receipt by him or her
31 of proper vouchers as the board of trustees may by rule provide. The board shall receive, review,
32 and adjust the budget for the university and present the budget under the requirements of § 35-3-4.

33 (b) Any tuition or fee increase schedules in effect for the university shall be received by
34 the board of trustees for allocation for the fiscal year for which state appropriations are made to the

1 board by the general assembly; provided that no further increases may be made by the board for
2 the year for which appropriations are made.

3 (c) All housing, dining, and other auxiliary facilities at the university shall be self-
4 supporting and no funds shall be appropriated by the general assembly to pay operating expenses,
5 including principal and interest on debt services, and overhead expenses for the facilities. Any debt
6 service costs on general obligation bonds presented to the voters in November 2000 and November
7 2004 or appropriated funds from the Rhode Island Capital Plan Fund for the housing auxiliaries at
8 the University of Rhode Island shall not be subject to this self-supporting requirement in order to
9 provide funds for the building construction and rehabilitation program.

10 (d) The additional costs to achieve self-supporting status shall be by the implementation of
11 a fee schedule of all housing, dining, and other auxiliary facilities, including but not limited to,
12 operating expenses, principal, and interest on debt services, and overhead expenses.

13 (e) Notwithstanding paragraphs (a) and (c) of this section or any provisions of title 16, to
14 the extent necessary to comply with the provisions of any outstanding bonds issued by the Rhode
15 Island Health and Educational Building Corporation or outstanding Lease Certificates of
16 Participation, in either case, issued for the benefit of the University of Rhode Island, the
17 Community College of Rhode Island, and/or Rhode Island College, to the extent necessary to
18 comply with the provisions of any such bonds or certificates of participation, the general assembly
19 shall annually appropriate any such sums it deems necessary from educational and general revenues
20 (including, but not limited to tuition) and auxiliary enterprise revenues derived from the University
21 of Rhode Island, the Community College of Rhode Island and Rhode Island College, to be allocated
22 by the council on postsecondary education or by the board of trustees, as appropriate, in accordance
23 with the terms of the contracts with such bondholders or certificate holders.

24 **16-32-10. Award of degrees -- Curriculum and government.**

25 The board of trustees, with the approval of the president and a committee of the faculty of
26 the university, shall award academic degrees and diplomas and confer honors in the same manner
27 as is customary in American colleges. It shall also be the duty of the president and a committee of
28 the faculty, with the approval of the ~~board of governors for higher education~~ board of trustees, to
29 arrange courses of study conforming to all acts of Congress, and prescribe any qualifications for
30 the admission of students and any rules of study, exercise, discipline, and government as the
31 president and committee may deem proper.

32 **16-32-11. Power to guarantee loans.**

33 The ~~board of governors for higher education~~ board of trustees is authorized and empowered
34 to carry out the provisions of §§ 16-32-12 through 16-32-14 in regard to the guaranty of loans made

1 to societies and students at the university.

2 **16-32-12. Acquisition of land -- Guaranty of loans to societies of students.**

3 The ~~board of governors for higher education~~ [board of trustees](#) is authorized and empowered
4 on behalf of the University of Rhode Island to acquire land and also to guarantee in the name of
5 the state approved loans made to societies of students at the university, for the purchase or
6 construction, upon lands owned by the university, of society houses which shall serve as student
7 dormitories. Any loans approved, upon default, shall become state obligations in the same manner
8 as any state bond.

9 **16-32-15. Assumption of defaulted obligations -- Lien on property.**

10 Whenever default is made on the part of a society in the payment of loans guaranteed under
11 the provisions of § 16-32-12, or any part of them, the ~~board of governors for higher education~~ [board](#)
12 [of trustees](#) is authorized to assume the obligation and to make required payments on principal and
13 interest from any of the appropriations available for the University of Rhode Island. In the event of
14 a default, in cases where that board assumes the obligation of a society, the state shall have a lien
15 subject to any mortgages or encumbrances existing at the time on any and all property of the society.
16 The lien may be released after the reimbursement to the state of all payments made on behalf of the
17 society, plus accrued interest.

18 **16-32-25. Establishment of college of pharmacy fund.**

19 All money received pursuant to the provisions of chapter 3644 of the Public Laws of 1956
20 shall be deemed to be trust funds to be held by the general treasurer or by the University of Rhode
21 Island Foundation, as provided in § 16-32-26, in a special fund the income of which shall be made
22 available to the ~~board of governors for higher education~~ [board of trustees](#) to be applied by it solely
23 for use as scholarship grants in the field of pharmacy and allied sciences, in any manner and under
24 any conditions as the board of governors for higher education may determine. The board of
25 governors for higher education is authorized and empowered, from time to time, as occasion may
26 require, to draw on the general treasurer or on the University of Rhode Island Foundation, for the
27 annual income of the fund, or so much of this amount as may be necessary, to carry out this
28 objective.

29 **16-32-26. Management of college of pharmacy fund.**

30 (a) The general treasurer shall have the care and management of the fund with full power
31 to regulate the custody and safekeeping of all money and evidences of property belonging to the
32 fund. The treasurer shall deposit, subject to his or her order, to the use of this fund, all dividends,
33 interest, or income arising from it, in any bank or banks, trust company or trust companies, in which
34 funds of the state may be lawfully kept. The treasurer may invest and reinvest, in his or her

1 discretion, the money in the fund at any time and the dividends, interest, and income in any
2 securities or investments in which the deposits in savings banks and participation deposits in banks
3 and trust companies may be legally invested. The treasurer may change and vary the investments
4 from time to time, and he or she may sell and dispose of any investments made, when necessary to
5 meet the draft of the ~~board of governors for higher education~~ board of trustees as provided in § 16-
6 32-25.

7 (b) The general treasurer shall, upon the order of the governor to do so, transfer to the
8 University of Rhode Island Foundation created by act of the general assembly at its January 1957
9 session all money and evidences of property comprising the fund, and then his or her duties with
10 respect to the fund shall cease, and the foundation shall after this hold and administer the fund with
11 all the powers and subject to all the duties imposed upon it by the act of the general assembly with
12 respect to other funds held by the foundation; provided, that the fund shall be held by the foundation
13 as a special fund and shall not be mingled with other funds held by the foundation, and the net
14 income of the fund shall be devoted exclusively to the object specified in § 16-32-25.

15 SECTION 4. Sections 16-32.1-2 and 16-32.1-8 of the General Laws in Chapter 16-32.1
16 entitled "The University of Rhode Island Research Foundation Act [See Title 16 Chapter 97 - The
17 Rhode Island Board of Education Act]" are hereby amended to read as follows:

18 **16-32.1-2. Creation and powers.**

19 (a) There is hereby authorized, created and established a public corporation having a legal
20 existence distinct from the state and not constituting a department of state government, to be known
21 as the University of Rhode Island Research Foundation, with such powers as are set forth in this
22 chapter, for the purposes of the development of scientific research, technology, commercialization
23 of intellectual property and such other purposes as may be necessary to develop, promote and
24 enhance scientific research and technology at the University of Rhode Island.

25 (b) The research foundation is authorized, created and established for the benefit of the
26 University of Rhode Island and shall be organized exclusively for charitable, educational and
27 scientific purposes of the University of Rhode Island within the meaning of § 501(c)(3) of the
28 Internal Revenue Code with the following powers and purposes:

29 (1) To aid and assist the University of Rhode Island in the establishment, development and
30 fostering of scientific research and technology which will further the learning opportunities,
31 programs, services and enterprises of the University and of the state of Rhode Island;

32 (2) To assist in providing research programs at the University of Rhode Island which will
33 provide for the advancement of education and educational programs at the University of Rhode
34 Island and which will provide for opportunities to individuals for learning and training in subjects

1 useful to the individual and beneficial to the community;

2 (3) To promote, encourage and foster the education and training services, scientific
3 investigations, technology development and technology commercialization at the University of
4 Rhode Island;

5 (4) To pursue, obtain and protect intellectual property rights (including patents, trademarks,
6 tangible materials and copyrights) in and to all valuable intellectual property flowing from or
7 belonging to the University of Rhode Island and to administer such intellectual property in
8 conformity with applicable state and federal laws;

9 (5) To carry on any other lawful purpose within the meaning of § 501(c)(3) of the Internal
10 Revenue Code in connection with its purposes.

11 (c) The research foundation and its corporate existence shall continue until terminated by
12 law or until the corporation shall cease entirely and continuously to conduct or be involved in any
13 business or transactions in furtherance of its purposes. Upon termination of the research foundation
14 and its corporate existence, all of its rights, assets and properties shall pass to and be vested in the
15 ~~board of governors for higher education~~ [board of trustees](#) for the benefit of the University of Rhode
16 Island.

17 **16-32.1-8. Annual report and audit.**

18 The research foundation shall submit to the ~~board of governors for higher education~~ [board](#)
19 [of trustees](#) an audited report of its activities for the preceding fiscal year. The report shall set forth
20 a complete operating and financial statement covering the research foundation operations during
21 the preceding fiscal year. The research foundation shall cause an independent audit of its books and
22 accounts to be made at least once each fiscal year.

23 SECTION 5. Chapter 16-32 of the General Laws entitled "University of Rhode Island [See
24 Title 16 Chapter 97 - The Rhode Island Board of Education Act]" is hereby amended by adding
25 thereto the following sections:

26 **16-32-2.2. Appointment and removal of the board of trustees.**

27 [\(a\) There is hereby established a board of trustees for the University of Rhode Island](#)
28 [consisting of seventeen \(17\) members. The governor shall appoint the members, with the advice](#)
29 [and consent of the senate, to serve on the board of trustees, until the expiration of their term and](#)
30 [their successor is appointed. In making these appointments the governor shall give due](#)
31 [consideration to recommendations from the president of the University of Rhode Island and at least](#)
32 [three \(3\) of those members appointed by the governor shall be residents of the State of Rhode](#)
33 [Island, at least one of those members shall be selected from a list of names of at least five \(5\)](#)
34 [individuals submitted by the speaker of the house of representatives, and at least one of those](#)

1 members shall be selected from a list of names of at least five (5) individuals submitted by the
2 president of the senate. In addition, the president of the University of Rhode Island shall appoint
3 one faculty member and one student member who shall be a full-time student in good standing at
4 the university and who shall both serve in a non-voting, ex officio capacity for a single two (2) year
5 term. The chair of the board of education and the chair of the council on postsecondary education
6 shall serve in a non-voting, ex-officio capacity on the board of trustees. Six (6) of the members
7 initially appointed pursuant to this section shall serve terms of three (3) years; seven (7) members
8 initially appointed pursuant to this section shall serve terms of two (2) years, including the member
9 appointed from the list submitted by the speaker of the house of representatives and the member
10 appointed from the list submitted by the president of the senate; and, four (4) members initially
11 appointed pursuant to this section shall serve terms of one year. Thirteen (13) voting members of
12 the board shall constitute a quorum and the vote of a majority of those present and voting shall be
13 required for action.

14 (b) After the initial terms of appointment have expired, the governor shall appoint nine (9)
15 members with the advice and consent of the senate to serve as members of the board of trustees
16 with two (2) members appointed for a term of three (3) years; with two (2) members appointed for
17 a term of two (2) years, including the member appointed from the list submitted by the speaker of
18 the house of representatives and the member appointed from the list submitted by the president of
19 the senate; and with two (2) members appointed for a term of one year and shall be eligible to be
20 reappointed to a term of two (2) years. In making these appointments the governor shall give due
21 consideration to recommendations from the president of the University of Rhode Island and at least
22 three (3) of those members appointed by the governor shall be residents of the State of Rhode
23 Island, at least one of those members shall be selected from a list of names of at least five (5)
24 individuals submitted by the speaker of the house of representatives, and at least one of those
25 members shall be selected from a list of names of at least five (5) individuals submitted by the
26 president of the senate. The remaining eight (8) voting members shall be self-perpetuating members
27 appointed by the board pursuant to rules adopted by the board regarding the nomination and
28 appointment of members and shall serve terms as defined by the board pursuant to the adopted
29 rules and be eligible for reappointment. In making these appointments the board shall give due
30 consideration to recommendations from the president of the University of Rhode Island.

31 (c) A majority of the board shall elect the chair of the board from among the seventeen (17)
32 voting board members pursuant to rules and regulations adopted by the board establishing the
33 procedure for electing a chair.

34 (d) Public members of the board shall be removable by the appointing authority of the

1 member for cause only, and removal solely for partisan or personal reasons unrelated to capacity
2 or fitness for the office shall be unlawful. No removal shall be made for any cause except after ten
3 (10) days' notice in writing of specific charges, with opportunity for the member to be present in
4 person and with counsel at a public hearing before the appointing authority, to introduce witnesses
5 and documentary evidence in his or her own defense, and to confront and cross-examine adversary
6 witnesses; and appeal shall lie to the superior court from the governor's determination.

7 **16-32-32. Exemption from provisions of administrative procedures act.**

8 The provisions of the administrative procedures act, chapter 35 of title 42, shall not apply
9 to this chapter.

10 **16-32-33. Receipts from sources other than appropriations.**

11 (a) Notwithstanding any general laws to the contrary, all receipts from all sources other
12 than state appropriations shall not be deposited into the general fund of the state, but shall be
13 deposited by the general treasurer of the state into a restricted account for the benefit of the board
14 of trustees, and shall be paid out by the treasurer upon the order of the board, without the necessity
15 of appropriation or re-appropriation by the general assembly.

16 (b) The board of trustees shall ensure that the university has a structure in place to prohibit
17 the university from accepting funds that would interfere with or restrict academic freedom at the
18 university. Nothing contained in this subsection shall be construed in a way as to prohibit a donor
19 from earmarking funds for a particular purpose or use including, but not limited to, research,
20 scholarships, construction, or development.

21 **16-32-34. Fiscal accounts -- Receipts -- Petty cash funds.**

22 (a) The treasurer of the University of Rhode Island, as appointed by the board of trustees,
23 shall:

24 (1) Keep an accurate account of his or her receipts and expenditures, which shall be audited
25 by the state controller; and

26 (2) Turn over to the general treasurer at monthly intervals all sums of money received by
27 him or her during the preceding month which shall be credited to the proper accounts and funds by
28 the general treasurer.

29 (b) The state controller shall establish an imprest fund or petty cash fund for the use of the
30 treasurer of the university for expenditures of any nature as may be approved by the state controller.

31 **16-32-35. Audit of expenditures.**

32 The pre-audit of all expenditures under authority of the board by the state controller
33 provided for in § 35-6-1 shall be purely ministerial, concerned only with the legality of the
34 expenditure and the availability of the funds, and in no event shall the state controller interpose his

1 or her judgment regarding the wisdom or expediency of any item or items of expenditure.

2 **16-32-36. Freedom from budget and lease control by other agencies.**

3 In order that the board of trustees may control the personnel and equipment of the
4 university in the interest of educational efficiency, the board and the university are exempt from
5 the provisions of § 35-3-1(a)(5) relating to the employment of personnel, and from any provision
6 of § 42-20-8 which relates to the director of administration.

7 **16-32-37. Applicability of merit system -- Teacher certification -- List of positions**
8 **transferable to classified service.**

9 (a) The appointment, promotion, salaries, tenure, and dismissal of administrative,
10 instructional, and research employees, and secretarial employees not exceeding ten (10) in number,
11 and armed university police officers shall not be subject in any manner or degree to control by the
12 state personnel administrator or by any officer or board other than the board of trustees. The
13 certification of teachers at the University of Rhode Island is abolished, except for teachers who
14 elect to come or remain under it.

15 (b) All positions that are exempt from the merit system law, chapter 4 of title 36, which
16 become vacant or that are to be established, must be forwarded to the state personnel administrator,
17 who shall determine whether the position(s) in question shall remain in the board of trustees non-
18 classified service or be established in the classified service of the state.

19 (c) No position presently in the classified service of the state subject to the merit system
20 law, chapter 4 of title 36, shall be changed or modified so as to establish the position in the board
21 of trustees non-classified service.

22 (d) Faculty positions, presidents, vice presidents, deans, assistant deans, and student
23 employees of the university shall not be covered by the preceding provisions and shall remain in
24 the non-classified service of the board.

25 **16-32-38. Permanent status for non-classified employees.**

26 All non-classified employees of the board of trustees who shall have twenty (20) years, not
27 necessarily consecutive, of service credit, these credits having been earned in either the classified,
28 non-classified, or unclassified service or any combination of these, shall be deemed to have
29 acquired full status in their positions as the status is defined by § 36-4-59 with the base entry date
30 prior to August 8, 1996; provided, that this provision shall not apply to faculty employed by the
31 board nor shall it apply to non-classified employees who have acquired tenure as faculty.

32 **16-32-39. Longevity payments -- Non-classified employees.**

33 (a) The non-classified employees of the board of trustees, except for faculty employees and
34 except for non-classified employees already receiving longevity increases, shall be entitled to a

1 longevity payment in the amount of five percent (5%) of base salary after ten (10) years of service
2 and increasing to a total of ten percent (10%) of base salary after twenty (20) years of service. The
3 provisions of this section will apply only to employees with a pay grade under nineteen (19). The
4 longevity payments shall not be included in base salary.

5 (b) The board of trustees is authorized to promulgate regulations implementing the
6 provisions of this section.

7 (c) Beginning on July 1, 2011, notwithstanding any rule, regulation, or provision of the
8 public laws or general laws to the contrary, there shall be no further longevity increases for
9 employees of the board of trustees; provided, however, for employees with longevity provisions
10 pursuant to a collective bargaining agreement in effect on June 1, 2011, longevity increases shall
11 cease beginning on July 1, 2011 or beginning upon the expiration of the applicable collective
12 bargaining agreement, whichever occurs later. To the extent an employee has previously accrued
13 longevity payments, the amount of the longevity payment earned by the employee for the last pay
14 period in June, 2011 shall be added to the employee's base salary as of June 30, 2011, or in the case
15 of an employee with longevity provisions pursuant to a collective bargaining agreement in effect
16 on June 1, 2011, the amount of the longevity payment earned by the employee for the latter of the
17 last pay period in June or the last pay period prior to the expiration of the applicable collective
18 bargaining agreement shall be added to the employee's base salary as of June 30, 2011 or upon the
19 expiration of the applicable collective bargaining agreement, whichever occurs later.

20 **16-32-40. Appointment of campus police.**

21 (a) The board of trustees may appoint one or more persons who may act as police officers
22 upon the property and highways of the university subject to the control of the board and upon the
23 streets and highways immediately adjacent to those lands. The campus police officers shall protect
24 the property of the university, suppress nuisances and disturbances and breaches of the peace, and
25 enforce laws and regulations for the preservation of good order. They shall have the same powers
26 and authority as that conferred upon municipal police officers, including the power to arrest persons
27 for violations of state criminal statutes or for violations of city or town ordinances of the city or
28 town in which the institution is located. They shall be required to attend and successfully complete
29 the municipal police training academy before they shall be allowed to carry firearms. Additionally,
30 any campus police officer observing the violation of any rule or regulation of the board adopted
31 pursuant to this chapter, including, but not limited to, parking and traffic regulations, may issue a
32 summons in the manner and form set forth in §§ 31-27-12 or 31-41.1-1 returnable to the district
33 court, the police court of the city or town where the violation occurs, or the traffic tribunal as
34 provided by law.

1 (b) Notwithstanding any other provision of law, all fines and penalties recovered for
2 violation of rules and regulations made under authority of this section shall be accounted for by the
3 appropriate authority, which shall forward all fines or penalties for nonmoving traffic violations to
4 the general treasurer for use by the college or university on whose campus the citation or violation
5 was issued in accordance with § 16-32-27.

6 **16-32-41. Conflicts of interest.**

7 No member of the board of trustees shall be employed in any position under the jurisdiction
8 of the board, nor contract in any manner for any purpose with the board; nor shall the board
9 purchase, sell, or lease any land, property, or supplies from or to any firm or business association
10 of which any member of the board is owner, part owner, or officer or director. No person related
11 by consanguinity or affinity in the first degree to any member of the board shall be employed in
12 any capacity under the board's jurisdiction.

13 **16-32-42. Existing Bond Debt.**

14 The board of trustees is authorized to take all actions, and execute and deliver all
15 agreements or instruments, necessary or convenient for the board to assume all of the obligations
16 on behalf of, and in replacement of, or jointly with the council on postsecondary education under
17 outstanding bonds issued by the Rhode Island Health and Educational Building Corporation or
18 outstanding Lease Certificates of Participation, in either case, issued for the benefit of the
19 University of Rhode Island, the Community College of Rhode Island, and/or Rhode Island College
20 as may be necessary to ensure, among other items, that the university continues to meet its
21 obligations under such bonds or certificates.

22 SECTION 6. Sections 16-59-1, 16-59-6, 16-59-9, 16-59-13, 16-59-18, 16-59-19, 16-59-22
23 and 16-59-26 of the General Laws in Chapter 16-59 entitled "Council on Postsecondary Education
24 [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" are hereby amended to read
25 as follows:

26 **16-59-1. Council on Postsecondary Education established.**

27 (a) There is created a council on postsecondary education, sometimes referred to as the
28 "council", which shall be and is constituted a public corporation, empowered to sue and be sued in
29 its own name, and to exercise all the powers, in addition to those specifically enumerated in this
30 chapter, usually appertaining to public corporations entrusted with control of postsecondary
31 educational institutions and functions. Upon its organization the council shall be invested with the
32 legal title (in trust for the state) to all property, real and personal, now owned by and/or under the
33 control or in custody of the board of regents for education for the use of ~~the University of Rhode~~
34 ~~Island~~, Rhode Island College, Community College of Rhode Island and the system of community

1 colleges of Rhode Island including all departments, divisions, and branches of these.

2 (b) The council is empowered to hold and operate the property in trust for the state; to
3 acquire, hold, and dispose of the property and other like property as deemed necessary for the
4 execution of its corporate purposes. The council is made successor to all powers, rights, duties, and
5 privileges formerly belonging to the board of regents for education pertaining to postsecondary
6 education and the board of governors for higher education.

7 (c) The council shall be the employer of record for ~~higher education~~ Rhode Island College
8 and the Community College of Rhode Island and the office of postsecondary education. It shall
9 retain all authority formerly vested in the board of education regarding the employment of faculty
10 and staff at ~~the public higher education institutions~~ Rhode Island College and the Community
11 College of Rhode Island.

12 (d) The council shall be the governing body for the Rhode Island division of higher
13 education assistance and shall retain all authority formerly vested in the higher education assistance
14 authority board of directors pursuant to § 16-57-7; however, any debts, liabilities, or obligations of
15 the council that result from its status as such governing body shall be payable solely from the
16 revenues or assets of reserve funds set forth and established by the prior Rhode Island higher
17 education assistance authority and/or the Rhode Island division of higher education assistance
18 created pursuant to chapter 57 of this title, and not from any assets or property held by the council
19 on public higher education pursuant to this chapter.

20 (e) The council on postsecondary education shall be the employer of record for the division
21 of higher education assistance.

22 (f) The council on postsecondary education, simultaneous with the transfer of authority to
23 the University of Rhode Island board of trustees pursuant to § 16-32-2, shall enter into a sublease
24 with the University of Rhode Island board of trustees for the space the University currently occupies
25 at the Rhode Island Nursing Education Center in Providence Rhode Island, such sublease being
26 coterminous with the Lease and incorporating the same terms, conditions and space allocations
27 currently in effect under the Lease, and R.I. Public Law 2014, Chapter 145, Article 4, Section 8,
28 and that certain Memorandum of Understanding dated January 7, 2017 among the Rhode Island
29 Office of Postsecondary Commissioner, the University of Rhode Island and Rhode Island College.

30 (g) The council is empowered to enter into contracts and agreements with the board of
31 trustees for the University of Rhode Island and/or the department of administration related to public
32 higher education employee benefits, including but not limited to retirement benefits, health, dental,
33 vision and life insurance, disability insurance, workers' compensation, and tuition waivers to
34 maximize the state's and council's purchasing and investment portfolio and educational

1 [opportunities for the benefit of its employees.](#)

2 **16-59-6. Commissioner of postsecondary education.**

3 The council on postsecondary education, with approval of the board, shall appoint a
4 commissioner of postsecondary education, who shall serve at the pleasure of the council, provided
5 that his or her initial engagement by the council shall be for a period of not more than three (3)
6 years. For the purpose of appointing, retaining, or dismissing a commissioner of postsecondary
7 education, the governor shall serve as an additional voting member of the council. The position of
8 commissioner shall be in the unclassified service of the state and he or she shall serve as the chief
9 executive officer of the council on postsecondary education, the chief administrative officer of the
10 office of postsecondary commissioner, and the executive director of the division of higher
11 education assistance. The commissioner of postsecondary education shall have any duties that are
12 defined in this section and in this title and other additional duties as may be determined by the
13 council, and shall perform any other duties as may be vested in him or her by law. In addition to
14 these duties and general supervision of the office of postsecondary commissioner and the
15 appointment of the several officers and employees of the office, it shall be the duty of the
16 commissioner of postsecondary education:

17 (1) To develop and implement a systematic program of information gathering, processing,
18 and analysis addressed to every aspect of higher education in the state, especially as that
19 information relates to current and future educational needs.

20 (2) To prepare a strategic plan for higher education in the state aligned with the goals of
21 the board of education's strategic plan; to coordinate the goals and objectives of the higher public
22 education sector with the goals of the council on elementary and secondary education and activities
23 of the independent higher education sector where feasible.

24 (3) To communicate with, and seek the advice of those concerned with, and affected by the
25 board of education's and council's determinations.

26 (4) To implement broad policy as it pertains to the goals and objectives established by the
27 board of education and council on postsecondary education; to promote better coordination
28 between higher public education in the state, independent higher education in the state as provided
29 in subdivision (10) of this section, and pre k-12 education; to assist in the preparation of the budget
30 for public higher education; and to be responsible, upon direction of the council, for the allocation
31 of appropriations, the acquisition, holding, disposition of property.

32 (5) To be responsible for the coordination of the various higher educational functions of
33 the state so that maximum efficiency and economy can be achieved.

34 (6) To assist the board of education in preparation and maintenance of a five-year (5)

1 strategic funding plan for higher education; to assist the council in the preparation and presentation
2 annually to the state budget officer in accordance with § 35-3-4 of a total, public higher educational
3 budget.

4 (7) To recommend to the council on postsecondary education, after consultation with the
5 presidents, a clear and definitive mission for each ~~public institution of higher learning~~ college.

6 (8) To annually recommend to the council on postsecondary education, after consultation
7 with the presidents, the creation, abolition, retention, or consolidation of departments, divisions,
8 programs, and courses of study within the public colleges ~~and universities~~ to eliminate unnecessary
9 duplication in public higher education, to address the future needs of public higher education in the
10 state, and to advance proposals recommended by the presidents of the public colleges ~~and~~
11 ~~universities~~ pursuant to §§ ~~16-32-2.1~~, 16-33-2.1 and 16-33.1-2.1.

12 (9) To supervise the operations of the office of postsecondary commissioner, including the
13 division of higher education assistance, and any other additional duties and responsibilities that
14 may be assigned by the council.

15 (10) To perform the duties vested in the council with relation to independent higher
16 educational institutions within the state under the terms of chapter 40 of this title and any other
17 laws that affect independent higher education in the state.

18 (11) To be responsible for the administration of policies, rules, and regulations of the
19 council on postsecondary education with relation to the entire field of higher education within the
20 state, not specifically granted to any other department, board, or agency and not incompatible with
21 law.

22 (12) To prepare standard accounting procedures for public higher education and all public
23 colleges ~~and universities~~.

24 (13) To carry out the policies and directives of the board of education and the council on
25 postsecondary education through the office of postsecondary commissioner and through utilization
26 of the resources of the public ~~institutions of higher learning~~ colleges.

27 (14) To enter into interstate reciprocity agreements regarding the provision of
28 postsecondary distance education; to administer such agreements; to approve or disapprove
29 applications to voluntarily participate in such agreements from postsecondary institutions that have
30 their principal place of business in Rhode Island; and to establish annual fees, with the approval of
31 the council on postsecondary education, for aforesaid applications to participate in an interstate
32 postsecondary distance education reciprocity agreement.

33 (15) To the extent necessary for participation, and to the extent required and stated in any
34 distance learning reciprocity agreement, to implement procedures to address complaints received

1 from out-of-state students in connection with, or related to, any Rhode Island postsecondary
2 institution, public or private, that has been approved to participate in said reciprocity agreement.

3 (16) To exercise all powers and duties of the division of higher education assistance as set
4 forth under the terms of chapter 57 of this title.

5 **16-59-9. Educational budget and appropriations.**

6 (a) The general assembly shall annually appropriate any sums it deems necessary for
7 support and maintenance of higher education in the state and the state controller is authorized and
8 directed to draw his or her orders upon the general treasurer for the payment of the appropriations
9 or so much of the sums that are necessary for the purposes appropriated, upon the receipt by him
10 or her of proper vouchers as the council on postsecondary education may by rule provide. The
11 council shall receive, review, and adjust the budget for the office of postsecondary commissioner
12 and present the budget as part of the budget for higher education under the requirements of § 35-3-
13 4.

14 (b) The office of postsecondary commissioner and the institutions of public higher
15 education shall establish working capital accounts.

16 (c) Any tuition or fee increase schedules in effect for the institutions of public higher
17 education shall be received by the council on postsecondary education for allocation for the fiscal
18 year for which state appropriations are made to the council by the general assembly; provided that
19 no further increases may be made by the board of education or the council on postsecondary
20 education for the year for which appropriations are made. Except that these provisions shall not
21 apply to the revenues of housing, dining, and other auxiliary facilities at the university of Rhode
22 Island, Rhode Island college, and the community colleges including student fees as described in
23 P.L. 1962, ch. 257 pledged to secure indebtedness issued at any time pursuant to P.L. 1962, ch. 257
24 as amended.

25 (d) All housing, dining, and other auxiliary facilities at all public institutions of higher
26 learning shall be self-supporting and no funds shall be appropriated by the general assembly to pay
27 operating expenses, including principal and interest on debt services, and overhead expenses for
28 the facilities, with the exception of the mandatory fees covered by the Rhode Island promise
29 scholarship program as established by § 16-107-3. Any debt-service costs on general obligation
30 bonds presented to the voters in November 2000 and November 2004 or appropriated funds from
31 the Rhode Island capital plan for the housing auxiliaries at the university of Rhode Island and
32 Rhode Island college shall not be subject to this self-supporting requirement in order to provide
33 funds for the building construction and rehabilitation program. The institutions of public higher
34 education will establish policies and procedures that enhance the opportunity for auxiliary facilities

1 to be self-supporting, including that all faculty provide timely and accurate copies of booklists for
2 required textbooks to the public higher educational institution's bookstore.

3 (e) The additional costs to achieve self-supporting status shall be by the implementation of
4 a fee schedule of all housing, dining, and other auxiliary facilities, including but not limited to,
5 operating expenses, principal, and interest on debt services, and overhead expenses.

6 (f) The board of education is authorized to establish a restricted-receipt account for the
7 Higher Education and Industry Centers established throughout the state to collect lease payments
8 from occupying companies, and fees from room and service rentals, to support the operation and
9 maintenance of the facilities. All such revenues shall be deposited to the restricted-receipt [account](#).

10 [\(g\) Notwithstanding paragraphs \(a\) and \(d\) of this section or any provisions of title 16, to](#)
11 [the extent necessary to comply with the provisions of any outstanding bonds issued by the Rhode](#)
12 [Island Health and Educational Building Corporation or outstanding Lease Certificates of](#)
13 [Participation, in either case, issued for the benefit of the University of Rhode Island, the](#)
14 [Community College of Rhode Island, and/or Rhode Island College, to the extent necessary to](#)
15 [comply with the provisions of any such bonds or certificates of participation, the general assembly](#)
16 [shall annually appropriate any such sums it deems necessary from educational and general revenues](#)
17 [\(including, but not limited to, tuition\) and auxiliary enterprise revenues derived from the University](#)
18 [of Rhode Island, the Community College of Rhode Island and Rhode Island College, to be allocated](#)
19 [by the council on postsecondary education or by the board of trustees of the University of Rhode](#)
20 [Island, as appropriate, in accordance with the terms of the contracts with such bondholders or](#)
21 [certificate holders.](#)

22 **16-59-13. Definitions.**

23 Where in this chapter the phrase "public colleges" or "public institutions of higher learning"
24 or "public tax supported institutions of higher learning" or words of similar import are used they
25 shall be taken to mean ~~the University of Rhode Island,~~ Rhode Island College, and Community
26 College of Rhode Island, or any other of these public colleges, public institutions of higher learning,
27 or public tax supported institutions of higher learning [other than the University of Rhode Island,](#)
28 which may be created, individually or collectively, as appropriate.

29 **16-59-18. Receipts from sources other than appropriations.**

30 (a) All receipts from all sources other than state appropriations shall not be covered into
31 the general fund of the state, but shall be kept by the general treasurer of the state in a separate fund
32 for the board of governors for higher education, and shall be paid out by the treasurer upon the
33 order of the board, without the necessity of appropriation or re-appropriation by the general
34 assembly.

1 (b) The board of governors of higher education shall ensure that state colleges ~~and~~
2 ~~universities~~ have a structure in place to prohibit these colleges ~~and universities~~ from accepting
3 funds that would interfere with or restrict academic freedom at the state colleges ~~and universities~~.
4 Nothing contained in this subsection shall be construed in a way as to prohibit a donor from
5 earmarking funds for a particular purpose or use including but not limited to research, scholarships,
6 construction, or development.

7 **16-59-19. Fiscal accounts -- Receipts -- Petty cash funds.**

8 The treasurer of ~~the University of Rhode Island, and the treasurer of the~~ Rhode Island
9 College to be appointed by the board of governors for higher education, shall ~~each~~ keep an accurate
10 account of his or her receipts and expenditures which shall be audited by the state controller in
11 accordance with law. The treasurer of each college shall turn over to the general treasurer at
12 monthly intervals all sums of money received by him or her during the preceding month which
13 shall be credited to the proper accounts and funds by the general treasurer. The state controller shall
14 establish an imprest fund or petty cash fund for the use of the treasurer of each of the colleges for
15 expenditures of any nature as may be approved by the state controller.

16 **16-59-22. Applicability of merit system -- Teacher certification -- List of positions**
17 **transferable to classified service.**

18 (a) The appointment, promotion, salaries, tenure, and dismissal of administrative,
19 instructional, and research employees, and secretarial employees not exceeding ten (10) in number,
20 and armed college ~~and university~~ police officers of the state colleges shall not be subject in any
21 manner or degree to control by the personnel administrator or by any officer or board other than
22 the council on postsecondary education. ~~The certification of teachers at the University of Rhode~~
23 ~~Island is abolished, except for teachers who elect to come or remain under it.~~

24 (b) All positions that are exempt from the merit system law, chapter 4 of title 36, which
25 become vacant or that are to be established, must be forwarded to the personnel administrator, who,
26 in consultation with the deputy assistant commissioner of education in charge of personnel and
27 labor relations, shall determine whether the position(s) in question shall remain in the council on
28 postsecondary education non-classified service or be established in the classified service of the
29 state.

30 (c) No position presently in the classified service of the state subject to the merit system
31 law, chapter 4 of title 36, shall be changed or modified so as to establish the position in the council
32 on postsecondary education non-classified service.

33 (d) Faculty positions, presidents, vice presidents, deans, assistant deans, and student
34 employees of the higher-education institutions shall not be covered by the preceding provisions and

1 shall remain in the council on postsecondary education non-classified service.

2 **16-59-26. The public and private partnership in education.**

3 (a) Purpose. The state of Rhode Island recognizes that research is a primary mission of an
4 institution of higher education. While carrying out its research mission, the state further recognizes
5 that inventions of value to the public will be made by persons working in its public institutions of
6 higher education. The marketing of these inventions will contribute to job creation and to the
7 overall economic well-being of the state of Rhode Island and the nation. It is accordingly the policy
8 of the state to encourage such inventors and inventions and to take appropriate steps to aid the
9 inventor and ensure that the public receives the benefit. In facilitating this policy, the state
10 recognizes the need for cooperation between governmental agencies, private industries, and the
11 inventors themselves.

12 (b) Definitions. The following words and phrases used in § 16-59-26 have the following
13 meaning:

14 (1) "Conflict of interest policies and procedures relating to research and development"
15 refers to policies and procedures adopted by the Rhode Island board of governors for higher
16 education, [or as it pertains to the University of Rhode Island, the board of trustees](#) in consultation
17 with the Rhode Island ethics commission, and approved by the Rhode Island ethics commission;

18 (2) "Relationship" includes any interest, service, employment, gift, or other benefit or
19 relationship;

20 (3) "Research or development" means basic or applied research or development, including:

21 (i) The development or marketing of university-owned technology;

22 (ii) The acquisition of services of an official or employee, by an entity for research and
23 development purposes;

24 (iii) Participation in state economic development programs; or

25 (iv) The development or marketing of any technology on the premises of a public
26 institution of higher education by an official or employee of the institution.

27 (c) Policy.

28 (1) The Rhode Island board of governors for higher education, [or as it pertains to the](#)
29 [University of Rhode Island, the board of trustees](#) shall develop conflict of interest policies and
30 procedures based on the purposes expressed in art. 3, § 7 of the Constitution of the State of Rhode
31 Island, § 36-14-1, and in this section.

32 (2) The Rhode Island board of governors for higher education, [or as it pertains to the](#)
33 [University of Rhode Island, the board of trustees](#) shall consult with the Rhode Island ethics
34 commission in developing these policies and procedures and shall submit them to the Rhode Island

1 ethics commission for approval in order to insure conformity with the purposes expressed in art. 3,
2 § 7 of the Constitution of the State of Rhode Island, § 36-14-1, and in this section.

3 (d) Policy standards. The policies and procedures adopted by the board of governors for
4 higher education, [or as it pertains to the University of Rhode Island, the board of trustees](#) under
5 subsection (c) of this section shall:

6 (1) Require disclosure of any interest in, or employment by, or other relationship with an
7 entity for which an exemption under this section is claimed, on a form filed with the ethics
8 commission and the Rhode Island board of governors for higher education, [or as it pertains to the](#)
9 [University of Rhode Island, the board of trustees](#) and maintained as a public record at the
10 commission offices, the office of higher education, and at the interested public institution of higher
11 education;

12 (2) Require review of all disclosures by a designated official or officials, who shall
13 determine what further information must be disclosed and what restrictions shall be imposed by the
14 Rhode Island board of governors for higher education, [or as it pertains to the University of Rhode](#)
15 [Island, the board of trustees](#) to manage, reduce, or eliminate any actual or potential conflict of
16 interest;

17 (3) Include guidelines to ensure that interests and employment for which an exemption
18 under this section is claimed do not improperly give an advantage to entities in which the interests
19 or employment are maintained, lead to misuse of institution students or employees for the benefit
20 of entities in which the interests or employment are maintained, or otherwise interfere with the
21 duties and responsibilities of the exempt official or employee;

22 (4) Require approval by the president of the public institution of higher education of any
23 interest or employment for which an exemption is claimed under this section; and

24 (5) Require approval by the Rhode Island board of governors for higher education, [or as it](#)
25 [pertains to the University of Rhode Island, the board of trustees](#).

26 (e) Relationship permitted. An official or employee at a public institution of higher
27 education may have a relationship, that would otherwise be prohibited by the Rhode Island Code
28 of Ethics in Government, with an entity engaged in research or development, or with an entity
29 having a direct interest in the outcome of research or development, only if the Rhode Island Board
30 of governors for higher education, [or as it pertains to the University of Rhode Island, the board of](#)
31 [trustees](#) has adopted policies and procedures in accordance with this section, and the official or
32 employee has complied with the policies and procedures. If the provisions of this section are not
33 met, the official or employee is not exempt from any relevant provisions of the Rhode Island Code
34 of Ethics in Government.

1 (f) Annual reporting. The board of governors for higher education, or as it pertains to the
2 University of Rhode Island, the board of trustees shall report annually to the governor, the president
3 of the senate and the speaker of the house of representatives, and the ethics commission the number
4 of approvals granted under this section and how the conflict of interest policies and procedures
5 adopted pursuant to this section have been implemented in the preceding year.

6 (g) Person not eligible. An official or employee who is a president, or vice-president at a
7 public institution of higher education in Rhode Island may not receive an exemption under this
8 section.

9 (h) Ethics commission review. The board of governors for higher education, or as it
10 pertains to the University of Rhode Island, the board of trustees, shall promptly notify the ethics
11 commission in writing of any exemption that is granted under this section. If the ethics commission
12 disagrees with an exemption that is granted pursuant to this section and the conflict of interest
13 policies and procedures relating to research and development adopted by the board of governors
14 for higher education, within thirty (30) calendar days after the receipt of the notice described in this
15 section, the ethics commission shall notify the board of governors for higher education reason for
16 its concern. Upon receipt of such notice from the ethics commission, the board of governors for
17 higher education, or as it pertains to the University of Rhode Island, the board of trustees shall
18 cause the matter to be re-examined at an open and public meeting pursuant to § 42-46-1 et seq.

19 SECTION 7. Section 16-59-28 of the General Laws in Chapter 16-59 entitled "Council on
20 Postsecondary Education [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" is
21 hereby repealed.

22 ~~**16-59-28. "Bachelors Degree in Three" program.**~~

23 ~~(a) The Rhode Island board of governors for higher education shall establish and administer~~
24 ~~the "Bachelors Degree in Three" program. The board shall:~~

25 ~~(1) Establish guidelines for the "Bachelors Degree in Three" program.~~

26 ~~(2) Collaborate with the board of regents for elementary and secondary education to~~
27 ~~establish a seamless credit transfer system for high school students and other policies that might~~
28 ~~facilitate student participation in such a program.~~

29 ~~(3) Identify and propose any necessary changes to academic courses of study, support~~
30 ~~services, financial aid, and other policies and resources at the University of Rhode Island, Rhode~~
31 ~~Island College and the Community College of Rhode Island to ensure greater opportunities for~~
32 ~~students to complete bachelors degree programs in three (3) years.~~

33 ~~(4) Identify potential costs of the program, including costs to students, to the institutions,~~
34 ~~and to school districts, identify possible sources of external grant funding for a pilot program, and~~

1 ~~propose a funding structure for the program.~~

2 ~~(5) Investigate accreditation issues and federal financial aid rules that may be implicated~~
3 ~~by the program.~~

4 ~~(6) Identify units at the University of Rhode Island, Rhode Island College, and the~~
5 ~~Community College of Rhode Island that will assume administrative responsibility for the program.~~

6 ~~(7) Design, undertake and evaluate a three (3) year pilot program that will serve as a model~~
7 ~~for full-scale implementation.~~

8 ~~(b) The board shall present an initial report, recommendations and timeline to the general~~
9 ~~assembly on or by February 1, 2011, and the pilot program will begin with the fall academic~~
10 ~~semester of 2011.~~

11 SECTION 8. Sections 16-97-7 and 16-97-1 of the General Laws in Chapter 16-97 entitled
12 "The Rhode Island Board of Education Act" are hereby amended to read as follows:

13 **16-97-1. Rhode Island board of education established.**

14 (a) Effective January 1, 2013, there is created a board of education that shall be responsible
15 for and shall exercise the purposes, powers, and duties of, this chapter and chapters 59 and 60 of
16 this title. The board is responsible for the coordination of education from pre-k through higher
17 education and shall set goals and policies for the effective coordination of these public education
18 systems.

19 (b) The board of education shall consist of seventeen (17) public members appointed by
20 the governor with the advice and consent of the senate, eight (8) of whom shall be designated to
21 serve on the council for elementary and secondary education and eight (8) of whom shall be
22 designated to serve on the council for postsecondary education. The chairperson of the board shall
23 serve as a member of both councils. Six (6) of the members initially appointed pursuant to this
24 section shall serve terms of three (3) years; six (6) members initially appointed pursuant to this
25 section shall serve terms of two (2) years; and, four (4) members initially appointed pursuant to this
26 section shall serve terms of one year. To the greatest extent possible, the initial staggered terms
27 shall be equitably divided among the councils so as to protect against sudden changes in
28 membership and reversal of policy. Thereafter, all members appointed pursuant to this section shall
29 serve terms of three (3) years. At the expiration of their terms, members shall remain and continue
30 in their official capacity until their successor is appointed and qualified. Members shall not be
31 appointed to more than three (3), successive three-year (3) terms each; provided that the chair of
32 the board shall have no term and shall serve at the pleasure of the governor. Any vacancy among
33 the members of the board shall be filled by appointment of the governor for the remainder of the
34 unexpired term. In the selection and appointment of the board, the governor shall seek persons who

1 best serve the needs of the entire state. No person shall be eligible for appointment to the board
2 after the effective date of this act unless a resident of this state. Members of the board shall not be
3 compensated for their service in attending board or council meetings.

4 (c) The chair of the Governor's Workforce Board, or designee, ~~and~~ the chair of the Rhode
5 Island Commerce Corporation, or designee, [and the chair of the University of Rhode Island board](#)
6 [of trustees, or designee](#), shall serve as non-voting, ex-officio members of the board.

7 (d) The governor shall select from the appointed members a chairperson and vice
8 chairperson. A quorum shall consist of nine (9) members of the board. A majority vote of those
9 present shall be required for action.

10 (e) Except as provided by subsection (b) of this section, members of the board shall be
11 removable by the governor for cause only. Removal solely for partisan or personal reasons
12 unrelated to performance, capacity, or fitness for the office shall be unlawful.

13 (f) The statutory responsibilities of the department of elementary and secondary education,
14 the commissioner of elementary and secondary education, and the commissioner of postsecondary
15 education shall remain unchanged.

16 (g) The chair of the board of education shall consult with the chairs of the council on
17 elementary and secondary education, the council on postsecondary education, the commissioner of
18 elementary and secondary education, and the commissioner of postsecondary education in
19 developing agendas, goals, policies, and strategic plans for the board.

20 **16-97-7. Tuition waivers -- Disclosure as a prerequisite to receipt.**

21 Notwithstanding any other provision of law, no employee of the state board of education,
22 [or the board of trustees for the University of Rhode Island](#), his or her spouse, domestic partner or
23 dependent, shall receive a tuition waiver as a result of employment status with the state board of
24 education, [or the board of trustees for the University of Rhode Island](#) without first consenting to
25 the public disclosure of the existence and amount of the waiver. This section shall apply to any
26 tuition waivers, including, but not limited to, any such waiver at the Community College of Rhode
27 Island, Rhode Island College, and/or the University of Rhode Island.

28 SECTION 9. Section 16-101-1 of the General Laws in Chapter 16-101 entitled "Academic
29 Credit For Military Service" is hereby amended to read as follows:

30 **16-101-1. Academic credit for military service.**

31 (a) State public higher education institutions in the state shall honor the military training,
32 experience, correspondence courses and occupations of an individual who has served in the military
33 or armed forces of the United States by allowing academic credits that meet the standards of the
34 American Council on Education or equivalent standards for awarding academic credit, if the award

1 of the educational credit is based upon the institution's admission standards and its role, scope, and
2 mission. The board of education shall adopt policies or regulations requiring each institution to
3 award educational credits to a student enrolled in the institution, based upon the student's military
4 training or service when academically appropriate.

5 (b) The board of trustees for the University of Rhode Island, in consultation with the
6 president and the faculty senate, shall adopt policies or regulations requiring the award of
7 educational credits to a student enrolled at the university, based upon the student's military training
8 or service when academically appropriate.

9 SECTION 10. Sections 16-106-4 and 16-106-6 of the General Laws in Chapter 16-106
10 entitled "The Performance Incentive Funding Act of 2016" are hereby amended to read as follows:

11 ~~**16-106-4. Performance incentive funding -- Rhode Island College and University of**~~
12 ~~**Rhode Island. Performance incentive funding -- Rhode Island College.**~~

13 (a) Beginning in FY 2018, funding for Rhode Island College ("RIC") ~~and the University~~
14 ~~of Rhode Island ("URI")~~ shall include a performance-based component utilizing all additional
15 allocations of otherwise unrestricted, higher-education general revenue greater than the base
16 amount received pursuant to the FY 2016 budget as enacted, of total unrestricted state higher-
17 education funding.

18 (b) Data on which to base performance measures as described in subsection (c) shall be
19 defined by the commissioner of postsecondary education, in consultation with the council on
20 postsecondary education. Measures shall begin to be collected in FY 2017.

21 These measures may include and incorporate outcomes or goals from multiple, previous
22 years. The lack of information from previous years, however, will not affect the use of performance-
23 based measures.

24 (c) Rhode Island College ~~and the University of Rhode Island~~ shall ~~each~~ have unique
25 measures consistent with ~~each institution's~~ its purpose, role, scope, and mission. The performance-
26 based measures shall include the following metrics:

27 (1) The number and percentage, including growth in relation to enrollment and prior years
28 of bachelor's degrees awarded to first-time, full-time students within four (4) years and six (6)
29 years, including summer graduates;

30 (2) The number of degrees awarded that are tied to Rhode Island's high demand, high-wage
31 employment opportunities consistent with the institution's mission;

32 (3) One measure that applies only to RIC, as agreed to by the commissioner of
33 postsecondary education and the president of RIC, who shall consider faculty, staff, and student
34 input; ~~and one measure that applies only to URI, as agreed to by the commissioner of postsecondary~~

1 ~~education and the president of URI, who shall consider faculty, staff and student input;~~ and

2 (4) Any other measures that are deemed appropriate by the council of postsecondary
3 education.

4 (d) Weight may be assigned to any of the aforementioned metrics to ~~either or both of the~~
5 ~~institutions to~~ reinforce the ~~missions~~ mission of RIC ~~and URI, respectively~~, the economic needs of
6 the state, and the socio-economic status of the students. The commissioner may consider the
7 ~~institutions'~~ institution's improvements in said metrics when determining whether it has satisfied
8 the annual measure despite not reaching the overall goal.

9 (e) The commissioner shall provide faculty and students an opportunity to provide input
10 on the development of performance measures.

11 **16-106-6. Accountability -- Authority to revise and transparency.**

12 (a) The commissioner of postsecondary education shall monitor, publish, and report to the
13 council on postsecondary education the level of performance on all metrics identified in accordance
14 with this chapter for the Community College of Rhode Island, and Rhode Island College, ~~and the~~
15 ~~University of Rhode Island.~~

16 (b) The commissioner of postsecondary education, in consultation with the council of
17 postsecondary education, shall revise the metrics at a time when performance has reached a pre-
18 defined level. Future metrics shall further goals identified by the board of education and the
19 governor's workforce board, and the applicable purpose and mission of the institution of higher
20 education to which they apply.

21 (c) Each public higher-education institution shall publish its performance on all of its
22 associated metrics prescribed in this chapter on its website.

23 SECTION 11. Section 35-4-23.1 of the General Laws in Chapter 35-4 entitled "State
24 Funds" is hereby amended to read as follows:

25 **35-4-23.1. Indirect cost recoveries by state agencies.**

26 All state agencies shall apply for recovery of indirect costs when recovery is permissible
27 under federal statute and grant regulations. All funds received for indirect costs recovery shall be
28 turned over to the general treasurer and shall be placed in a restricted account in each agency for
29 the specific purposes designated through the annual budget process. The agency shall, through the
30 annual budget process, report to the general assembly the estimated amount of federal indirect cost
31 recoveries for the next fiscal year, together with the intended use of the funds. Nothing contained
32 in this section, however, shall conflict with the powers and duties granted the board of governors
33 for higher education and the board of regents for elementary and secondary education in chapters
34 59 and 60 of title 16, and the board of trustees for the University of Rhode Island as provided in

1 [chapter 32 of title 16.](#)

2 SECTION 12. Section 37-2-7 of the General Laws in Chapter 37-2 entitled "State
3 Purchases" is hereby amended to read as follows:

4 **37-2-7. Definitions.**

5 The words defined in this section have the meanings set forth below whenever they appear
6 in this chapter, unless the context in which they are used clearly requires a different meaning or a
7 different definition is prescribed for a particular section, group of sections, or provision:

8 (1) "Business" means any corporation, partnership, individual, sole proprietorship, joint
9 stock company, joint venture, or any other legal entity through which business is conducted.

10 (2) "Change order" means a written authorization signed by the purchasing agent directing
11 or allowing the contractor to proceed with changes, alterations, or modifications to the terms,
12 conditions, or scope of work on a previously awarded contract

13 (3) "Chief purchasing officer" shall mean: (i) for a state agency, the director of the
14 department of administration, and (ii) for a public agency, the executive director or the chief
15 operational officer of the agency.

16 (4) "Construction" means the process of building, altering, repairing, improving, or
17 demolishing any public structures or building, or other public improvements of any kind to any
18 public real property. It does not include the routine maintenance or repair of existing structures,
19 buildings, or real property performed by salaried employees of the state of Rhode Island in the
20 usual course of their jobs.

21 (5) "Contract" means all types of agreements, including grants and orders, for the purchase
22 or disposal of supplies, services, construction, or any other item. It includes awards; contracts of a
23 fixed-price, cost, cost-plus-a-fixed-fee, or incentive type; contracts providing for the issuance of
24 job or task orders; leases; letter contracts; purchase orders; and construction management contracts.
25 It also includes supplemental agreements with respect to any of the foregoing. "Contract" does not
26 include labor contracts with employees of state agencies.

27 (6) "Contract amendment" means any written alteration in the specifications, delivery
28 point, rate of delivery, contract period, price, quantity, or other contract provisions of any existing
29 contract, whether accomplished by unilateral action in accordance with a contract provision, or by
30 mutual action of the parties to the contract. It includes bilateral actions, such as supplemental
31 agreements, and unilateral actions, such as change orders, administrative changes, notices of
32 termination, and notices of the exercise of a contract option.

33 (7) "Contractor" means any person having a contract with a governmental body.

34 (8) "Data" means recorded information, regardless of form or characteristic.

1 (9) "Designee" means a duly authorized representative of a person holding a superior
2 position.

3 (10) "Employee" means an individual drawing a salary from a state governmental entity.

4 (11) "State governmental entity" means any entity created as a legislative body or a public
5 or state agency by the general assembly or constitution of this state, except for municipal, regional,
6 or county governmental entities.

7 (12) "May" means permissive.

8 (13) "Negotiation" means contracting by either the method set forth in §§ 37-2-19, 37-2-
9 20, or 37-2-21.

10 (14) "Person" means any business, individual, organization, or group of individuals.

11 (15) "Procurement" means the purchasing, buying, renting, leasing, or otherwise obtaining
12 of any supplies, services, or construction. It also includes all functions that pertain to the obtaining
13 of any supply, service, or construction item, including a description of requirements, selection and
14 solicitation of sources, preparation, and award of contract, and all phases of contract administration.

15 (16) "Public agency" shall mean the Rhode Island industrial recreational building authority,
16 the Rhode Island commerce corporation, the Rhode Island industrial facilities corporation, the
17 Rhode Island refunding bond authority, the Rhode Island housing and mortgage finance
18 corporation, the Rhode Island resource recovery corporation, the Rhode Island public transit
19 authority, the Rhode Island student loan authority, the Howard development corporation, the water
20 resources board corporate, the Rhode Island health and education building corporation, the Rhode
21 Island turnpike and bridge authority, the Blackstone Valley district commission, the Narragansett
22 Bay water quality management district commission, the Rhode Island telecommunications
23 authority, the convention center authority, the Channel 36 foundation, the Rhode Island lottery
24 commission their successors and assigns, any other body corporate and politic which has been or
25 will be created or established within this state excepting cities and towns, [the University of Rhode
26 Island board of trustees for all purchases which are funded by restricted, sponsored, or auxiliary
27 monies](#), and the council on postsecondary education for all purchases which are funded by
28 restricted, sponsored, or auxiliary monies.

29 (17) "Purchase request" or "purchase requisition" means that document whereby a using
30 agency requests that a contract be entered into to obtain goods and/or services for a specified need,
31 and may include, but is not limited to, the technical description of the requested item, delivery
32 requirements, transportation mode request, criteria for evaluation of proposals, and/or preparation
33 of suggested sources of supply, and information supplied for the making of any written
34 determination and finding required by § 37-2-6.

1 (18) "Purchasing agency" means any state governmental entity which is authorized by this
2 chapter, its implementing regulations, or by way of delegation from the chief purchasing officer to
3 contract on its own behalf rather than through the central contracting authority of the chief
4 purchasing officer.

5 (19) "Purchasing agent" means any person authorized by a governmental entity in
6 accordance with procedures prescribed by regulations, to enter into and administer contracts and
7 make written determinations and findings with respect to contracts. The term also includes an
8 authorized representative acting within the limits of authority. "Purchasing agent" also means the
9 person appointed in accordance with § 37-2-1.

10 (20) "Services" means the rendering, by a contractor, of its time and effort rather than the
11 furnishing of a specific end product, other than reports which are merely incidental to the required
12 performance of services. "Services" does not include labor contracts with employees of state
13 agencies.

14 (21) "Shall" means imperative.

15 (22) "State" means the state of Rhode Island and any of its departments or agencies and
16 public agencies.

17 (23) "Supplemental agreement" means any contract modification which is accomplished
18 by the mutual action of the parties.

19 (24) "Supplies" means all property, including, but not limited to, leases of real property,
20 printing, and insurance, except land or permanent interest in land.

21 (25) "Using agency" means any state governmental entity which utilizes any supplies,
22 services, or construction purchased under this chapter.

23 (26) As used in § 37-2-59, "architect" or "engineer" services means those professional
24 services within the scope of practice of architecture, professional engineering, or registered land
25 surveying pertaining to construction, as defined by the laws of this state. "Consultant" means any
26 person with whom the state and/or a public agency has a contract which contract provides for the
27 person to give direction or information as regards a particular area of knowledge in which the
28 person is a specialist and/or has expertise.

29 (27) For purposes of §§ 37-2-62 -- 37-2-70, "directors" means those members of a public
30 agency appointed pursuant to a statute who comprise the governing authority of the board,
31 commission, authority, and/or corporation.

32 (28) "State agency" means any department, commission, council, board, bureau,
33 committee, institution, or other governmental entity of the executive or judicial branch of this state
34 not otherwise established as a body corporate and politic, and includes, without limitation, the

1 council on postsecondary education except for purchases which are funded by restricted, sponsored,
2 or auxiliary moneys, [the University of Rhode Island board of trustees for all purchases which are](#)
3 [funded by restricted, sponsored, or auxiliary monies](#), and the council on elementary and secondary
4 education.

5 (29) "Governmental entity" means any department, commission, council, board, bureau,
6 committee, institution, legislative body, agency, or government corporation of the executive,
7 legislative, or judicial branches of state, federal, and/or local governments.

8 (30) "Construction management at-risk" or "construction management at-risk services" or
9 "construction management at-risk delivery method" is a construction method wherein a
10 construction manager at-risk provides a range of preconstruction services and construction
11 management services which may include cost estimation and consultation regarding the design of
12 the building project, the preparation and coordination of bid packages, scheduling, cost control, and
13 value engineering, acting as the general contractor during the construction, detailing the trade
14 contractor scope of work, holding the trade contracts and other contracts, evaluating trade
15 contractors and subcontractors, and providing management and construction services, all at a
16 guaranteed maximum price, which shall represent the maximum amount to be paid by the using
17 agency for the building project, including the cost of work, the general conditions and the fee
18 payable to the construction management at-risk firm.

19 (31) "Construction manager at-risk" or "construction management at-risk firm" is a person
20 or business experienced in construction that has the ability to evaluate and to implement drawings
21 and specifications as they affect time, cost and quality of construction and the ability to coordinate
22 and deliver the construction of the project within a guaranteed maximum price, which shall
23 represent the maximum amount to be paid by the using agency for the building project, including
24 the cost of the work, the general conditions and the fee payable to the construction management at-
25 risk firm. The construction manager at-risk provides consultation services during the
26 preconstruction and construction phases of the project. The project engineer, architect or owner's
27 program manager may not serve as the construction manager at-risk.

28 (32) "Owner's program manager" shall be an entity engaged to provide project management
29 services on behalf of a state agency for the construction and supervision of the construction of a
30 building project. The owner's program manager acts as the owner's agent in all aspects of the
31 construction project, including, but not limited to, architectural programming, planning, design,
32 construction, and the selection and procurement of an appropriate construction delivery method.
33 The owner's program manager shall have at least seven (7) years experience in the construction and
34 supervision of construction of buildings of similar size and complexity. The owner's program

1 manager shall not have been employed during the preceding year by the design firm, the
2 construction firm, and/or the subcontractors associated with the project.

3 SECTION 13. Section 16-56-6 of the General Laws in Chapter 16-56 entitled
4 "Postsecondary Student Financial Assistance" is hereby amended to read as follows:

5 **16-56-6. Need-based grants.**

6 (a) Amount of funds allocated. The commissioner of postsecondary education shall allocate
7 annually the appropriation for need-based scholarships and grants. Of the total amount appropriated
8 for need-based scholarship and grants, the lesser of twenty percent (20%) or ~~two million dollars~~
9 ~~(\$2,000,000)~~ one million five hundred thousand dollars (\$1,500,000) shall be distributed to
10 qualified students attending participating, independent, non-profit, higher education institutions in
11 Rhode Island. The remainder of funds shall be limited to public higher education institutions in
12 Rhode Island including payments made pursuant to § 16-100-3(c). As part of the annual budget
13 submission, the office of postsecondary commissioner shall include a plan of how the need-based
14 scholarship and grant funds will be allocated to each public institution receiving funds pursuant to
15 this chapter and how the funds will be distributed to students attending independent, non-profit
16 institutions.

17 (b) Eligibility of individuals. Eligibility for need-based grants and scholarships shall be
18 determined by the office of the postsecondary commissioner.

19 (c) Number and terms of awards. The number of awards to be granted in any one fiscal
20 year shall be contingent upon the funds allocated to this section.

21 SECTION 14. Section 16-105-7 of the General Laws in Chapter 16-105 entitled "School
22 Building Authority" is hereby amended to read as follows:

23 **16-105-7. Expenses incurred by the school building authority.**

24 In order to provide for one-time or limited expenses of the school building authority under
25 this chapter, the Rhode Island health and educational building corporation shall provide funding
26 from the school building authority capital fund, fees generated from the origination of municipal
27 bonds and other financing vehicles used for school construction, and its own reserves. The school
28 building authority shall, by October 1 of each year, report to the governor and the chairs of the
29 senate and house finance committees, the senate fiscal advisor, and the house fiscal advisor the
30 amount sought for expenses for the next fiscal year.

31 There is also hereby established a restricted-receipt account within the budget of the
32 department of elementary and secondary education entitled "school construction services", to be
33 financed by the Rhode Island health and educational building corporation's sub-allotments of fees
34 generated from the origination of municipal bonds and other financing vehicles used for school

1 construction and its own reserves. Effective July 1, 2018, this account shall be utilized for the
2 express purpose of supporting personnel expenditures directly related to the administration of the
3 school construction aid program. [Expenditure of all restricted receipts accepted by the department](#)
4 [shall be subject to the annual appropriation process and approval by the general assembly.](#)

5 SECTION 15. Section 45-38.2-3 of the General Laws in Chapter 45-38.2 entitled "School
6 Building Authority Capital Fund" is hereby amended to read as follows:

7 **45-38.2-3. Administration.**

8 (a) The corporation shall have all the powers necessary or incidental to carry out and
9 effectuate the purposes and provisions of this chapter including:

10 (1) To receive and disburse such funds from the state as may be available for the purpose
11 of the fund subject to the provisions of this chapter;

12 (2) To make and enter into binding commitments to provide financial assistance to cities,
13 towns, and local education agencies from amounts on deposit in the fund;

14 (3) To enter into binding commitments to provide subsidy assistance for loans and city,
15 town, and local education agency obligations from amounts on deposit in the fund;

16 (4) To levy administrative fees on cities, towns, and local education agencies as necessary
17 to effectuate the provisions of this chapter; provided that the ~~fee~~ [total amount of all such fees](#) does
18 not exceed one tenth of one percent (0.001) of the [original](#) principal amount;

19 (5) To engage the services of third-party vendors to provide professional services;

20 (6) To establish one or more accounts within the fund; and

21 (7) Such other authority as granted to the corporation under chapter 38.1 of this title.

22 (b) Subject to the provisions of this chapter, and to any agreements with the holders of any
23 bonds of the corporation or any trustee therefor, amounts held by the corporation for the account
24 of the fund shall be applied by the corporation, either by direct expenditure, disbursement, or
25 transfer to one or more other funds and accounts held by the corporation or a trustee under a trust
26 agreement or trust indenture entered into by the corporation with respect to bonds or notes issued
27 by the corporation under this chapter or by a holder of bonds or notes issued by the corporation
28 under this chapter, either alone or with other funds of the corporation, to the following purposes:

29 (1) To provide financial assistance to cities, towns, and local education agencies to finance
30 costs of approved projects, and to refinance the costs of the projects, subject to such terms and
31 conditions, if any, as are determined by the department and/or the corporation;

32 (2) To fund reserves for bonds of the corporation and to purchase insurance and pay the
33 premiums therefor, and pay fees and expenses of letters or lines of credit and costs of
34 reimbursement to the issuers thereof for any payments made thereon or on any insurance, and to

1 otherwise provide security for, and a source of payment for obligations of the corporation, by
2 pledge, lien, assignment, or otherwise as provided in chapter 38.1 of this title;

3 (3) To pay or provide for subsidy assistance as determined by the school building authority;

4 (4) To provide a reserve for, or to otherwise secure, amounts payable by cities, towns, and
5 local education agencies on loans and city, town, and local education agency obligations
6 outstanding in the event of default thereof; amounts in any account in the fund may be applied to
7 defaults on loans outstanding to the city, town, or local education agency for which the account
8 was established and, on a parity basis with all other accounts, to defaults on any loans or city, town,
9 or local education agency obligations outstanding; and

10 (5) To provide a reserve for, or to otherwise secure, by pledge, lien, assignment, or
11 otherwise as provided in chapter 38.1 of this title, any bonds or notes of the corporation issued
12 under this chapter.

13 (c) The repayment obligations of the city, town, or local education agency for loans shall
14 be in accordance with its eligibility for state aid for school housing as set forth in §§ 16-7-39, 16-
15 77.1-5, and 16-105-3(19).

16 (d) In addition to other remedies of the corporation under any loan or financing agreement
17 or otherwise provided by law, the corporation may also recover from a city, town, or local education
18 agency, in an action in superior court, any amount due the corporation together with any other
19 actual damages the corporation shall have sustained from the failure or refusal of the city, town, or
20 local education agency to make the payments or abide by the terms of the loan or financing
21 agreement.

22 SECTION 16. Sections 2 through 12 shall take effect upon on February 1, 2020. The
23 remaining sections of this article shall take effect upon passage.

24

ARTICLE 10

RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2019

SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained in this act, the following general revenue amounts are hereby appropriated out of any money in the treasury not otherwise appropriated to be expended during the fiscal year ending June 30, 2019. The amounts identified for federal funds and restricted receipts shall be made available pursuant to section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For the purposes and functions hereinafter mentioned, the state controller is hereby authorized and directed to draw his or her orders upon the general treasurer for the payment of such sums or such portions thereof as may be required from time to time upon receipt by him or her of properly authenticated vouchers.

	FY 2019	FY 2019	FY 2019
	<u>Enacted</u>	<u>Change</u>	<u>Final</u>
Administration			
<i>Central Management</i>			
General Revenues	2,735,330	(548,535)	2,186,795
<i>Legal Services</i>			
General Revenues	2,424,062	(422,077)	2,001,985
<i>Accounts and Control</i>			
General Revenues	5,345,087	(537,979)	4,807,108
Restricted Receipts –			
OPEB Board Administration	225,295	(27,876)	197,419
Total – Accounts and Control	5,570,382	(565,855)	5,004,527
<i>Office of Management and Budget</i>			
General Revenues	9,011,679	(1,179,756)	7,831,923
 Of this funding, \$300,000 is to support a data analytics pilot that will demonstrate the value of merged data across multiple agency systems to furthering the mission of the department of children, youth and families.			
Restricted Receipts	300,046	23,096	323,142
Other Funds	1,222,835	(100,229)	1,122,606
Total – Office of Management and Budget	10,534,560	(1,256,889)	9,277,671

1	<i>Purchasing</i>			
2	General Revenues	2,888,826	445,094	3,333,920
3	Restricted Receipts	540,000	(540,000)	0
4	Other Funds	463,729	12,053	475,782
5	Total – Purchasing	3,892,555	(82,853)	3,809,702
6	<i>Human Resources</i>			
7	General Revenues	1,274,257	(485,231)	789,026
8	<i>Personnel Appeal Board</i>			
9	General Revenues	149,477	259	149,736
10	<i>Information Technology</i>			
11	General Revenues	1,470,255	(817,502)	652,753
12	Federal Funds	115,000	(1,000)	114,000
13	Restricted Receipts	10,228,243	7,442,126	17,670,369
14	Other Funds	88,071	(88,071)	0
15	Total – Information Technology	11,901,569	6,535,553	18,437,122
16	<i>Library and Information Services</i>			
17	General Revenues	1,442,726	(23,278)	1,419,448
18	Federal Funds	1,213,068	(124,172)	1,088,896
19	Restricted Receipts	5,500	12,629	18,129
20	Total – Library and Information Services	2,661,294	(134,821)	2,526,473
21	<i>Planning</i>			
22	General Revenues	1,081,887	(245,038)	836,849
23	Federal Funds	15,448	319,435	334,883
24	Other Funds			
25	Air Quality Modeling	24,000	0	24,000
26	Federal Highway – PL Systems Planning	3,654,326	(199,092)	3,455,234
27	FTA – Metro Planning Grant	1,063,699	(21,465)	1,042,234
28	Total – Planning	5,839,360	(146,160)	5,693,200
29	<i>General</i>			
30	General Revenues			
31	Miscellaneous Grants/Payments	130,000	0	130,000
32	Provided that this amount be allocated to City Year for the Whole School Whole Child			
33	Program, which provides individualized support to at-risk students.			
34	Torts – Courts/Awards	400,000	170,000	570,000

1	State Employees/Teachers Retiree Health Subsidy	2,321,057	(43,730)	2,277,327
2	Resource Sharing and State Library Aid	9,362,072	0	9,362,072
3	Library Construction Aid	2,176,471	0	2,176,471
4	Restricted Receipts	700,000	0	700,000
5	Other Funds			
6	Rhode Island Capital Plan Funds			
7	Security Measures State Buildings	250,000	500,000	750,000
8	Energy Efficiency Improvements	500,000	284,342	784,342
9	Cranston Street Armory	500,000	0	500,000
10	State House Renovations	1,175,000	2,301,209	3,476,209
11	Zambarano Building Rehabilitation	1,500,000	0	1,500,000
12	Cannon Building	600,000	900,000	1,500,000
13	Old State House	500,000	(243,273)	256,727
14	State Office Building	350,000	0	350,000
15	Old Colony House	50,000	0	50,000
16	William Powers Building	1,500,000	(500,000)	1,000,000
17	Pastore Center Utility System Upgrades	1,300,000	888,000	2,188,000
18	Pastore Center Medical Buildings Asset Protection			
19	Rehabilitation	2,000,000	3,085,000	5,085,000
20	Replacement of Fueling Tanks	300,000	55,610	355,610
21	Environmental Compliance	200,000	68,095	268,095
22	Big River Management Area	100,000	(25,000)	75,000
23	Pastore Center Buildings Demolition	175,000	(125,100)	49,900
24	Washington County Government Center	950,000	(915,000)	35,000
25	Veterans Memorial Auditorium	200,000	0	200,000
26	Chapin Health Laboratory	1,000,000	(600,000)	400,000
27	Shepard Building	400,000	(337,100)	62,900
28	Pastore Center Water Tanks & Pipes	280,000	(165,173)	114,827
29	RI Convention Center Authority	5,300,000	1,500,000	6,800,000
30	Dunkin Donuts Center	1,500,000	1,500,000	3,000,000
31	Board of Elections (Medical Examiner)	7,175,000	(7,163,816)	11,184
32	Pastore Center Power Plant Rehabilitation	750,000	277,000	1,027,000
33	Accessibility – Facility Renovations	1,000,000	0	1,000,000
34	DoIT Operations System	800,000	(600,000)	200,000

1	BHDDH DD & Community Facilities –			
2	Asset Protection	0	255,868	255,868
3	BHDHH DD & Community Homes – Fire Code	0	1,200,000	1,200,000
4	BHDDH DD Regional Facilities – Asset Protection	0	500,000	500,000
5	BHDDH Group Homes	0	800,000	800,000
6	BHDDH Substance Abuse Asset Protection	0	233,413	233,413
7	Hospital Consolidation	0	1,500,000	1,500,000
8	McCoy Stadium Repairs	0	518,916	518,916
9	Pastore Center Statewide Facility Master Plan	0	650,000	650,000
10	Pastore Center Parking	0	83,245	83,245
11	Virks Building Renovations	0	(457,670)	(457,670)
12	Pastore Center Non-Medical Buildings Asset Protection	0	8,210,112	8,210,112
13	Total – General	45,444,600	14,304,948	59,749,548
14	<i>Debt Service Payments</i>			
15	General Revenues	140,686,161	(17,456,279)	123,229,882
16	Out of the general revenue appropriations for debt service, the General Treasurer is			
17	authorized to make payments for the I-195 Redevelopment District Commission loan up to the			
18	maximum debt service due in accordance with the loan agreement.			
19	Federal Funds	1,870,830	0	1,870,830
20	Other Funds			
21	Transportation Debt Service	40,022,948	(321,388)	39,701,560
22	Investment Receipts – Bond Funds	100,000	0	100,000
23	Total - Debt Service Payments	182,679,939	(17,777,667)	164,902,272
24	<i>Energy Resources</i>			
25	Federal Funds			
26	Federal Funds	524,820	334,513	859,333
27	Stimulus – State Energy Plan	0	388,206	388,206
28	Restricted Receipts	8,179,192	91,265	8,270,457
29	Total – Energy Resources	8,704,012	813,984	9,517,996
30	<i>Rhode Island Health Benefits Exchange</i>			
31	General Revenues	2,363,841	411,471	2,775,312
32	Federal Funds	138,089	6,802	144,891
33	Restricted Receipts	6,419,415	910,908	7,330,323
34	Total – Rhode Island Health Benefits Exchange	8,921,345	1,329,181	10,250,526

1	<i>Office of Diversity, Equity & Opportunity</i>			
2	General Revenues	1,280,050	(71,814)	1,208,236
3	Other Funds	113,530	2,063	115,593
4	Total – Office of Diversity, Equity & Opportunity	1,393,580	(69,751)	1,323,829
5	<i>Capital Asset Management and Maintenance</i>			
6	General Revenues	10,621,701	(894,876)	9,726,825
7	<i>Statewide Savings Initiatives</i>			
8	General Revenues			
9	Workers' Compensation	(1,500,000)	1,500,000	0
10	Fraud and Waste Detection	(9,634,559)	6,647,287	(2,987,272)
11	Expand Prompt Payment	(350,000)	350,000	0
12	Strategic/Contract Sourcing	(1,000,000)		
13	<u>Strategic/Contract Sourcing</u>	<u>(3,000,000)</u>	<u>3,000,000</u>	<u>0</u>
14	Efficiency Savings	(3,700,000)	3,700,000	0
15	Insurance Saving	(3,000,000)		
16	<u>Insurance Savings</u>	<u>(1,000,000)</u>	<u>1,000,000</u>	<u>0</u>
17	Salaries and Benefits	(900,000)	900,000	0
18	Total – Statewide Savings Initiative	(20,084,559)	17,097,287	(2,987,272)
19	Grand Total – Administration	284,663,464	17,696,497	302,359,961
20	Business Regulation			
21	<i>Central Management</i>			
22	General Revenues	2,396,826	(131,280)	2,265,546
23	<i>Banking Regulation</i>			
24	General Revenues	1,760,317	(400,014)	1,360,303
25	Restricted Receipts	75,000	0	75,000
26	Total – Banking Regulation	1,835,317	(400,014)	1,435,303
27	<i>Securities Regulation</i>			
28	General Revenues	1,015,879	32,047	1,047,926
29	Restricted Receipts	15,000	0	15,000
30	Total – Securities Regulation	1,030,879	32,047	1,062,926
31	<i>Insurance Regulation</i>			
32	General Revenues	3,971,607	(302,749)	3,668,858
33	Restricted Receipts	1,994,860	7,162	2,002,022
34	Total – Insurance Regulation	5,966,467	(295,587)	5,670,880

1	<i>Office of the Health Insurance Commissioner</i>			
2	General Revenues	1,669,562	14,251	1,683,813
3	Federal Funds	513,791	453,856	967,647
4	Restricted Receipts	234,507	78,445	312,952
5	Total – Office of the Health Insurance Commissioner	2,417,860	546,552	2,964,412
6	<i>Board of Accountancy</i>			
7	General Revenues	6,000	(113)	5,887
8	<i>Commercial Licensing, Racing & Athletics</i>			
9	<u><i>Commercial Licensing and Gaming and Athletics Licensing</i></u>			
10	General Revenues	955,251	(30,299)	924,952
11	Restricted Receipts	1,925,146	(95,122)	1,830,024
12	Total – Commercial Licensing, Racing & Athletics			
13	Total – <u>Commercial Licensing and Gaming</u>			
14	<u>and Athletics Licensing</u>	2,880,397	(125,421)	2,754,976
15	<i>Building, Design and Fire Professionals</i>			
16	General Revenues	5,655,015	(108,602)	5,546,413
17	Federal Funds	378,840	0	378,840
18	Restricted Receipts	1,875,299	419,237	2,294,536
19	Other Funds			
20	Rhode Island Capital Plan Funds			
21	Fire Academy	0	304,557	304,557
22	Quonset Development Corporation	66,497	(856)	65,641
23	Total – Building, Design and Fire Professionals	7,975,651	614,336	8,589,987
24	Grand Total – Business Regulation	24,509,397	240,520	24,749,917
25	Executive Office of Commerce			
26	<i>Central Management</i>			
27	General Revenues	839,457	46,104	885,561
28	<i>Housing and Community Development</i>			
29	General Revenues	923,204	(108,867)	814,337
30	Federal Funds	14,445,458	(1,915,643)	12,529,815
31	Restricted Receipts	4,754,319	0	4,754,319
32	Total – Housing and Community Development	20,122,981	(2,024,510)	18,098,471
33	<i>Quasi–Public Appropriations</i>			
34	General Revenues			

1	Rhode Island Commerce Corporation	7,474,514	0	7,474,514
2	Airport Impact Aid	1,025,000	0	1,025,000
3	Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be			
4	distributed to each airport serving more than 1,000,000 passengers based upon its percentage of the			
5	total passengers served by all airports serving more the <u>than</u> 1,000,000 passengers. Forty percent			
6	(40%) of the first \$1,000,000 shall be distributed based on the share of landings during the calendar			
7	year 2018 at North Central Airport, Newport-Middletown Airport, Block Island Airport, Quonset			
8	Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island Commerce			
9	Corporation shall make an impact payment to the towns or cities in which the airport is located			
10	based on this calculation. Each community upon which any parts of the above airports are <u>is</u> located			
11	shall receive at least \$25,000.			
12	STAC Research Alliance	900,000	0	900,000
13	Innovative Matching Grants/Internships	1,000,000	0	1,000,000
14	I-195 Redevelopment District Commission	761,000	0	761,000
15	Chafee Center at Bryant	476,200	0	476,200
16	Polaris Manufacturing Grant	350,000	0	350,000
17	Urban Ventures Grant	140,000	0	140,000
18	Other Funds			
19	Rhode Island Capital Plan Funds			
20	I-195 Commission	300,000	125,000	425,000
21	Quonset Piers	2,660,000	340,000	3,000,000
22	Quonset Point Infrastructure	4,000,000	0	4,000,000
23	Total – Quasi–Public Appropriations	19,086,714	465,000	19,551,714
24	<i>Economic Development Initiatives Fund</i>			
25	General Revenues			
26	Innovation Initiative	1,000,000	0	1,000,000
27	I-195 Redevelopment Fund	1,000,000	0	1,000,000
28	Rebuild RI Tax Credit Fund	11,200,000	0	11,200,000
29	Competitive Cluster Grants	100,000	0	100,000
30	Main Street RI Streetscape	500,000	0	500,000
31	P-tech	200,000	0	200,000
32	Small Business Promotion	300,000	0	300,000
33	Total – Economic Development Initiatives Fund	14,300,000	0	14,300,000
34	<i>Commerce Programs</i>			

1	General Revenues			
2	Wavemaker Fellowship	1,600,000	0	1,600,000
3	Air Service Development Fund	500,000	0	500,000
4	Total – Commerce Programs	2,100,000	0	2,100,000
5	Grand Total – Executive Office of Commerce	56,449,152	(1,513,406)	54,935,746
6	Labor and Training			
7	<i>Central Management</i>			
8	General Revenues	722,892	102,596	825,488
9	Restricted Receipts	176,511	40,674	217,185
10	Other Funds			
11	Rhode Island Capital Plan Funds			
12	Center General Asset Protection	1,250,000	(1,250,000)	0
13	Total – Central Management	2,149,403	(1,106,730)	1,042,673
14	<i>Workforce Development Services</i>			
15	General Revenues	6,277,198	(1,522,681)	4,754,517
16	Provided that \$100,000 be allocated to support the Opportunities Industrialization Center.			
17	Federal Funds	20,986,909	9,187,443	30,174,352
18	Restricted Receipts	27,861,627	(8,955,481)	18,906,146
19	Other Funds	139,261	530,998	670,259
20	Total – Workforce Development Services	55,264,995	(759,721)	54,505,274
21	<i>Workforce Regulation and Safety</i>			
22	General Revenues	3,110,964	1,264,893	4,375,857
23	<i>Income Support</i>			
24	General Revenues	3,939,754	1,480,455	5,420,209
25	Federal Funds	19,766,914	(4,638,271)	15,128,643
26	Restricted Receipts	1,980,642	371,691	2,352,333
27	Other Funds			
28	Temporary Disability Insurance Fund	203,411,107	(3,896,240)	199,514,867
29	Employment Security Fund	159,220,000	(4,685,000)	154,535,000
30	Total – Income Support	388,318,417	(11,367,365)	376,951,052
31	<i>Injured Workers Services</i>			
32	Restricted Receipts	8,956,311	1,146,102	10,102,413
33	<i>Labor Relations Board</i>			
34	General Revenues	414,147	57,823	471,970

1	Grand Total – Labor and Training	458,214,237	(10,764,998)	447,449,239
2	Department of Revenue			
3	<i>Director of Revenue</i>			
4	General Revenues	2,122,802	(28,288)	2,094,514
5	<i>Office of Revenue Analysis</i>			
6	General Revenues	905,219	(129,830)	775,389
7	<i>Lottery Division</i>			
8	Other Funds	400,184,045	19,276,411	419,460,456
9	<i>Municipal Finance</i>			
10	General Revenues	2,815,457	(336,820)	2,478,637
11	<i>Taxation</i>			
12	General Revenues	27,523,727	170,656	27,694,383
13	Federal Funds	1,912,976	(547,544)	1,365,432
14	Restricted Receipts	627,411	311,285	938,696
15	Other Funds			
16	Motor Fuel Tax Evasion	173,651	(690)	172,961
17	Temporary Disability Insurance Fund	670,661	329,185	999,846
18	Total – Taxation	30,908,426	262,892	31,171,318
19	<i>Registry of Motor Vehicles</i>			
20	General Revenues	30,009,103	(3,306,315)	26,702,788
21	Federal Funds	196,489	363,496	559,985
22	Restricted Receipts	514,763	(500,000)	14,763
23	Total – Registry of Motor Vehicles	30,720,355	(3,442,819)	27,277,536
24	<i>State Aid</i>			
25	General Revenues			
26	Distressed Communities Relief Fund	12,384,458	0	12,384,458
27	Payment in Lieu of Tax Exempt Properties	46,089,504	0	46,089,504
28	Motor Vehicle Excise Tax Payments	54,748,948	1,533,558	56,282,506
29	Property Revaluation Program	1,630,534	0	1,630,534
30	Restricted Receipts	922,013	0	922,013
31	Total – State Aid	115,775,457	1,533,558	117,309,015
32	<i>Collections</i>			
33	General Revenues	601,755	(152,974)	448,781
34	Grand Total – Revenue	584,033,516	16,982,130	601,015,646

1	Legislature			
2	General Revenues	43,691,627	5,309,366	49,000,993
3	Restricted Receipts	1,720,695	48,253	1,768,948
4	Grand Total – Legislature	45,412,322	5,357,619	50,769,941
5	Lieutenant Governor			
6	General Revenues	1,114,597	(6,750)	1,107,847
7	Secretary of State			
8	<i>Administration</i>			
9	General Revenues	3,326,174	48,616	3,374,790
10	<i>Corporations</i>			
11	General Revenues	2,318,968	(16,436)	2,302,532
12	<i>State Archives</i>			
13	General Revenues	91,577	(1,417)	90,160
14	Restricted Receipts	415,658	29,054	444,712
15	Total – State Archives	507,235	27,637	534,872
16	<i>Elections and Civics</i>			
17	General Revenues	2,893,047	(16,192)	2,876,855
18	Federal Funds	1,983,770	0	1,983,770
19	Total – Elections and Civics	4,876,817	(16,192)	4,860,625
20	<i>State Library</i>			
21	General Revenues	623,911	87,709	711,620
22	Provided that \$125,000 be allocated to support the Rhode Island Historical Society			
23	pursuant to Rhode Island General Law, Section 29-2-1 and \$18,000 be allocated to support the			
24	Newport Historical Society, pursuant to Rhode Island General Law, Section 29-2-2.			
25	<i>Office of Public Information</i>			
26	General Revenues	622,057	(177,933)	444,124
27	Receipted Receipts	25,000	0	25,000
28	Total – Office of Public Information	647,057	(177,933)	469,124
29	Grand Total – Secretary of State	12,300,162	(46,599)	12,253,563
30	General Treasurer			
31	<i>Treasury</i>			
32	General Revenues	2,684,367	(80,738)	2,603,629
33	Federal Funds	304,542	(23,963)	280,579
34	Other Funds			

1	Temporary Disability Insurance Fund	275,471	(37,867)	237,604
2	Tuition Savings Program – Administration	379,213	22,526	401,739
3	Total –Treasury	3,643,593	(120,042)	3,523,551
4	<i>State Retirement System</i>			
5	Restricted Receipts			
6	Admin Expenses – State Retirement System	9,571,688	(21,205)	9,550,483
7	Retirement – Treasury Investment Operations	1,672,096	49,051	1,721,147
8	Defined Contribution – Administration	115,436	108,747	224,183
9	Total – State Retirement System	11,359,220	136,593	11,495,813
10	<i>Unclaimed Property</i>			
11	Restricted Receipts	26,030,095	1,367,396	27,397,491
12	<i>Crime Victim Compensation Program</i>			
13	General Revenues	289,409	60,884	350,293
14	Federal Funds	770,332	(34,270)	736,062
15	Restricted Receipts	1,029,931	(398,719)	631,212
16	Total – Crime Victim Compensation Program	2,089,672	(372,105)	1,717,567
17	Grand Total – General Treasurer	43,122,580	1,011,842	44,134,422
18	Board of Elections			
19	General Revenues	5,252,516	(790,517)	4,461,999
20	Rhode Island Ethics Commission			
21	General Revenues	1,812,237	(64,198)	1,748,039
22	Office of Governor			
23	General Revenues			
24	General Revenues	5,433,047	0	5,433,047
25	Contingency Fund	200,000	0	200,000
26	Grand Total – Office of Governor	5,633,047	0	5,633,047
27	Commission for Human Rights			
28	General Revenues	1,335,441	0	1,335,441
29	Federal Funds	497,570	(29,983)	467,587
30	Grand Total – Commission for Human Rights	1,833,011	(29,983)	1,803,028
31	Public Utilities Commission			
32	Federal Funds	168,378	0	168,378
33	Restricted Receipts	9,766,453	688,666	10,455,119
34	Grand Total – Public Utilities Commission	9,934,831	688,666	10,623,497

1	Office of Health and Human Services			
2	<i>Central Management</i>			
3	General Revenues	28,659,176	(234,989)	28,424,187
4	Federal Funds	98,508,590	53,457,030	151,965,620
5	Restricted Receipts	9,221,720	758,249	9,979,969
6	Total – Central Management	136,389,486	53,980,290	190,369,776
7	<i>Medical Assistance</i>			
8	General Revenues			
9	Managed Care	316,380,054	(7,839,518)	308,540,536
10	Hospitals	91,253,980	864,686	92,118,666
11	Nursing Facilities	149,372,355	(1,174,972)	148,197,383
12	Home and Community Based Services	36,487,025	(3,196,285)	33,290,740
13	Other Services	78,332,067	3,034,428	81,366,495
14	Pharmacy	66,044,749	3,513,721	69,558,470
15	Rhody Health	216,386,666	(2,318,428)	214,068,238
16	Federal Funds			
17	Managed Care	415,765,169	1,394,295	417,159,464
18	Hospitals	99,915,600	6,484,930	106,400,530
19	Nursing Facilities	164,434,062	(4,631,445)	159,802,617
20	Home and Community Based Services	46,017,690	(9,908,430)	36,109,260
21	Other Services	504,413,668	10,695,632	515,109,300
22	Pharmacy	(576,541)	212,885	(363,656)
23	Rhody Health	234,283,925	(2,413,443)	231,870,482
24	Other Programs	43,038,580	0	43,038,580
25	Restricted Receipts	9,024,205	0	9,024,205
26	Total – Medical Assistance	2,470,573,254	(5,281,944)	2,465,291,310
27	Grand Total – Office of Health and Human			
28	Services	2,606,962,740	48,698,346	2,655,661,086
29	Children, Youth, and Families			
30	<i>Central Management</i>			
31	General Revenues	8,783,677	838,329	9,622,006
32	Federal Funds	4,407,612	(423,687)	3,983,925
33	Total – Central Management	13,191,289	414,642	13,605,931
34	<i>Children's Behavioral Health Services</i>			

1	General Revenues	6,944,545	72,960	7,017,505
2	Federal Funds	5,713,527	641,333	6,354,860
3	Total – Children's Behavioral Health Services	12,658,072	714,293	13,372,365
4	<i>Juvenile Correctional Services</i>			
5	General Revenues	26,117,243	(3,731,106)	22,386,137
6	Federal Funds	275,099	(180,612)	94,487
7	Restricted Receipts	0	28,675	28,675
8	Other Funds			
9	Rhode Island Capital Plan Funds			
10	Training School Asset Protection	1,900,000	(1,150,000)	750,000
11	Training School Generators	0	40,000	40,000
12	Total – Juvenile Correctional Services	28,292,342	(4,993,043)	23,299,299
13	<i>Child Welfare</i>			
14	General Revenues			
15	General Revenues	108,270,158	28,371,244	136,641,402
16	18 to 21 Year Olds	11,298,418	(9,719,787)	1,578,631
17	Federal Funds			
18	Federal Funds	49,098,320	9,027,719	58,126,039
19	18 to 21 Year Olds	2,235,633	(2,235,633)	0
20	Restricted Receipts	2,674,422	(280,562)	2,393,860
21	Total – Child Welfare	173,576,951	25,162,981	198,739,932
22	<i>Higher Education Incentive Grants</i>			
23	General Revenues	200,000	0	200,000
24	Grand Total – Children, Youth, and Families	227,918,654	21,298,873	249,217,527
25	Health			
26	<i>Central Management</i>			
27	General Revenues	2,096,306	1,557,712	3,654,018
28	Federal Funds	4,028,206	531,317	4,559,523
29	Restricted Receipts	6,195,273	199,497	6,394,770
30	Total – Central Management	12,319,785	2,288,526	14,608,311
31	<i>Community Health and Equity</i>			
32	General Revenues	638,372	2,618	640,990
33	Federal Funds	67,974,042	2,637,401	70,611,443
34	Restricted Receipts	35,134,450	2,015,550	37,150,000

1	Total – Community Health and Equity	103,746,864	4,655,569	108,402,433
2	<i>Environmental Health</i>			
3	General Revenues	5,689,928	(475,639)	5,214,289
4	Federal Funds	7,230,008	459,824	7,689,832
5	Restricted Receipts	353,936	84,852	438,788
6	Total – Environmental Health	13,273,872	69,037	13,342,909
7	<i>Health Laboratories and Medical Examiner</i>			
8	General Revenues	10,470,418	(51,298)	10,419,120
9	Federal Funds	2,108,567	(153,765)	1,954,802
10	Total – Health Laboratories and Medical Examiner	12,578,985	(205,063)	12,373,922
11	<i>Customer Services</i>			
12	General Revenues	7,046,195	518,634	7,564,829
13	Federal Funds	3,763,691	230,312	3,994,003
14	Restricted Receipts	1,308,693	(7,409)	1,301,284
15	Total – Customer Services	12,118,579	741,537	12,860,116
16	<i>Policy, Information and Communications</i>			
17	General Revenues	1,046,839	(151,387)	895,452
18	Federal Funds	2,701,982	589,697	3,291,679
19	Restricted Receipts	941,305	366,527	1,307,832
20	Total – Policy, Information and Communications	4,690,126	804,837	5,494,963
21	<i>Preparedness, Response, Infectious Disease & Emergency Services</i>			
22	General Revenues	1,975,771	(39,939)	1,935,832
23	Federal Funds	13,407,707	4,983,069	18,390,776
24	Total – Preparedness, Response, Infectious			
25	Disease & Emergency Services	15,383,478	4,943,130	20,326,608
26	Grand Total - Health	174,111,689	13,297,573	187,409,262
27	Human Services			
28	<i>Central Management</i>			
29	General Revenues	4,147,933	687,038	4,834,971
30	Of this amount, \$300,000 is to support the Domestic Violence Prevention Fund to provide			
31	direct services through the Coalition Against Domestic Violence, \$250,000 is to support Project			
32	Reach activities provided by the RI Alliance of Boys and Girls Clubs, \$217,000 is for outreach and			
33	supportive services through Day One, \$175,000 is for food collection and distribution through the			
34	Rhode Island Community Food Bank, \$500,000 for services provided to the homeless at Crossroad			

1	Rhode Island, and \$520,000 for the Community Action Fund and \$200,000 for the Institute for the			
2	Study and Practice of Nonviolence's Reduction Strategy.			
3	Federal Funds	4,398,686	572,167	4,970,853
4	Restricted Receipts	105,606	(105,606)	0
5	Total – Central Management	8,652,225	1,153,599	9,805,824
6	<i>Child Support Enforcement</i>			
7	General Revenues	1,956,875	738,543	2,695,418
8	Federal Funds	8,050,859	(1,608,874)	6,441,985
9	Total – Child Support Enforcement	10,007,734	(870,331)	9,137,403
10	<i>Individual and Family Support</i>			
11	General Revenues	22,530,162	12,414,512	34,944,674
12	Federal Funds	106,111,888	(1,259,483)	104,852,405
13	Restricted Receipts	7,422,660	(7,095,026)	327,634
14	Other Funds			
15	Food Stamp Bonus Funding	170,000	0	170,000
16	Intermodal Surface Transportation Fund	4,428,478	45,977	4,474,455
17	Rhode Island Capital Plan Funds			
18	Blind Vending Facilities	165,000	0	165,000
19	Total – Individual and Family Support	140,828,188	4,105,980	144,934,168
20	<i>Office of Veterans' Affairs</i>			
21	General Revenues	23,558,301	3,109,276	26,667,577
22	Of this amount, \$200,000 to provide support services through Veterans' Organizations.			
23	Federal Funds	9,552,957	748,692	10,301,649
24	Restricted Receipts	1,313,478	54,972	1,368,450
25	Total – Office of Veterans' Affairs	34,424,736	3,912,940	38,337,676
26	<i>Health Care Eligibility</i>			
27	General Revenues	6,072,355	919,934	6,992,289
28	Federal Funds	9,392,121	1,914,182	11,306,303
29	Total – Health Care Eligibility	15,464,476	2,834,116	18,298,592
30	<i>Supplemental Security Income Program</i>			
31	General Revenues	20,022,000	(783,350)	19,238,650
32	<i>Rhode Island Works</i>			
33	General Revenues	10,669,986	(780,354)	9,889,632
34	Federal Funds	88,576,267	(4,467,994)	84,108,273

1	Total – Rhode Island Works	99,246,253	(5,248,348)	93,997,905
2	<i>Other Programs</i>			
3	General Revenues	1,183,880	(187,280)	996,600
4	Of this appropriation, \$90,000 shall be used for hardship contingency payments.			
5	Federal Funds	282,130,537	(16,961,819)	265,168,718
6	Total – Other Programs	283,314,417	(17,149,099)	266,165,318
7	<i>Elderly Affairs</i>			
8	General Revenues	7,858,293	(99,696)	7,758,597
9	Of this amount, \$140,000 to provide elder services, including respite, through the Diocese			
10	of Providence, \$40,000 for ombudsman services provided by the Alliance for Long Term Care in			
11	accordance with Rhode Island General Law, Chapter 42-66.7, \$85,000 for security for housing for			
12	the elderly in accordance with Rhode Island General Law, Section 42-66.1-3, \$800,000 for Senior			
13	Services Support and \$580,000 for elderly nutrition, of which \$530,000 is for Meals on Wheels.			
14	Federal Funds	12,857,529	395,259	13,252,788
15	Restricted Receipts	154,808	27,465	182,273
16	Total – Elderly Affairs	20,870,630	323,028	21,193,658
17	Grand Total – Human Services	632,830,659	(11,721,465)	621,109,194
18	Behavioral Healthcare, Developmental Disabilities, and Hospitals			
19	<i>Central Management</i>			
20	General Revenues	1,975,017	1,340,671	3,315,688
21	Federal Funds	734,643	85,766	820,409
22	Total – Central Management	2,709,660	1,426,437	4,136,097
23	<i>Hospital and Community System Support</i>			
24	General Revenues	2,614,415	(590,109)	2,024,306
25	Federal Funds	0	101,195	101,195
26	Other Funds			
27	Rhode Island Capital Plan Funds			
28	Medical Center Rehabilitation	300,000	(300,000)	0
29	Total – Hospital and Community System Support	2,914,415	(788,914)	2,125,501
30	<i>Services for the Developmentally Disabled</i>			
31	General Revenues	126,318,720	2,605,099	128,923,819
32	Of this funding, \$750,000 is to support technical and other assistance for community-based			
33	agencies to ensure they transition to providing integrated services to adults with developmental			
34	disabilities that comply with the consent decree.			

1	Federal Funds	142,876,019	(629,258)	142,246,761
2	Of this funding, \$791,307 \$821,997 is to support technical and other assistance for			
3	community-based agencies to ensure they transition to providing integrated services to adults with			
4	developmental disabilities that comply with the consent decree.			
5	Restricted Receipts	1,419,750	16,050	1,435,800
6	Other Funds			
7	Rhode Island Capital Plan Funds			
8	DD Private Waiver Fire Code	100,000	1,648,533	1,748,533
9	Regional Center Repair/Rehabilitation	300,000	(300,000)	0
10	Community Facilities Fire Code	200,000	(200,000)	0
11	MR Community Facilities/Access to Independence			
12	DD Residential Development	500,000	(200,000)	300,000
13	Total – Services for the Developmentally			
14	Disabled	271,714,489	2,940,424	274,654,913
15	<i>Behavioral Healthcare Services</i>			
16	General Revenues	3,610,316	(356,693)	3,253,623
17	Federal Funds	23,493,261	8,978,589	32,471,850
18	Of this federal funding, \$900,000 shall be expended on the Municipal Substance Abuse			
19	Task Forces and \$128,000 shall be expended on NAMI of RI. Also included is \$250,000 from			
20	Social Services Block Grant funds and/or the Mental Health Block Grant funds to be provided to			
21	The Providence Center to coordinate with Oasis Wellness and Recovery Center for its supports and			
22	services program offered to individuals with behavioral health issues.			
23	Restricted Receipts	100,000	49,800	149,800
24	Other Funds			
25	Rhode Island Capital Plan Funds			
26	MH Community Facilities Repair	200,000	(200,000)	0
27	Substance Abuse Asset Protection	200,000	(200,000)	0
28	Total – Behavioral Healthcare Services	27,603,577	8,271,696	35,875,273
29	<i>Hospital and Community Rehabilitative Services</i>			
30	General Revenues	53,573,498	2,834,919	56,408,417
31	Federal Funds	59,083,644	3,266,666	62,350,310
32	Restricted Receipts	3,552,672	476,230	4,028,902
33	Other Funds			
34	Rhode Island Capital Plan Funds			

1	Zambarano Buildings and Utilities	250,000	(250,000)	0
2	Eleanor Slater Administrative Buildings Renovation	250,000	(250,000)	0
3	MR Community Facilities	500,000	(500,000)	0
4	Hospital Equipment	300,000	0	300,000
5	Total - Hospital and Community Rehabilitative			
6	Services	117,509,814	5,577,815	123,087,629
7	Grand Total – Behavioral Healthcare, Developmental			
8	Disabilities, and Hospitals	422,451,955	17,427,458	439,879,413
9	Office of the Child Advocate			
10	General Revenues	969,922	(164,111)	805,811
11	Federal Funds	226,041	(64,205)	161,836
12	Grand Total – Office of the Child Advocate	1,195,963	(228,316)	967,647
13	Commission on the Deaf and Hard of Hearing			
14	General Revenues	523,178	(67,276)	455,902
15	Restricted Receipts	80,000	30,843	110,843
16	Grand Total – Comm. On Deaf and Hard of Hearing	603,178	(36,433)	566,745
17	Governor’s Commission on Disabilities			
18	General Revenues			
19	General Revenues	502,537	(89,590)	412,947
20	Livable Home Modification Grant Program	500,000	(6,537)	493,463
21	Provided that this will be used for home modification and accessibility enhancements to			
22	construct, retrofit, and/or renovate residences to allow individuals to remain in community settings.			
23	This will be in consultation with the Executive Office of Health and Human Services.			
24	Federal Funds	335,167	60,151	395,318
25	Restricted Receipts	49,571	(6,991)	42,580
26	Total – Governor’s Commission on Disabilities	1,387,275	(42,967)	1,344,308
27	Office of the Mental Health Advocate			
28	General Revenues	653,260	(85,871)	567,389
29	Elementary and Secondary Education			
30	<i>Administration of the Comprehensive Education Strategy</i>			
31	General Revenues	20,428,256	(506,825)	19,921,431
32	Provided that \$90,000 be allocated to support the hospital school at Hasbro Children’s			
33	Hospital pursuant to Rhode Island General Law, Section 16-7-20 and that \$345,000 be allocated to			
34	support child opportunity zones through agreements with the Department of Elementary and			

1	Secondary Education to strengthen education, health and social services for students and their			
2	families as a strategy to accelerate student achievement.			
3	Federal Funds	212,575,621	4,656,682	217,232,303
4	Restricted Receipts			
5	Restricted Receipts	2,633,393	342,393	2,975,786
6	HRIC Adult Education Grants	3,500,000	0	3,500,000
7	Total – Admin. of the Comprehensive Ed.			
8	Strategy	239,137,270	4,492,250	243,629,520
9	<i>Davies Career and Technical School</i>			
10	General Revenues	13,658,087	0	13,658,087
11	Federal Funds	1,344,928	323,156	1,668,084
12	Restricted Receipts	3,900,067	133,000	4,033,067
13	Other Funds			
14	P-Tech Grant	0	100,000	100,000
15	Rhode Island Capital Plan Funds			
16	Davies HVAC	200,000	(193,612)	6,388
17	Davies Asset Protection	150,000	125,548	275,548
18	Davies Advanced Manufacturing	3,250,000	(101,221)	3,148,779
19	Total – Davies Career and Technical School	22,503,082	386,871	22,889,953
20	<i>RI School for the Deaf</i>			
21	General Revenues	6,470,234	100,099	6,570,333
22	Federal Funds	554,925	(104,726)	450,199
23	Restricted Receipts	837,032	(18,393)	818,639
24	Other Funds			
25	School for the Deaf Transformation Grants	59,000	0	59,000
26	Rhode Island Capital Plan Funds			
27	Asset Protection	50,000	0	50,000
28	Total – RI School for the Deaf	7,971,191	(23,020)	7,948,171
29	<i>Metropolitan Career and Technical School</i>			
30	General Revenues	9,342,007	0	9,342,007
31	Other Funds			
32	Rhode Island Capital Plan Funds			
33	MET School Asset Protection	250,000	0	250,000
34	Total – Metropolitan Career and Technical School	9,592,007	0	9,592,007

1	<i>Education Aid</i>			
2	General Revenues	911,869,976	(1,685,979)	910,183,997
3	Restricted Receipts	24,884,884	5,544,349	30,429,233
4	Other Funds			
5	Permanent School Fund	1,420,000	0	1,420,000
6	Provided that \$300,000 be provided to support the Advanced Coursework Network and			
7	\$1,120,000 be provided to support the Early Childhood Categorical Fund.			
8	Total – Education Aid	938,174,860	3,858,370	942,033,230
9	<i>Central Falls School District</i>			
10	General Revenues	40,752,939	0	40,752,939
11	<i>School Construction Aid</i>			
12	General Revenues			
13	School Housing Aid	69,448,781	(4,108,499)	65,340,282
14	School Building Authority Capital Fund	10,551,219	4,108,499	14,659,718
15	Total – School Construction Aid	80,000,000	0	80,000,000
16	<i>Teachers' Retirement</i>			
17	General Revenues	106,118,409	635,098	106,753,507
18	Grand Total – Elementary and Secondary			
19	Education	1,444,249,758	9,349,569	1,453,599,327
20	Public Higher Education			
21	<i>Office of Postsecondary Commissioner</i>			
22	General Revenues	16,288,918	(282,993)	16,005,925
23	Provided that \$355,000 shall be allocated to Rhode Island College Crusade pursuant to the			
24	Rhode Island General Law, Section 16-70-5 and that \$60,000 shall be allocated to Best Buddies			
25	Rhode Island to support its programs for children with developmental and intellectual disabilities.			
26	It is also provided that \$5,995,000 \$5,597,515 shall be allocated to the Rhode Island Promise			
27	Scholarship program and \$147,000 shall be used to support Rhode Island's membership in the New			
28	England Board of Higher Education.			
29	Federal Funds			
30	Federal Funds	3,524,589	328,953	3,853,542
31	Guaranty Agency Administration	400,000	0	400,000
32	Provided that an amount equivalent to not more than ten (10) percent of the guaranty			
33	agency operating fund appropriated for direct scholarship and grants in fiscal year 2019 shall be			
34	appropriated for guaranty agency administration in fiscal year 2019. This limitation			

1 notwithstanding, final appropriations for fiscal year 2019 for guaranty agency administration may
 2 also include any residual monies collected during fiscal year 2019 that relate to guaranty agency
 3 operations, in excess of the foregoing limitation.

4	Guaranty Agency Operating Fund Scholarships &			
5	Grants	4,000,000	0	4,000,000
6	Restricted Receipts			
7	Restricted Receipts	1,985,385	1,037,641	3,023,026
8	Other Funds			
9	Tuition Savings Program – Dual Enrollment	1,800,000	0	1,800,000
10	Tuition Savings Program – Scholarships and			
11	Grants	6,095,000	0	6,095,000
12	Nursing Education Center – Operating	3,204,732	(242,884)	2,961,848
13	Rhode Island Capital Plan Funds			
14	Higher Education Centers	2,000,000	(1,800,000)	200,000
15	Provided that the state fund no more than 50.0 percent of the total project cost.			
16	Westerly Job Skills Center	0	29,200	29,200
17	Total – Office of Postsecondary Commissioner	39,298,624	(930,083)	38,368,541

18 *University of Rhode Island*

19	General Revenues			
20	General Revenues	80,377,458	(662,970)	79,714,488

21 Provided that in order to leverage federal funding and support economic development,
 22 \$350,000 shall be allocated to the Small Business Development Center and that \$50,000 shall be
 23 allocated to Special Olympics Rhode Island to support its mission of providing athletic
 24 opportunities for individuals with intellectual and developmental disabilities.

25	Debt Service	23,428,285	5,561,062	28,989,347
26	RI State Forensics Laboratory	1,270,513	(17,541)	1,252,972
27	Other Funds			
28	University and College Funds	659,961,744	(1,451,498)	658,510,246
29	Debt – Dining Services	999,215	1,900	1,001,115
30	Debt – Education and General	3,776,722	28,703	3,805,425
31	Debt – Health Services	121,190	(1,500)	119,690
32	Debt – Housing Loan Funds	9,454,613	153,726	9,608,339
33	Debt – Memorial Union	322,864	(100)	322,764
34	Debt – Ryan Center	2,388,444	(7,000)	2,381,444

1	Debt – Alton Jones Services	102,690	(1,000)	101,690
2	Debt – Parking Authority	1,100,172	(42,927)	1,057,245
3	Debt – Sponsored Research	85,151	(85,151)	0
4	Debt – Restricted Energy Conservation	482,579	50,324	532,903
5	Debt – URI Energy Conservation	2,008,847	(6,348)	2,002,499
6	Rhode Island Capital Plan Funds			
7	Asset Protection	7,437,161	213,115	7,650,276
8	Fine Arts Center Advanced Planning	6,400,000	512,711	6,912,711
9	Biological Resources Lab	3,062,839	(1,312,839)	1,750,000
10	Fire and Safety Protection	0	232,884	232,884
11	Electrical Substation Replacement	0	188,967	188,967
12	Total – University of Rhode Island	802,780,487	3,354,518	806,135,005

13 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
14 unencumbered balances as of June 30, 2019 relating to the University of Rhode Island are hereby
15 reappropriated to fiscal year 2020.

16 *Rhode Island College*

17	General Revenues			
18	General Revenues	49,328,599	(483,535)	48,845,064
19	Debt Service	6,421,067	0	6,421,067
20	Other Funds			
21	University and College Funds	129,030,562	(5,385,589)	123,644,973
22	Debt – Education and General	881,090	0	881,090
23	Debt – Housing	369,079	0	369,079
24	Debt – Student Center and Dining	154,437	0	154,437
25	Debt – Student Union	208,800	0	208,800
26	Debt – G.O. Debt Service	1,642,957	0	1,642,957
27	Debt Energy Conservation	613,925	0	613,925
28	Rhode Island Capital Plan Funds			
29	Asset Protection	3,562,184	814,043	4,376,227
30	Infrastructure Modernization	3,500,000	1,871,417	5,371,417
31	Academic Building Phase I	4,000,000	7,736,952	11,736,952
32	Master Plan Advanced Planning	150,000	(150,000)	0
33	Total – Rhode Island College	199,862,700	4,403,288	204,265,988

34 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or

1 unencumbered balances as of June 30, 2019 relating to Rhode Island College are hereby
 2 reappropriated to fiscal year 2020.

3 *Community College of Rhode Island*

4	General Revenues			
5	General Revenues	51,074,830	(546,690)	50,528,140
6	Debt Service	1,904,030	0	1,904,030
7	Restricted Receipts	694,224	(68,283)	625,941
8	Other Funds			
9	University and College Funds	104,812,712	(3,081,363)	101,731,349
10	CCRI Debt Service – Energy Conservation	803,875	0	803,875
11	Rhode Island Capital Plan Funds			
12	Asset Protection	2,368,035	1,266,070	3,634,105
13	Knight Campus Lab Renovation	375,000	0	375,000
14	Knight Campus Renewal	3,600,000	110,846	3,710,846
15	Total – Community College of RI	165,632,706	(2,319,420)	163,313,286

16 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
 17 unencumbered balances as of June 30, 2019 relating to the Community College of Rhode Island
 18 are hereby reappropriated to fiscal year 2020.

19 Grand Total – Public Higher Education 1,207,574,517 4,508,303 1,212,082,820

20 **RI State Council on the Arts**

21	General Revenues			
22	Operating Support	842,993	(30,174)	812,819
23	Grants	1,165,000	0	1,165,000

24 Provided that \$375,000 be provided to support the operational costs of WaterFire
 25 Providence art installations.

26	Federal Funds	719,053	92,720	811,773
27	Restricted Receipts	5,000	10,000	15,000
28	Other Funds			
29	Art for Public Facilities	400,000	200,000	600,000
30	Grand Total – RI State Council on the Arts	3,132,046	272,546	3,404,592

31 **RI Atomic Energy Commission**

32	General Revenues	1,078,908	(60,453)	1,018,455
33	Federal Funds	0	7,936	7,936
34	Restricted Receipts	99,000	(72,000)	27,000

1	Other Funds			
2	URI Sponsored Research	268,879	1,984	270,863
3	Rhode Island Capital Plan Funds			
4	RINSC Asset Protection	50,000	0	50,000
5	Grand Total – RI Atomic Energy Commission	1,496,787	(122,533)	1,374,254
6	RI Historical Preservation and Heritage Commission			
7	General Revenues	1,210,054	15,015	1,225,069
8	Provided that \$30,000 support the operational costs of the Fort Adams Trust’s restoration			
9	activities.			
10	Federal Funds	696,513	149,505	846,018
11	Restricted Receipts	465,870	(26,068)	439,802
12	Other Funds			
13	RIDOT Project Review	81,589	43,630	125,219
14	Grand Total – RI Historical Preservation and			
15	Heritage Comm.	2,454,026	182,082	2,636,108
16	Attorney General			
17	<i>Criminal</i>			
18	General Revenues	17,225,917	(1,498,880)	15,727,037
19	Federal Funds	12,710,334	2,267,152	14,977,486
20	Restricted Receipts	139,107	2,324	141,431
21	Total – Criminal	30,075,358	770,596	30,845,954
22	<i>Civil</i>			
23	General Revenues	5,674,888	(773,914)	4,900,974
24	Restricted Receipts	644,343	344,686	989,029
25	Total – Civil	6,319,231	(429,228)	5,890,003
26	<i>Bureau of Criminal Identification</i>			
27	General Revenues	1,731,361	(15,045)	1,716,316
28	<i>General</i>			
29	General Revenues	3,327,026	(67,140)	3,259,886
30	Other Funds			
31	Rhode Island Capital Plan Funds			
32	Building Renovations and Repairs	150,000	0	150,000
33	Total – General	3,477,026	(67,140)	3,409,886
34	Grand Total – Attorney General	41,602,976	259,183	41,862,159

1	Corrections			
2	<i>Central Management</i>			
3	General Revenues	16,146,513	139,037	16,285,550
4	Federal Funds	29,460	125,931	155,391
5	Total – Central Management	16,175,973	264,968	16,440,941
6	<i>Parole Board</i>			
7	General Revenues	1,307,720	39,129	1,346,849
8	Federal Funds	120,827	13,706	134,533
9	Total – Parole Board	1,428,547	52,835	1,481,382
10	<i>Custody and Security</i>			
11	General Revenues	140,908,178	49,430	140,957,608
12	Federal Funds	810,693	168,087	978,780
13	Total – Custody and Security	141,718,871	217,517	141,936,388
14	<i>Institutional Support</i>			
15	General Revenues	23,363,846	(2,072,551)	21,291,295
16	Other Funds			
17	Rhode Island Capital Plan Funds			
18	Asset Protection	3,000,000	(70,790)	2,929,210
19	Maximum – General Renovations	1,000,000	(454,263)	545,737
20	Dix Building Renovations	750,000	(375,000)	375,000
21	ISC Exterior Envelope and HVAC	1,750,000	(715,206)	1,034,794
22	Medium Infrastructure	5,000,000	50,270	5,050,270
23	High Security Renovations and Repairs	1,000,000	(1,000,000)	0
24	Total – Institutional Support	35,863,846	(4,637,540)	31,226,306
25	<i>Institutional Based Rehab./Population Management</i>			
26	General Revenues	13,571,143	93,008	13,664,151
27	Provided that \$1,050,000 be allocated to Crossroads Rhode Island for sex offender			
28	discharge planning.			
29	Federal Funds	751,423	212,125	963,548
30	Restricted Receipts	44,473	5,043	49,516
31	Total – Institutional Based Rehab/Population Mgt.	14,367,039	310,176	14,677,215
32	<i>Healthcare Services</i>			
33	General Revenues	24,186,222	1,471,133	25,657,355
34	<i>Community Corrections</i>			

1	General Revenues	17,579,601	(1,034,991)	16,544,610
2	Federal Funds	84,437	24,675	109,112
3	Restricted Receipts	14,883	0	14,883
4	Total – Community Corrections	17,678,921	(1,010,316)	16,668,605
5	Grand Total – Corrections	251,419,419	(3,331,227)	248,088,192

6 **Judiciary**

7 *Supreme Court*

8	General Revenues			
9	General Revenues	28,913,032	(165,489)	28,747,543

10 Provided however, that no more than ~~\$1,183,205~~ \$1,303,816 in combined total shall be
11 offset to the Public Defender’s Office, the Attorney General’s Office, the Department of
12 Corrections, the Department of Children, Youth, and Families, and the Department of Public Safety
13 for square-footage occupancy costs in public courthouses and further provided that \$230,000 be
14 allocated to the Rhode Island Coalition Against Domestic Violence for the domestic abuse court
15 advocacy project pursuant to Rhode Island General Law, Section 12-29-7 and that \$90,000 be
16 allocated to Rhode Island Legal Services, Inc. to provide housing and eviction defense to indigent
17 individuals.

18	Defense of Indigents	3,960,979	554,557	4,515,536
19	Federal Funds	139,008	(241)	138,767
20	Restricted Receipts	3,317,943	445,303	3,763,246
21	Other Funds			
22	Rhode Island Capital Plan Funds			
23	Judicial Complexes - HVAC	1,000,000	0	1,000,000
24	Judicial Complexes Asset Protection	950,000	181,961	1,131,961
25	Licht Judicial Complex Restoration	750,000	27,644	777,644
26	Licht Window Exterior Restoration	800,000	3,729	803,729
27	Noel Shelled Courtroom Build Out	3,939,066	(1,639,066)	2,300,000
28	Total - Supreme Court	43,770,028	(591,602)	43,178,426

29 *Judicial Tenure and Discipline*

30	General Revenues	150,684	(652)	150,032
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31 *Superior Court*

32	General Revenues	23,787,395	(575,343)	23,212,052
33	Federal Funds	71,376	(20,983)	50,393
34	Restricted Receipts	398,089	85	398,174

1	Total – Superior Court	24,256,860	(596,241)	23,660,619
2	<i>Family Court</i>			
3	General Revenues	21,510,608	236,192	21,746,800
4	Federal Funds	2,703,595	180,397	2,883,992
5	Total – Family Court	24,214,203	416,589	24,630,792
6	<i>District Court</i>			
7	General Revenues	13,908,601	(654,726)	13,253,875
8	Federal Funds	65	(65)	0
9	Restricted Receipts	60,000	0	60,000
10	Total - District Court	13,968,666	(654,791)	13,313,875
11	<i>Traffic Tribunal</i>			
12	General Revenues	9,763,589	(1,181,219)	8,582,370
13	<i>Workers' Compensation Court</i>			
14	Restricted Receipts	8,309,954	(293,131)	8,016,823
15	Grand Total – Judiciary	124,433,984	(2,901,047)	121,532,937
16	Military Staff			
17	General Revenues	3,081,090	16,591	3,097,681
18	Federal Funds	18,480,072	13,172,112	31,652,184
19	Restricted Receipts			
20	RI Military Family Relief Fund	100,000	(45,000)	55,000
21	Other Funds			
22	Rhode Island Capital Plan Funds			
23	Armory of Mounted Command Roof Replacement	700,000	(518,200)	181,800
24	Asset Protection	700,000	196,898	896,898
25	Bristol Readiness Center	125,000	(125,000)	0
26	Joint Force Headquarters Building	7,106,152	(904,492)	6,201,660
27	Middletown Armory Land Transfer	0	1,189,380	1,189,380
28	Grand Total – Military Staff	30,292,314	12,982,289	43,274,603
29	Public Safety			
30	<i>Central Management</i>			
31	General Revenues	1,013,929	39,813	1,053,742
32	Federal Funds	6,714,457	4,210,741	10,925,198
33	Total – Central Management	7,728,386	4,250,554	11,978,940
34	<i>E-911 Emergency Telephone System</i>			

1	General Revenues	6,968,614	(618,339)	6,350,275
2	<i>Security Services</i>			
3	General Revenues	25,197,459	(273,920)	24,923,539
4	<i>Municipal Police Training Academy</i>			
5	General Revenues	253,024	34,513	287,537
6	Federal Funds	372,958	46,832	419,790
7	Total – Municipal Police Training Academy	625,982	81,345	707,327
8	<i>State Police</i>			
9	General Revenues	69,903,992	1,513,278	71,417,270
10	Federal Funds	8,526,488	3,782,433	12,308,921
11	Restricted Receipts	552,603	571,014	1,123,617
12	Other Funds			
13	Rhode Island Capital Plan Funds			
14	DPS Asset Protection	250,000	392,429	642,429
15	Training Academy Upgrades	500,000	(142,064)	357,936
16	Facilities Master Plan	100,000	350,000	450,000
17	Lottery Commission Assistance	1,494,883	(1,494,883)	0
18	Airport Corporation Assistance	149,811	(4,746)	145,065
19	Road Construction Reimbursement	2,201,511	43,458	2,244,969
20	Weight and Measurement Reimbursement	304,989	95,011	400,000
21	Total – State Police	83,984,277	5,105,930	89,090,207
22	Grand Total – Public Safety	124,504,718	8,545,570	133,050,288
23	Office of Public Defender			
24	General Revenues	12,575,531	(516,219)	12,059,312
25	Federal Funds	100,985	(25,320)	75,665
26	Grand Total – Office of Public Defender	12,676,516	(541,539)	12,134,977
27	Emergency Management Agency			
28	General Revenues	2,043,945	164,274	2,208,219
29	Federal Funds	16,335,897	3,875,086	20,210,983
30	Restricted Receipts	450,985	63,854	514,839
31	Other Funds			
32	Rhode Island Capital Plan Funds			
33	RI Statewide Communications Network	1,494,414	0	1,494,414
34	Grand Total – Emergency Management Agency	20,325,241	4,103,214	24,428,455

1 **Environmental Management**

2 *Office of the Director*

3 General Revenues 6,989,682 (253,936) 6,735,746

4 Of this general revenue amount, \$50,000 is appropriated to the Conservation Districts.

5 Federal Funds 212,741 0 212,741

6 Restricted Receipts 3,840,985 78,099 3,919,084

7 Total – Office of the Director 11,043,408 (175,837) 10,867,571

8 *Natural Resources*

9 General Revenues 22,108,783 120,950 22,229,733

10 Federal Funds 21,587,314 (288,255) 21,299,059

11 Restricted Receipts 3,993,561 (258,613) 3,734,948

12 Other Funds

13 DOT Recreational Projects 2,339,312 (1,577,312) 762,000

14 Blackstone Bikepath Design 2,075,848 (1,075,848) 1,000,000

15 Transportation MOU 84,527 (74,241) 10,286

16 Rhode Island Capital Plan Funds

17 Blackstone Valley Park Improvements 250,000 135,740 385,740

18 Dam Repair 1,900,000 (1,660,000) 240,000

19 Fort Adams Rehabilitation 300,000 17,353 317,353

20 Recreational Facilities Improvements 2,500,000 (400,000) 2,100,000

21 Galilee Piers Upgrade 1,750,000 (1,540,000) 210,000

22 Fish & Wildlife Maintenance Facilities 150,000 (150,000) 0

23 Natural Resources Offices/Visitor's Center 5,000,000 (4,825,000) 175,000

24 Marine Infrastructure and Pier Development 1,000,000 (242,660) 757,340

25 State Recreation Building Demolition 100,000 89,202 189,202

26 Fort Adams Sailing Improvements 0 75,249 75,249

27 Newport Pier 0 193,750 193,750

28 Total – Natural Resources 65,139,345 (11,459,685) 53,679,660

29 *Environmental Protection*

30 General Revenues 12,742,750 (257,553) 12,485,197

31 Federal Funds 9,963,105 260,221 10,223,326

32 Restricted Receipts 9,745,745 (1,704,152) 8,041,593

33 Other Funds

34 Transportation MOU 55,154 28,930 84,084

1	Total – Environmental Protection	32,506,754	(1,672,554)	30,834,200
2	Grand Total – Environmental Management	108,689,507	(13,308,076)	95,381,431
3	Coastal Resources Management Council			
4	General Revenues	2,760,157	(92,854)	2,667,303
5	Federal Funds	2,733,267	1,593,287	4,326,554
6	Restricted Receipts	250,000	0	250,000
7	Other Funds			
8	Rhode Island Capital Plan Funds			
9	Rhode Island Coastal Storm Risk Study	525,000	0	525,000
10	Narragansett Bay SAMP	200,000	50,000	250,000
11	Green Hill Pond Dredging Study	0	28,875	28,875
12	Grand Total – Coastal Resources Mgmt. Council	6,468,424	1,579,308	8,047,732
13	Transportation			
14	<i>Central Management</i>			
15	Federal Funds	6,503,262	(190,833)	6,312,429
16	Other Funds			
17	Gasoline Tax	4,741,088	2,541,479	7,282,567
18	Total – Central Management	11,244,350	2,350,646	13,594,996
19	<i>Management and Budget</i>			
20	Other Funds			
21	Gasoline Tax	5,822,202	(3,426,628)	2,395,574
22	<i>Infrastructure Engineering</i>			
23	Federal Funds			
24	Federal Funds	288,650,305	29,551,052	318,201,357
25	Federal Funds – Stimulus	4,386,593	(4,386,593)	0
26	Restricted Receipts	3,034,406	(27,681)	3,006,725
27	Other Funds			
28	Gasoline Tax	75,836,779	4,556,030	80,392,809
29	Toll Revenue	41,000,000	(34,000,000)	7,000,000
30	Land Sale Revenue	2,647,815	3,717,197	6,365,012
31	Rhode Island Capital Plan Funds			
32	RIPTA Land and Buildings	90,000	18,134	108,134
33	RIPTA Pawtucket Bus Hub	946,168	313,018	1,259,186
34	RIPTA Providence Transit Connector	1,561,279	21,269	1,582,548

1	Highway Improvement Program	35,851,346	7,643,871	43,495,217
2	Total - Infrastructure Engineering	454,004,691	7,406,297	461,410,988
3	<i>Infrastructure Maintenance</i>			
4	Other Funds			
5	Gasoline Tax	18,918,661	(3,765,326)	15,153,335
6	Non-Land Surplus Property	50,000	0	50,000
7	Outdoor Advertising	100,000	(100,000)	0
8	Utility Access Permit Fees	500,000	(450,000)	50,000
9	Rhode Island Highway Maintenance Account	97,007,238	33,249,209	130,256,447
10	Rhode Island Capital Plan Funds			
11	Maintenance Facilities Improvements	523,989	(430,714)	93,275
12	Salt Storage Facilities	1,000,000	(70,775)	929,225
13	Maintenance Equipment Replacement	1,500,000	0	1,500,000
14	Train Station Maintenance and Repairs	350,000	(95,140)	254,860
15	Total – Infrastructure Maintenance	119,949,888	28,337,254	148,287,142
16	Grand Total – Transportation	591,021,131	34,667,569	625,688,700
17	Statewide Totals			
18	General Revenues	3,908,207,061	25,627,318	3,933,834,379
19	Federal Funds	3,208,172,271	126,294,141	3,334,466,412
20	Restricted Receipts	281,812,633	5,284,970	287,097,603
21	Other Funds	2,174,549,841	16,406,803	2,190,956,644
22	Statewide Grand Total	9,572,741,806	173,613,232	9,746,355,038

23 SECTION 2. Each line appearing in Section 1 of this Article shall constitute an
24 appropriation.

25 SECTION 3. Upon the transfer of any function of a department or agency to another
26 department or agency, the Governor is hereby authorized by means of executive order to transfer
27 or reallocate, in whole or in part, the appropriations and the full-time equivalent limits affected
28 thereby.

29 SECTION 4. From the appropriation for contingency shall be paid such sums as may be
30 required at the discretion of the Governor to fund expenditures for which appropriations may not
31 exist. Such contingency funds may also be used for expenditures in the several departments and
32 agencies where appropriations are insufficient, or where such requirements are due to unforeseen
33 conditions or are non-recurring items of an unusual nature. Said appropriations may also be used
34 for the payment of bills incurred due to emergencies or to any offense against public peace and

1 property, in accordance with the provisions of Titles 11 and 45 of the General Laws of 1956, as
 2 amended. All expenditures and transfers from this account shall be approved by the Governor.

3 SECTION 5. The general assembly authorizes the state controller to establish the internal
 4 service accounts shown below, and no other, to finance and account for the operations of state
 5 agencies that provide services to other agencies, institutions and other governmental units on a cost
 6 reimbursed basis. The purpose of these accounts is to ensure that certain activities are managed in
 7 a businesslike manner, promote efficient use of services by making agencies pay the full costs
 8 associated with providing the services, and allocate the costs of central administrative services
 9 across all fund types, so that federal and other non-general fund programs share in the costs of
 10 general government support. The controller is authorized to reimburse these accounts for the cost
 11 of work or services performed for any other department or agency subject to the following
 12 expenditure limitations:

	FY 2019	FY 2019	FY 2019
	<u>Enacted</u>	<u>Change</u>	<u>Final</u>
<u>Account</u>			
16 State Assessed Fringe Benefit Internal Service Fund	41,383,271	(493,865)	40,889,406
17 Administration Central Utilities Internal Service Fund	22,910,320	139,245	23,049,565
18 State Central Mail Internal Service Fund	6,539,120	(254,948)	6,284,172
19 State Telecommunications Internal Service Fund	3,602,419	(200,199)	3,402,220
20 State Automotive Fleet Internal Service Fund	12,549,973	107,363	12,657,336
21 Surplus Property Internal Service Fund	3,000	0	3,000
22 Health Insurance Internal Service Fund	251,953,418	627,641	252,581,059
23 State Fleet Revolving Loan Fund	273,786	0	273,786
24 Other Post-Employment Benefits Fund	63,858,483	0	63,858,483
25 Capitol Police Internal Service Fund	1,395,433	38,881	1,434,314
26 Corrections Central Distribution Center Internal Service Fund	6,769,493	21,459	6,790,952
27 Correctional Industries Internal Service Fund	8,050,590	38,673	8,089,263
28 Secretary of State Record Center Internal Service Fund	947,539	35,863	983,402
29 Human Resources Internal Service Fund	12,131,620	1,246,234	13,377,854
30 DCAMM Facilities Internal Service Fund	39,212,184	(519,112)	38,693,072
31 Information Technology Internal Service Fund	32,282,229	6,795,117	39,077,346

32 SECTION 6. *Legislative Intent* - The General Assembly may provide a written "statement
 33 of legislative intent" signed by the chairperson of the House Finance Committee and by the
 34 chairperson of the Senate Finance Committee to show the intended purpose of the appropriations

1 contained in Section 1 of this Article. The statement of legislative intent shall be kept on file in the
2 House Finance Committee and in the Senate Finance Committee.

3 At least twenty (20) days prior to the issuance of a grant or the release of funds, which
4 grant or funds are listed on the legislative letter of intent, all department, agency and corporation
5 directors, shall notify in writing the chairperson of the House Finance Committee and the
6 chairperson of the Senate Finance Committee of the approximate date when the funds are to be
7 released or granted.

8 SECTION 7. *Appropriation of Temporary Disability Insurance Funds* -- There is hereby
9 appropriated pursuant to sections 28-39-5 and 28-39-8 of the Rhode Island General Laws all funds
10 required to be disbursed for the benefit payments from the Temporary Disability Insurance Fund
11 and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2019.

12 SECTION 8. *Appropriation of Employment Security Funds* -- There is hereby appropriated
13 pursuant to section 28-42-19 of the Rhode Island General Laws all funds required to be disbursed
14 for benefit payments from the Employment Security Fund for the fiscal year ending June 30, 2019.

15 SECTION 9. *Appropriation of Lottery Division Funds* -- There is hereby appropriated to
16 the Lottery Division any funds required to be disbursed by the Lottery Division for the purposes of
17 paying commissions or transfers to the prize fund for the fiscal year ending June 30, 2019.

18 SECTION 10. *Appropriation of CollegeBoundSaver Funds* -- There is hereby appropriated
19 to the Office of the General Treasurer designated funds received under the CollegeBoundSaver
20 program for transfer to the Division of Higher Education Assistance within the Office of the
21 Postsecondary Commissioner to support student financial aid for the fiscal year ending June 30,
22 2019.

23 SECTION 11. Departments and agencies listed below may not exceed the number of full-
24 time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do
25 not include seasonal or intermittent positions whose scheduled period of employment does not
26 exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and
27 twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include individuals
28 engaged in training, the completion of which is a prerequisite of employment. Provided, however,
29 that the Governor or designee, Speaker of the House of Representatives or designee, and the
30 President of the Senate or designee may authorize an adjustment to any limitation. Prior to the
31 authorization, the State Budget Officer shall make a detailed written recommendation to the
32 Governor, the Speaker of the House, and the President of the Senate. A copy of the recommendation
33 and authorization to adjust shall be transmitted to the chairman of the House Finance Committee,
34 Senate Finance Committee, the House Fiscal Advisor and the Senate Fiscal Advisor.

1 State employees whose funding is from non-state general revenue funds that are time
 2 limited shall receive limited term appointment with the term limited to the availability of non-state
 3 general revenue funding source.

4 FY 2019 FTE POSITION AUTHORIZATION

5	<u>Departments and Agencies</u>	<u>Full-Time Equivalent</u>
6	Administration	655.7
7	Business Regulation	161.0
8	Executive Office of Commerce	16.0
9	Labor and Training	409.7
10	Revenue	604.5
11	Legislature	298.5
12	Office of the Lieutenant Governor	8.0
13	Office of the Secretary of State	59.0
14	Office of the General Treasurer	89.0
15	Board of Elections	13.0
16	Rhode Island Ethics Commission	12.0
17	Office of the Governor	45.0
18	Commission for Human Rights	14.5
19	Public Utilities Commission	53.0
20	Office of Health and Human Services	192.0
21	Children, Youth, and Families	631.5 <u>629.5</u>
22	Health	514.6 <u>517.6</u>
23	Human Services	1,020.1 <u>1,030.1</u>
24	Behavioral Healthcare, Developmental Disabilities, and	
25	Hospitals	1,302.4 <u>1,304.4</u>
26	Provided that 3.0 of the total authorization would be available only for a quality	
27	improvement team to ensure that community based agencies transition to providing integrated	
28	services to adults with developmental disabilities that comply with the consent decree.	
29	Office of the Child Advocate	10.0
30	Commission on the Deaf and Hard of Hearing	4.0
31	Governor's Commission on Disabilities	4.0
32	Office of the Mental Health Advocate	4.0
33	Elementary and Secondary Education	135.1
34	School for the Deaf	60.0

1	Davies Career and Technical School	126.0
2	Office of Postsecondary Commissioner	36.0
3	Provided that 1.0 of the total authorization would be available only for positions that are	
4	supported by third-party funds, 5.0 would be available only for positions at the Westerly Higher	
5	Education Center and Job Skills Center, and 10.0 would be available only for positions at the	
6	Nursing Education Center.	
7	University of Rhode Island	2,555.0
8	Provided that 622.8 of the total authorization would be available only for positions that are	
9	supported by third-party funds.	
10	Rhode Island College	949.2
11	Provided that 76.0 of the total authorization would be available only for positions that are	
12	supported by third-party funds.	
13	Community College of Rhode Island	854.1
14	Provided that 89.0 of the total authorization would be available only for positions that are	
15	supported by third-party funds.	
16	Rhode Island State Council on the Arts	8.6
17	RI Atomic Energy Commission	8.6
18	Historical Preservation and Heritage Commission	15.6
19	Office of the Attorney General	237.1
20	Corrections	1,416.0
21	Judicial	723.3
22	Military Staff	92.0
23	Emergency Management Agency	32.0
24	Public Safety	564.6 <u>563.6</u>
25	Office of the Public Defender	95.0
26	Environmental Management	395.0
27	Coastal Resources Management Council	30.0
28	Transportation	755.0
29	Total	15,209.7 <u>15,221.7</u>

30 SECTION 12. Notwithstanding any general laws to the contrary, the Department of
31 Environmental Management shall transfer to the State Controller the sum of one million one
32 hundred eleven thousand six-hundred sixty-one dollars (\$1,111,661) from the Government Entities
33 - Inceptors bond funds account by June 30, 2019.

34 SECTION 13. Notwithstanding any general laws to the contrary, the Department of

1 Environmental Management shall transfer to the State Controller the sum of one hundred seven
2 thousand two hundred sixty-seven dollars (\$107,267) from the Government Water Pollution
3 Control bond funds account by June 30, 2019.

4 SECTION 14. Notwithstanding any general laws to the contrary, the Department of
5 Environmental Management shall transfer to the State Controller the sum of thirty-five thousand
6 ninety-four dollars (\$35,094) from the Private Water Pollution Control Facility bond funds account
7 by June 30, 2019.

8 SECTION 15. Notwithstanding any general laws to the contrary, the Department of
9 Environmental Management shall transfer to the State Controller the sum of eleven thousand nine
10 hundred eight dollars (\$11,908) from the State Recreational Facilities Development and
11 Renovation bond funds account by June 30, 2019.

12 SECTION 16. Notwithstanding any general laws to the contrary, the Department of
13 Environmental Management shall transfer to the State Controller the sum of one thousand two
14 hundred twenty-six dollars (\$1,226) from the Local Recreational Facilities Distressed bond funds
15 account by June 30, 2019.

16 SECTION 17. Notwithstanding any general laws to the contrary, the Department of
17 Environmental Management shall transfer to the State Controller the sum of one hundred sixty
18 thousand twenty eighty dollars (\$160,028) from the 25 India Street (Shooter's Parcel) bond funds
19 account by June 30, 2019.

20 SECTION 18. This article shall take effect upon passage.

ARTICLE 11

RELATING TO HEALTHCARE MARKET STABILITY

SECTION 1. Section 27-18.5-2 of the General Laws in Chapter 27-18.5 entitled "Individual Health Insurance Coverage" is hereby amended to read as follows:

27-18.5-2. Definitions.

The following words and phrases as used in this chapter have the following meanings unless a different meaning is required by the context:

(1) "Bona fide association" means, with respect to health insurance coverage offered in this state, an association which:

(i) Has been actively in existence for at least five (5) years;

(ii) Has been formed and maintained in good faith for purposes other than obtaining insurance;

(iii) Does not condition membership in the association on any health status-related factor relating to an individual (including an employee of an employer or a dependent of an employee);

(iv) Makes health insurance coverage offered through the association available to all members regardless of any health status-related factor relating to the members (or individuals eligible for coverage through a member);

(v) Does not make health insurance coverage offered through the association available other than in connection with a member of the association;

(vi) Is composed of persons having a common interest or calling;

(vii) Has a constitution and bylaws; and

(viii) Meets any additional requirements that the director may prescribe by regulation;

(2) "COBRA continuation provision" means any of the following:

(i) Section 4980(B) of the Internal Revenue Code of 1986, 26 U.S.C. § 4980B, other than subsection (f)(1) of that section insofar as it relates to pediatric vaccines;

(ii) Part 6 of subtitle B of Title I of the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1161 et seq., other than Section 609 of that act, 29 U.S.C. § 1169; or

(iii) Title XXII of the United States Public Health Service Act, 42 U.S.C. § 300bb-1 et seq.;

(3) "Creditable coverage" has the same meaning as defined in the United States Public Health Service Act, Section 2701(c), 42 U.S.C. § 300gg(c), as added by P.L. 104-191;

1 (4) "Director" means the director of the department of business regulation;

2 (5) "Eligible individual" means an individual:

3 (i) For whom, as of the date on which the individual seeks coverage under this chapter, the
4 aggregate of the periods of creditable coverage is eighteen (18) or more months and whose most
5 recent prior creditable coverage was under a group health plan, a governmental plan established or
6 maintained for its employees by the government of the United States or by any of its agencies or
7 instrumentalities, or church plan (as defined by the Employee Retirement Income Security Act of
8 1974, 29 U.S.C. § 1001 et seq.);

9 (ii) Who is not eligible for coverage under a group health plan, part A or part B of title
10 XVIII of the Social Security Act, 42 U.S.C. § 1395c et seq. or 42 U.S.C. § 1395j et seq., or any
11 state plan under title XIX of the Social Security Act, 42 U.S.C. § 1396 et seq. (or any successor
12 program), and does not have other health insurance coverage;

13 (iii) With respect to whom the most recent coverage within the coverage period was not
14 terminated based on a factor described in § 27-18.5-4(b)(relating to nonpayment of premiums or
15 fraud);

16 (iv) If the individual had been offered the option of continuation coverage under a COBRA
17 continuation provision, or under chapter 19.1 of this title or under a similar state program of this
18 state or any other state, who elected the coverage; and

19 (v) Who, if the individual elected COBRA continuation coverage, has exhausted the
20 continuation coverage under the provision or program;

21 (6) "Group health plan" means an employee welfare benefit plan as defined in section 3(1)
22 of the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002(1), to the extent that
23 the plan provides medical care and including items and services paid for as medical care to
24 employees or their dependents as defined under the terms of the plan directly or through insurance,
25 reimbursement or otherwise;

26 (7) "Health insurance carrier" or "carrier" means any entity subject to the insurance laws
27 and regulations of this state, or subject to the jurisdiction of the director, that contracts or offers to
28 contract to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care
29 services, including, without limitation, an insurance company offering accident and sickness
30 insurance, a health maintenance organization, a nonprofit hospital, medical or dental service
31 corporation, or any other entity providing a plan of health insurance or health benefits by which
32 health care services are paid or financed for an eligible individual or his or her dependents by such
33 entity on the basis of a periodic premium, paid directly or through an association, trust, or other
34 intermediary, and issued, renewed, or delivered within or without Rhode Island to cover a natural

1 person who is a resident of this state, including a certificate issued to a natural person which
2 evidences coverage under a policy or contract issued to a trust or association;

3 (8)(i) "Health insurance coverage" means a policy, contract, certificate, or agreement
4 offered by a health insurance carrier to provide, deliver, arrange for, pay for or reimburse any of
5 the costs of health care services. Health insurance coverage includes short-term limited duration
6 policies and any policy that pays on a cost-incurred basis, except as otherwise specifically exempted
7 by subsections (ii), (iii), (iv), or (v) of this section.

8 (ii) "Health insurance coverage" does not include one or more, or any combination of, the
9 following:

10 (A) Coverage only for accident, or disability income insurance, or any combination of
11 those;

12 (B) Coverage issued as a supplement to liability insurance;

13 (C) Liability insurance, including general liability insurance and automobile liability
14 insurance;

15 (D) Workers' compensation or similar insurance;

16 (E) Automobile medical payment insurance;

17 (F) Credit-only insurance;

18 (G) Coverage for on-site medical clinics; and

19 (H) Other similar insurance coverage, specified in federal regulations issued pursuant to
20 P.L. 104-191, under which benefits for medical care are secondary or incidental to other insurance
21 benefits; ~~and~~

22 ~~(I) Short term limited duration insurance;~~

23 (iii) "Health insurance coverage" does not include the following benefits if they are
24 provided under a separate policy, certificate, or contract of insurance or are not an integral part of
25 the coverage:

26 (A) Limited scope dental or vision benefits;

27 (B) Benefits for long-term care, nursing home care, home health care, community-based
28 care, or any combination of these;

29 (C) Any other similar, limited benefits that are specified in federal regulation issued
30 pursuant to P.L. 104-191;

31 (iv) "Health insurance coverage" does not include the following benefits if the benefits are
32 provided under a separate policy, certificate, or contract of insurance, there is no coordination
33 between the provision of the benefits and any exclusion of benefits under any group health plan
34 maintained by the same plan sponsor, and the benefits are paid with respect to an event without

1 regard to whether benefits are provided with respect to the event under any group health plan
2 maintained by the same plan sponsor:

3 (A) Coverage only for a specified disease or illness; or

4 (B) Hospital indemnity or other fixed indemnity insurance; and

5 (v) "Health insurance coverage" does not include the following if it is offered as a separate
6 policy, certificate, or contract of insurance:

7 (A) Medicare supplemental health insurance as defined under section 1882(g)(1) of the
8 Social Security Act, 42 U.S.C. § 1395ss(g)(1);

9 (B) Coverage supplemental to the coverage provided under 10 U.S.C. § 1071 et seq.; and

10 (C) Similar supplemental coverage provided to coverage under a group health plan;

11 (9) "Health status-related factor" means any of the following factors:

12 (i) Health status;

13 (ii) Medical condition, including both physical and mental illnesses;

14 (iii) Claims experience;

15 (iv) Receipt of health care;

16 (v) Medical history;

17 (vi) Genetic information;

18 (vii) Evidence of insurability, including conditions arising out of acts of domestic violence;

19 and

20 (viii) Disability;

21 (10) "Individual market" means the market for health insurance coverage offered to
22 individuals other than in connection with a group health plan;

23 (11) "Network plan" means health insurance coverage offered by a health insurance carrier
24 under which the financing and delivery of medical care including items and services paid for as
25 medical care are provided, in whole or in part, through a defined set of providers under contract
26 with the carrier;

27 (12) "Preexisting condition" means, with respect to health insurance coverage, a condition
28 (whether physical or mental), regardless of the cause of the condition, that was present before the
29 date of enrollment for the coverage, for which medical advice, diagnosis, care, or treatment was
30 recommended or received within the six (6) month period ending on the enrollment date. Genetic
31 information shall not be treated as a preexisting condition in the absence of a diagnosis of the
32 condition related to that information; and

33 (13) "High-risk individuals" means those individuals who do not pass medical underwriting
34 standards, due to high health care needs or risks;

1 (14) "Wellness health benefit plan" means that health benefit plan offered in the individual
2 market pursuant to § 27-18.5-8; and

3 (15) "Commissioner" means the health insurance commissioner.

4 SECTION 2. Section 42-157-4 of the General Laws in Chapter 42-157 titled "Rhode Island
5 Health Benefit Exchange" is hereby amended to read as follows:

6 **42-157-4. Financing.**

7 (a) The department is authorized to assess insurers offering qualified health plans and
8 qualified dental plans. To support the functions of the exchange, insurers offering qualified health
9 plans and qualified dental plans must remit an assessment to the exchange each month, in a
10 timeframe and manner established by the exchange, equal to three and one-half percent (3.5%) of
11 the monthly premium charged by the insurer for each policy under the plan where enrollment is
12 through the exchange. ~~The revenue raised in accordance with this subsection shall not exceed the~~
13 ~~revenue able to be raised through the federal government assessment and shall be established in~~
14 ~~accordance and conformity with the federal government assessment upon those insurers offering~~
15 ~~products on the Federal Health Benefit exchange.~~ Revenues from the assessment shall be deposited
16 in a restricted receipt account for the sole use of the exchange and shall be exempt from the indirect
17 cost recovery provisions of § 35-4-27 of the general laws.

18 (b) The general assembly may appropriate general revenue to support the annual budget
19 for the exchange in lieu of or to supplement revenues raised from the assessment under § 42-157-
20 4(a).

21 (c) If the director determines that the level of resources obtained pursuant to § 42-157-4(a)
22 will be in excess of the budget for the exchange, the department shall provide a report to the
23 governor, the speaker of the house and the senate president identifying the surplus and detailing
24 how the assessment established pursuant to § 42-157-4(a) may be offset in a future year to reconcile
25 with impacted insurers and how any future supplemental or annual budget submission to the general
26 assembly may be revised accordingly.

27 SECTION 3. Chapter 42-157 of the General Laws entitled "Rhode Island Health Benefit
28 Exchange" is hereby amended by adding thereto the following section:

29 **42-157-11. Exemptions from the shared responsibility payment penalty.**

30 (a) Establishment of program. The exchange shall establish a program for determining
31 whether to grant a certification that an individual is entitled to an exemption from the Shared
32 Responsibility Payment Penalty set forth in section 44-30-101(c) of the general laws by reason of
33 religious conscience or hardship.

34 (b) Eligibility determinations. The exchange shall make determinations as to whether to

1 grant a certification described in subsection (a). The exchange shall notify the individual and the
2 tax administrator for the Rhode Island Department of Revenue of any such determination in such
3 a time and manner as the exchange, in consultation with the tax administrator, shall prescribe. In
4 notifying the tax administrator, the exchange shall adhere to the data privacy and data security
5 standards adopted in accordance with 45 C.F.R. 155.260. The exchange shall only be required to
6 notify the tax administrator to the extent that the exchange determines such disclosure is permitted
7 under 45 C.F.R. 155.260.

8 (c) Appeals. Any person aggrieved by the exchange's determination of eligibility for an
9 exemption under this section has the right to an appeal in accordance with the procedures contained
10 within chapter 35 of title 42.

11 **42-157-12. Special enrollment period for qualified individuals assessed a shared**
12 **responsibility payment penalty.**

13 (a) Definitions. The following definition shall apply for purposes of this section:

14 (1) "Special enrollment period" means a period during which a qualified individual who is
15 assessed a penalty in accordance with section 44-30-101 may enroll in a qualified health plan
16 through the exchange outside of the annual open enrollment period.

17 (b) In the case of a qualified individual who is assessed a shared responsibility payment in
18 accordance with section 44-30-101 of the general laws and who is not enrolled in a qualified health
19 plan, the exchange must provide a special enrollment period consistent with this section and the
20 Federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the
21 Federal Care and Reconciliation Act of 2010 (Public Law 111-152), and any amendments to, or
22 regulations or guidance issued under, those acts.

23 (c) Effective Date. The exchange must ensure that coverage is effective for a qualified
24 individual who is eligible for a special enrollment period under this section on the first day of the
25 month after the qualified individual completes enrollment in a qualified health plan through the
26 exchange.

27 (d) Availability and length of special enrollment period. A qualified individual has sixty
28 (60) days from the date he or she is assessed a penalty in accordance with section 44-30-101 of the
29 general laws to complete enrollment in a qualified health plan through the exchange. The date of
30 assessment shall be determined in accordance with section 44-30-82 of the general laws.

31 **42-157-13. Outreach to Rhode Island residents and individuals assessed a shared**
32 **responsibility payment penalty.**

33 Outreach. The exchange, in consultation with the Office of the Health Insurance
34 Commissioner and the Division of Taxation, is authorized to engage in coordinated outreach efforts

1 to educate Rhode Island residents about the importance of health insurance coverage, their
2 responsibilities to maintain minimum essential coverage as defined in section 44-30-101 of the
3 general laws, the penalties for failure to maintain such coverage, and information on the services
4 available through the exchange.

5 **42-157-14. Regulatory authority.**

6 (a) Regulatory Authority. The exchange may promulgate regulations as necessary to carry
7 out the purposes of this chapter.

8 SECTION 4. Sections 42-157.1-1 and 42-157.1-5 of the General Laws in Chapter 42-157.1
9 entitled "Rhode Island Market Stability and Reinsurance Act" are hereby amended to read as
10 follows:

11 **42-157.1-1. Short title and purpose.**

12 (a) This chapter shall be known and may be cited as the "Rhode Island Market Stability
13 and Reinsurance Act."

14 (b) The purpose of this chapter is to authorize the director to create the Rhode Island
15 reinsurance program to stabilize health insurance rates and premiums in the individual market and
16 provide greater financial certainty to consumers of health insurance in this state.

17 ~~(c) Nothing in this chapter shall be construed as obligating the state to appropriate funds or~~
18 ~~make payments to carriers.~~

19 (c) No general revenue funding shall be used for reinsurance payments.

20 **42-157.1-5. Establishment of program fund.**

21 (a) ~~A fund shall be~~ The Health Insurance Market Integrity Fund is hereby established to
22 provide funding for the operation and administration of the program in carrying out the purposes
23 of the program under this chapter.

24 (b) The director is authorized to administer the fund.

25 (c) The fund shall consist of:

26 (1) Any pass-through funds received from the federal government under a waiver approved
27 under 42 U.S.C. § 18052;

28 (2) Any funds designated by the federal government to provide reinsurance to carriers that
29 offer individual health benefit plans in the state;

30 (3) Any funds designated by the state to provide reinsurance to carriers that offer individual
31 health benefit plans in the state; and

32 (4) Any other money from any other source accepted for the benefit of the fund.

33 ~~(d) Nothing in this chapter shall be construed as obligating the state to appropriate funds~~
34 ~~or make payments to carriers.~~

1 (d) No general revenue funding shall be used for reinsurance payments.

2 (e) A restricted receipt account shall be established for the fund which may be used for the
3 purposes set forth in this section and shall be exempt from the indirect cost recovery provisions of
4 section 35-4-27 of the general laws.

5 (f) Monies in the fund shall be used to provide reinsurance to health insurance carriers as
6 set forth in this chapter and its implementing regulations, and to support the personnel costs,
7 operating costs and capital expenditures of the exchange and the division of taxation that are
8 necessary to carry out the provisions of this chapter, sections 44-30-101 through 44-30-102 and
9 sections 42-157-11 through 42-157-14 of the general laws.

10 (g) Any excess monies remaining in the fund, not including any monies received from the
11 federal government pursuant to paragraphs (1) or (2) and after making the payments required by
12 subsection (f), may be used for preventative health care programs for vulnerable populations in
13 consultation with the executive office of health and human services.

14 **42-157.1-7. Program contingent on federal waiver and appropriation of state funding**

15 **Program contingent on federal waiver.**

16 If the state innovation waiver request in § 42-157.1-6 is not approved, the director shall not
17 implement the program or provide reinsurance payments to eligible carriers.

18 SECTION 5. Chapter 44-30 of the General Laws entitled “Personal Income Tax” is hereby
19 amended by adding thereto the following sections:

20 **44-30-101. Requirements concerning qualifying health insurance coverage.**

21 (a) Definitions. For purposes of this section:

22 (1) “Applicable individual” has the same meaning as set forth in 26 U.S.C. § 5000A(d).

23 (2) “Minimum essential coverage” has the same meaning as set forth in 26 U.S. C. §
24 5000A(f).

25 (3) “Shared Responsibility Payment Penalty” means the penalty imposed pursuant to
26 subsection (c) of this section.

27 (4) “Taxpayer” means any resident individual, as defined in section 44-30-5 of the general
28 laws.

29 (b) Requirement to maintain minimum essential coverage. Every applicable individual
30 must maintain minimum essential coverage for each month beginning after December 31, 2019.

31 (c) Shared Responsibility Payment Penalty imposed for failing to maintain minimum
32 essential coverage. As of January 1, 2020, every applicable individual required to file a personal
33 income tax return pursuant to section 44-30-51 of the general laws, shall indicate on the return, in
34 a manner to be prescribed by the tax administrator, whether and for what period of time during the

1 relevant tax year the individual and his or her spouse and dependents who are applicable individuals
2 were covered by minimum essential coverage. If a return submitted pursuant to this subsection
3 fails to indicate that such coverage was in force or indicates that any applicable individuals did not
4 have such coverage in force, a Shared Responsibility Payment Penalty shall hereby be assessed as
5 a tax on the return.

6 (d) Shared Responsibility Payment Penalty calculation. Except as provided in subsection
7 (e), the Shared Responsibility Payment Penalty imposed shall be equal to a taxpayer's federal
8 shared responsibility payment for the taxable year under section 5000A of the Internal Revenue
9 Code of 1986, as amended, and as in effect on the 15th day of December 2017.

10 (e) Exceptions.

11 (1) Penalty cap. The amount of the Shared Responsibility Payment Penalty imposed under
12 this section shall be determined, if applicable, using the statewide average premium for bronze-
13 level plans offered through the Rhode Island health benefits exchange rather than the national
14 average premium for bronze-level plans.

15 (2) Hardship exemption determinations. Determinations as to hardship exemptions shall
16 be made by the exchange under section 42-157-11 of the general laws.

17 (3) Religious conscience exemption determinations. Determinations as to religious
18 conscience exemptions shall be made by the exchange under section 42-157-11 of the general laws.

19 (4) Taxpayers with gross income below state filing threshold. No penalty shall be imposed
20 under this section with respect to any applicable individual for any month during a calendar year if
21 the taxpayer's household income for the taxable year as described in section 1412(b)(1)(B) of the
22 Patient Protection and Affordable Care Act is less than the amount of gross income requiring the
23 taxpayer to file a return as set forth in section 44-30-51 of the general laws.

24 (5) Out of State Residents. No penalty shall be imposed by this section with respect to any
25 applicable individual for any month during which the individual is a bona fide resident of another
26 state.

27 (f) Health Insurance Market Integrity Fund. The tax administrator is authorized to withhold
28 from any state tax refund due to the taxpayer an amount equal to the calculated Shared
29 Responsibility Payment Penalty and shall place such amounts in the Health Insurance Market
30 Integrity Fund created pursuant to section 42-157.1-5 of the general laws.

31 (g) Deficiency. If, upon examination of a taxpayer's return, the tax administrator
32 determines there is a deficiency because any refund due to the taxpayer is insufficient to satisfy the
33 Shared Responsibility Penalty or because there was no refund due, the tax administrator may notify
34 the taxpayer of such deficiency in accordance with section 44-30-81 and interest shall accrue on

1 such deficiency as set forth in section 44-30-84. All monies collected on said deficiency shall be
2 placed in the Health Insurance Market Integrity Fund created pursuant to section 42-157.1-5 of the
3 general laws.

4 (h) Application of Federal law. The Shared Responsibility Payment Penalty shall be
5 assessed and collected as set forth in this chapter and, where applicable, consistent with regulations
6 promulgated by the federal government, the exchange and/or the tax administrator. Any federal
7 regulation implementing section 5000A of the Internal Revenue Code of 1986, as amended, and in
8 effect on the 15th day of December 2017, shall apply as though incorporated into the Rhode Island
9 Code of Regulations. Federal guidance interpreting these federal regulations shall similarly apply.
10 Except as provided in subsections (j) and (k), all references to federal law shall be construed as
11 references to federal law as in effect on December 15, 2017, including applicable regulations and
12 administrative guidance that were in effect as of that date.

13 (i) Unavailability of Federal premium tax credits. For any taxable year in which federal
14 premium tax credits available pursuant to 26 U.S.C. section 36B become unavailable due to the
15 federal government repealing that section or failing to fund the premium tax credits, the Shared
16 Responsibility Payment Penalty under this section shall not be enforced.

17 (j) Imposition of Federal shared responsibility payment. For any taxable year in which a
18 federal penalty under section 5000A of the Internal Revenue Code of 1986 is imposed on a taxpayer
19 in an amount comparable to the Shared Responsibility Payment Penalty assessed under this section,
20 the state penalty shall not be enforced.

21 (k) Agency Coordination. Where applicable, the tax administrator shall implement this
22 section in consultation with the office of the health insurance commissioner, the office of
23 management and budget, the executive office of health and human services, and the Rhode Island
24 health benefits exchange.

25 **44-30-102. Reporting Requirement for Applicable Entities providing Minimum**
26 **Essential Coverage.**

27 (a) Findings.

28 (1) Ensuring the health of insurance markets is a responsibility reserved for states under
29 the McCarran-Ferguson Act and other federal law.

30 (2) There is substantial evidence that being uninsured causes health problems and
31 unnecessary deaths.

32 (3) The Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c) of the
33 general laws is necessary to protect the health and welfare of the state's residents.

34 (4) The reporting requirement provided for in this section is necessary for the successful

1 implementation of the Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c)
2 of the general laws. This requirement provides the only widespread source of third-party reporting
3 to help taxpayers and the tax administrator verify whether an applicable individual maintains
4 minimum essential coverage. There is compelling evidence that third-party reporting is crucial for
5 ensuring compliance with tax provisions.

6 (5) The Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c) of
7 the general laws, and therefore the reporting requirement in this section, is necessary to ensure a
8 stable and well-functioning health insurance market. There is compelling evidence that, without
9 an effective Shared Responsibility Payment Penalty in place for those who go without coverage,
10 there would be substantial instability in health insurance markets, including higher prices and the
11 possibility of areas without any insurance available.

12 (6) The Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c) of the
13 general laws, and therefore the reporting requirement in this section, is also necessary to foster
14 economic stability and growth in the state.

15 (7) The reporting requirement in this section has been narrowly tailored to support
16 compliance with the Shared Responsibility Payment Penalty imposed by subsection 44-30-101(c)
17 of the general laws, while imposing only an incidental burden on reporting entities. In particular,
18 the information that must be reported is limited to the information that must already be reported
19 under a similar federal reporting requirement under section 6055 of the Internal Revenue Code of
20 1986. In addition, this section provides that its reporting requirement may be satisfied by providing
21 the same information that is currently reported under such federal requirement.

22 (b) Definitions. For purposes of this section:

23 (1) “Applicable entity” means:

24 (i) An employer or other sponsor of an employment-based health plan that offers
25 employment-based minimum essential coverage to any resident of Rhode Island.

26 (ii) The Rhode Island Medicaid single state agency providing Medicaid or Children’s
27 Health Insurance Program (CHIP) coverage.

28 (iii) Carriers licensed or otherwise authorized by the Rhode Island office of the health
29 insurance commissioner to offer health coverage providing coverage that is not described in
30 subparagraphs (i) or (ii).

31 (2) “Minimum essential coverage” has the meaning given such term by section 44-30-
32 101(a)(2) of the general laws.

33 (c) For purposes of administering the Shared Responsibility Payment Penalty to individuals
34 who do not maintain minimum essential coverage under subsection 44-30-101(b) of the general

1 laws, every applicable entity that provides minimum essential coverage to an individual during a
2 calendar year shall, at such time as the tax administrator may prescribe, file a form in a manner
3 prescribed by the tax administrator.

4 (d) Form and manner of return.

5 (1) A return, in such form as the tax administrator may prescribe, contains the following
6 information:

7 (i) the name, address and TIN of the primary insured and the name and TIN of each other
8 individual obtaining coverage under the policy;

9 (ii) the dates during which such individual was covered under minimum essential coverage
10 during the calendar year, and

11 (iii) such other information as the tax administrator may require.

12 (2) Sufficiency of information submitted for federal reporting. Notwithstanding the
13 requirements of paragraph (1), a return shall not fail to be a return described in this section if it
14 includes the information contained in a return described in section 6055 of the Internal Revenue
15 Code of 1986, as that section is in effect and interpreted on the 15th day of December 2017.

16 (e) Statements to be furnished to individuals with respect to whom information is reported.

17 (1) Any applicable entity providing a return under the requirements of this section shall
18 also provide to each individual whose name is included in such return a written statement
19 containing the name, address and contact information of the person required to provide the return
20 to the tax administrator and the information included in the return with respect to the individuals
21 listed thereupon. Such written statement must be provided on or before January 31 of the year
22 following the calendar year for which the return was required to be made or by such date as may
23 be determined by the tax administrator.

24 (2) Sufficiency of federal statement. Notwithstanding the requirements of paragraph (1),
25 the requirements of this subsection (e) may be satisfied by a written statement provided to an
26 individual under section 6055 of the Internal Revenue Code of 1986, as that section is in effect and
27 interpreted on the 15th day of December 2017.

28 (f) Reporting responsibility.

29 (1) Coverage provided by governmental units. In the case of coverage provided by an
30 applicable entity that is any governmental unit or any agency or instrumentality thereof, the officer
31 or employee who enters into the agreement to provide such coverage (or the person appropriately
32 designated for purposes of this section) shall be responsible for the returns and statements required
33 by this section.

34 (2) Delegation. An applicable entity may contract with third-party service providers,

1 [including insurance carriers, to provide the returns and statements required by this section.](#)

2 SECTION 6. Section 2 of this article shall take effect January 1, 2020. The remainder of
3 this article shall take effect upon passage.

4

ARTICLE 12 AS AMENDED

RELATING TO ECONOMIC DEVELOPMENT

SECTION 1. Section 42-64.20-3 of the General Laws in Chapter 42-64.20 entitled "Rebuild Rhode Island Tax Credit Act" is hereby amended to read as follows:

42-64.20-3. Definitions.

(1) "Adaptive reuse" means the conversion of an existing structure from the use for which it was constructed to a new use by maintaining elements of the structure and adapting such elements to a new use.

(2) "Affiliate" means an entity that directly or indirectly controls, is under common control with, or is controlled by the business. Control exists in all cases in which the entity is a member of a controlled group of corporations as defined pursuant to § 1563 of the Internal Revenue Code of 1986 (26 U.S.C. § 1563) or the entity is an organization in a group of organizations under common control as defined pursuant to subsection (b) or (c) of § 414 of the Internal Revenue Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and convincing evidence, as determined by the tax administrator, that control exists in situations involving lesser percentages of ownership than required by those statutes. An affiliate of a business may contribute to meeting either the capital investment or full-time employee requirements of a business that applies for a credit under this chapter.

(3) "Affordable housing" means housing for sale or rent with combined rental costs or combined mortgage loan debt service, property taxes, and required insurance that do not exceed thirty percent (30%) of the gross annual income of a household earning up to eighty percent (80%) of the area median income, as defined annually by the United States Department of Housing and Urban Development.

(4) "Applicant" means a developer applying for a rebuild Rhode Island tax credit under this chapter.

(5) "Business" means a corporation as defined in § 44-11-1(4), or a partnership, an S corporation, a non-profit corporation, a sole proprietorship, or a limited liability corporation. A business shall include an affiliate of the business if that business applies for a credit based upon any capital investment made by an affiliate.

(6) "Capital investment" in a real estate project means expenses by a developer incurred

1 after application for:

2 (i) Site preparation and construction, repair, renovation, improvement, equipping, or
3 furnishing on real property or of a building, structure, facility, or improvement to real property;

4 (ii) Obtaining and installing furnishings and machinery, apparatus, or equipment, including
5 but not limited to material goods for the operation of a business on real property or in a building,
6 structure, facility, or improvement to real property.

7 In addition to the foregoing, if a developer acquires or leases a qualified development
8 project, the capital investment made or acquired by the seller or owner, as the case may be, if
9 pertaining primarily to the premises of the qualified development project, shall be considered a
10 capital investment by the developer and, if pertaining generally to the qualified development project
11 being acquired or leased, shall be allocated to the premises of the qualified development project on
12 the basis of the gross leasable area of the premises in relation to the total gross leasable area in the
13 qualified development project. The capital investment described herein shall be defined through
14 rules and regulations promulgated by the commerce corporation.

15 (7) "Certified historic structure" means a property which is located in the state of Rhode
16 Island and is

17 (i) Listed individually on the national register of historic places; or

18 (ii) Listed individually in the state register of historic places; or

19 (iii) Located in a registered historic district and certified by either the Rhode Island
20 historical preservation and heritage commission created pursuant to § 42-45-2 or the Secretary of
21 the Interior as being of historic significance to the district.

22 (8) "Commerce corporation" means the Rhode Island commerce corporation established
23 pursuant to § 42-64-1 et seq.

24 (9) "Commercial" shall mean non-residential development.

25 (10) "Developer" means a person, firm, business, partnership, association, political
26 subdivision, or other entity that proposes to divide, divides, or causes to be divided real property
27 into a subdivision or proposes to build, or builds a building or buildings or otherwise improves land
28 or existing structures, which division, building, or improvement qualifies for benefits under this
29 chapter.

30 (11) "Development" means the improvement of land through the carrying out of building,
31 engineering, or other operations in, on, over, or under land, or the making of any material change
32 in the use of any buildings or land for the purposes of accommodating land uses.

33 (12) "Eligibility period" means the period in which a developer may claim a tax credit
34 under this act, beginning with the tax period in which the commerce corporation accepts

1 certification from the developer that it has met the requirements of the act and extending thereafter
2 for a term of five (5) years.

3 (13) "Full-time employee" means a person who is employed by a business for consideration
4 for a minimum of at least thirty-five (35) hours per week, or who renders any other standard of
5 service generally accepted by custom or practice as full-time employment, or who is employed by
6 a professional employer organization pursuant to an employee leasing agreement between the
7 business and the professional employer organization for a minimum of thirty-five (35) hours per
8 week, or who renders any other standard of service generally accepted by custom or practice as
9 full-time employment, and whose wages are subject to withholding.

10 (14) "Hope community" means a municipality for which the five-year (5) average
11 percentage of families with income below the federal poverty level exceeds the state five-year (5)
12 average percentage, both as most recently reported by the U.S. Department of Commerce, Bureau
13 of the Census.

14 (15) "Manufacturer" shall mean any entity that:

15 (a) Uses any premises within the state primarily for the purpose of transforming raw
16 materials into a finished product for trade through any or all of the following operations: adapting,
17 altering, finishing, making, processing, refining, metalworking, and ornamenting, but shall not
18 include fabricating processes incidental to warehousing or distribution of raw materials, such as
19 alteration of stock for the convenience of a customer; or

20 (b) Is described in codes 31-33 of the North American Industry Classification System, as
21 revised from time to time.

22 ~~(15)~~(16) "Mixed use" means a development comprising both commercial and residential
23 components.

24 ~~(17)~~6 "Partnership" means an entity classified as a partnership for federal income tax
25 purposes.

26 ~~(18)~~7 "Placed in service" means the earlier of i) substantial construction or rehabilitation
27 work has been completed which would allow for occupancy of an entire structure or some
28 identifiable portion of a structure, as established in the application approved by the commerce
29 corporation board or ii) receipt by the developer of a certificate, permit or other authorization
30 allowing for occupancy of the project or some identifiable portion of the project by the municipal
31 authority having jurisdiction.

32 ~~(19)~~8 "Project" means qualified development project as defined under subsection ~~(22)~~ ~~(23)~~.

33 ~~(20)~~9 "Project area" means land or lands under common ownership or control in which a
34 qualified development project is located.

1 (21~~9~~) "Project cost" means the costs incurred in connection with the qualified development
2 project or qualified residential or mixed use project by the applicant until the issuance of a
3 permanent certificate of occupancy, or until such other time specified by the commerce corporation,
4 for a specific investment or improvement, as defined through rules and regulations promulgated by
5 the commerce corporation.

6 (22~~1~~) "Project financing gap" means

7 (i) The part of the total project cost that remains to be financed after all other sources of
8 capital have been accounted for (such sources will include, but not be limited to, developer-
9 contributed capital), which shall be defined through rules and regulations promulgated by the
10 commerce corporation, or

11 (ii) The amount of funds that the state may invest in a project to gain a competitive
12 advantage over a viable and comparable location in another state by means described in this chapter.

13 (23~~2~~) "Qualified development project" means a specific construction project or
14 improvement, including lands, buildings, improvements, real and personal property or any interest
15 therein, including lands under water, riparian rights, space rights and air rights, acquired, owned,
16 leased, developed or redeveloped, constructed, reconstructed, rehabilitated or improved,
17 undertaken by a developer, owner or tenant, or both, within a specific geographic area, meeting the
18 requirements of this chapter, as set forth in an application made to the commerce corporation.

19 (24~~3~~) "Recognized historical structure" means a property which is located in the state of
20 Rhode Island and is commonly considered to be of historic or cultural significance as determined
21 by the commerce corporation in consultation with the state historic preservation officer.

22 (24~~4~~)(25) "Residential" means a development of residential dwelling units.

23 (26~~5~~) "Targeted industry" means any advanced, promising, or otherwise prioritized
24 industry identified in the economic development vision and policy promulgated pursuant to § 42-
25 64.17-1 or, until such time as any such economic development vision and policy is promulgated,
26 as identified by the commerce corporation.

27 (27~~6~~) "Transit oriented development area" means an area in proximity to transit
28 infrastructure that will be further defined by regulation of the commerce corporation in consultation
29 with the Rhode Island department of transportation.

30 (28~~7~~) "Workforce housing" means housing for sale or rent with combined rental costs or
31 combined mortgage loan debt service, property taxes, and required insurance that do not exceed
32 thirty percent (30%) of the gross annual income of a household earning between eighty percent
33 (80%) and one hundred and forty percent (140%) of the area median income, as defined annually
34 by the United States Department of Housing and Urban Development.

1 SECTION 2. Section 42-64.20-5 of the General Laws in Chapter 42-64.20 entitled
2 "Rebuild Rhode Island Tax Credit" is hereby amended to read as follows:

3 **42-64.20-5. Tax credits.**

4 (a) An applicant meeting the requirements of this chapter may be allowed a credit as set
5 forth hereinafter against taxes imposed upon such person under applicable provisions of title 44 of
6 the general laws for a qualified development project.

7 (b) To be eligible as a qualified development project entitled to tax credits, an applicant's
8 chief executive officer or equivalent officer shall demonstrate to the commerce corporation, at the
9 time of application, that:

10 (1) The applicant has committed a capital investment or owner equity of not less than
11 twenty percent (20%) of the total project cost;

12 (2) There is a project financing gap in which after taking into account all available private
13 and public funding sources, the project is not likely to be accomplished by private enterprise
14 without the tax credits described in this chapter; and

15 (3) The project fulfills the state's policy and planning objectives and priorities in that:

16 (i) The applicant will, at the discretion of the commerce corporation, obtain a tax
17 stabilization agreement from the municipality in which the real estate project is located on such
18 terms as the commerce corporation deems acceptable;

19 (ii) It (A) is a commercial development consisting of at least 25,000 square feet occupied
20 by at least one business employing at least 25 full-time employees after construction or such
21 additional full-time employees as the commerce corporation may determine; (B) is a multi-family
22 residential development in a new, adaptive reuse, certified historic structure, or recognized
23 historical structure consisting of at least 20,000 square feet and having at least 20 residential units
24 in a hope community; or (C) is a mixed-use development in a new, adaptive reuse, certified historic
25 structure, or recognized historical structure consisting of at least 25,000 square feet occupied by at
26 least one business, subject to further definition through rules and regulations promulgated by the
27 commerce corporation; and

28 (iii) Involves a total project cost of not less than \$5,000,000, except for a qualified
29 development project located in a hope community or redevelopment area designated under § 45-
30 32-4 in which event the commerce corporation shall have the discretion to modify the minimum
31 project cost requirement.

32 (c) The commerce corporation shall develop separate, streamlined application processes
33 for the issuance of Rebuild RI tax credits for each of the following:

34 (1) Qualified development projects that involve certified historic structures;

1 (2) Qualified development projects that involve recognized historical structures;
2 (3) Qualified development projects that involve at least one manufacturer; and
3 (4) Qualified development projects that include affordable housing or workforce housing.
4 (d) Applications made for a historic structure or recognized historic structure tax credit
5 under chapter 33.6 of title 44 shall be considered for tax credits under this chapter. The division of
6 taxation, at the expense of the commerce corporation, shall provide communications from the
7 commerce corporation to those who have applied for and are in the queue awaiting the offer of tax
8 credits pursuant to chapter 33.6 of title 44 regarding their potential eligibility for the Rebuild RI
9 Tax Credit program.

10 ~~(e)~~(e) Applicants (i) who have received the notice referenced in subsection (d) above and
11 who may be eligible ~~qualifying~~ for a tax credit pursuant to chapter 33.6 of title 44, (ii) whose
12 application involves a certified historic structure or recognized historical structure, or (iii) whose
13 project is occupied by at least one manufacturer shall be exempt from the requirements of
14 subparagraphs (b)(3)(ii) and (b)(3)(iii) of this section. The following procedure shall apply to such
15 applicants:

16 (1) The division of taxation shall remain responsible for determining the eligibility of an
17 applicant for tax credits awarded under chapter 33.6 of title 44;

18 (2) The commerce corporation shall retain sole authority for determining the eligibility of
19 an applicant for tax credits awarded under this chapter; and

20 (3) The commerce corporation shall not award in excess of fifteen percent (15%) of the
21 annual amount ~~appropriated~~ authorized in any fiscal year to applicants seeking tax credits pursuant
22 to this subsection ~~(ee)~~.

23 ~~(f)~~(f) *Maximum project credit.*

24 (i) For qualified development projects, the maximum tax credit allowed under this chapter
25 shall be the lesser of (1) thirty percent (30%) of the total project cost; or (2) the amount needed to
26 close a project financing gap (after taking into account all other private and public funding sources
27 available to the project), as determined by the commerce corporation.

28 (ii) The credit allowed pursuant to this chapter, inclusive of any sales and use tax
29 exemptions allowed pursuant to this chapter, shall not exceed fifteen million dollars (\$15,000,000)
30 for any qualified development project under this chapter; except as provided in subsection (iii) of
31 this section; provided however, any qualified development project which exceeds the project cap
32 upon passage of this act shall be deemed not to exceed the cap, shall not be reduced nor shall it be
33 further increased. No building or qualified development project to be completed in phases or in
34 multiple projects shall exceed the maximum project credit of fifteen million dollars (\$15,000,000)

1 for all phases or projects involved in the rehabilitation of such building. Provided, however, that
2 for purposes of this subsection and no more than once in a given fiscal year, the commerce
3 corporation may consider the development of land and buildings by a developer on the "I-195 land"
4 (as defined in § 42-64.24-3(6) of the general laws) as a separate, qualified development project
5 from a qualified development project by a tenant or owner of a commercial condominium or similar
6 legal interest including leasehold improvement, fit out, and capital investment. Such qualified
7 development project by a tenant or owner of a commercial condominium or similar legal interest
8 on the I-195 land may be exempted from subparagraph ~~(e)(i)(1)~~ (f)(i)(1).

9 (iii) The credit allowed pursuant to this chapter, inclusive of any sales and use tax
10 exemptions allowed pursuant to this chapter, shall not exceed twenty-five million dollars
11 (\$25,000,000) for the project for which the I-195 redevelopment district was authorized to enter
12 into a purchase and sale agreement for parcels 42 and P4 on December 19, 2018, provided said
13 project is approved for credits pursuant to this chapter by the commerce corporation.

14 ~~(e)(g)~~ Credits available under this chapter shall not exceed twenty percent (20%) of the
15 project cost, provided, however, that the applicant shall be eligible for additional tax credits of not
16 more than ten percent (10%) of the project cost, if the qualified development project meets any of
17 the following criteria or other additional criteria determined by the commerce corporation from
18 time to time in response to evolving economic or market conditions:

- 19 (1) The project includes adaptive reuse or development of a recognized historical structure;
- 20 (2) The project is undertaken by or for a targeted industry;
- 21 (3) The project is located in a transit-oriented development area;
- 22 (4) The project includes residential development of which at least twenty percent (20%) of
23 the residential units are designated as affordable housing or workforce housing;
- 24 (5) The project includes the adaptive reuse of property subject to the requirements of the
25 industrial property remediation and reuse act, § 23-19.14-1 et seq.; or
- 26 (6) The project includes commercial facilities constructed in accordance with the minimum
27 environmental and sustainability standards, as certified by the commerce corporation pursuant to
28 Leadership in Energy and Environmental Design or other equivalent standards.

29 ~~(f)(h)~~ *Maximum aggregate credits.* The aggregate sum authorized pursuant to this chapter,
30 inclusive of any sales and use tax exemptions allowed pursuant to this chapter, shall not exceed ~~one~~
31 ~~hundred and fifty million dollars (\$150,000,000)~~ two hundred ten million dollars (\$210,000,000),
32 excluding any tax credits allowed pursuant to subsection (f)(iii) of this section.

33 ~~(g)~~ Tax credits shall not be allowed under this chapter prior to the taxable year in which
34 the project is placed in service.

1 (hj) The amount of a tax credit allowed under this chapter shall be allowable to the taxpayer
2 in up to five, annual increments; no more than thirty percent (30%) and no less than fifteen percent
3 (15%) of the total credits allowed to a taxpayer under this chapter may be allowable for any taxable
4 year.

5 (ik) If the portion of the tax credit allowed under this chapter exceeds the taxpayer's total
6 tax liability for the year in which the relevant portion of the credit is allowed, the amount that
7 exceeds the taxpayer's tax liability may be carried forward for credit against the taxes imposed for
8 the succeeding four (4) years, or until the full credit is used, whichever occurs first. Credits allowed
9 to a partnership, a limited liability company taxed as a partnership, or multiple owners of property
10 shall be passed through to the persons designated as partners, members, or owners respectively pro
11 rata or pursuant to an executed agreement among such persons designated as partners, members,
12 or owners documenting an alternate distribution method without regard to their sharing of other tax
13 or economic attributes of such entity.

14 (jl) The commerce corporation in consultation with the division of taxation shall establish,
15 by regulation, the process for the assignment, transfer, or conveyance of tax credits.

16 (km) For purposes of this chapter, any assignment or sales proceeds received by the
17 taxpayer for its assignment or sale of the tax credits allowed pursuant to this section shall be exempt
18 from taxation under title 44. If a tax credit is subsequently revoked or adjusted, the seller's tax
19 calculation for the year of revocation or adjustment shall be increased by the total amount of the
20 sales proceeds, without proration, as a modification under chapter 30 of title 44. In the event that
21 the seller is not a natural person, the seller's tax calculation under chapters 11, 13, 14, or 17 of title
22 44 of the general laws, as applicable, for the year of revocation, or adjustment, shall be increased
23 by including the total amount of the sales proceeds without proration.

24 (ln) The tax credit allowed under this chapter may be used as a credit against corporate
25 income taxes imposed under chapters 11, 13, 14, or 17, of title 44, or may be used as a credit against
26 personal income taxes imposed under chapter 30 of title 44 for owners of pass-through entities such
27 as a partnership, a limited liability company taxed as a partnership, or multiple owners of property.

28 (mo) In the case of a corporation, this credit is only allowed against the tax of a corporation
29 included in a consolidated return that qualifies for the credit and not against the tax of other
30 corporations that may join in the filing of a consolidated tax return.

31 (np) Upon request of a taxpayer and subject to annual appropriation, the state shall redeem
32 such credit, in whole or in part, for ninety percent (90%) of the value of the tax credit. The division
33 of taxation, in consultation with the commerce corporation, shall establish by regulation a
34 redemption process for tax credits.

1 ~~(e)~~ Projects eligible to receive a tax credit under this chapter may, at the discretion of the
2 commerce corporation, be exempt from sales and use taxes imposed on the purchase of the
3 following classes of personal property only to the extent utilized directly and exclusively in such
4 project: (1) Furniture, fixtures and equipment, except automobiles, trucks, or other motor vehicles;
5 or (2) Such other materials, including construction materials and supplies, that are depreciable and
6 have a useful life of one year or more and are essential to the project.

7 ~~(p)~~ The commerce corporation shall promulgate rules and regulations for the
8 administration and certification of additional tax credit under subsection (e), including criteria for
9 the eligibility, evaluation, prioritization, and approval of projects that qualify for such additional
10 tax credit.

11 ~~(e)~~ The commerce corporation shall not have any obligation to make any award or grant
12 any benefits under this chapter.

13 SECTION 3. Section 42-64.20-7 and 42-64.20-10 of the General Laws in Chapter 42-64.20
14 entitled "Rebuild Rhode Island Tax Credit" are hereby amended to read as follows:

15 **42-64.20-7. Rebuild Rhode Island tax credit fund.**

16 (a) There is hereby established at the commerce corporation a restricted account known as
17 the rebuild Rhode Island tax-credit fund (the "Fund") in which all amounts appropriated for the
18 program created under this chapter shall be deposited. The fund shall be used (i) to pay for the
19 redemption of tax credits or reimbursement to the state for tax credits applied against a taxpayer's
20 liability; and (ii) to redeem or reimburse the state for any sales and use tax exemptions allowed
21 pursuant to this chapter. The commerce corporation may pledge and reserve amounts deposited
22 into the fund for the purpose of securing payment for the redemption of tax credits or for making
23 reimbursements to municipalities pursuant to chapter 64.22 of title 42 of the general laws. The fund
24 shall be exempt from attachment, levy, or any other process at law or in equity. The director of the
25 department of revenue shall make a requisition to the commerce corporation for funding during
26 any fiscal year as may be necessary to pay for the redemption of tax credits presented for
27 redemption or to reimburse the state for tax credits applied against a taxpayer's tax liability. The
28 commerce corporation shall pay from the fund such amounts as requested by the director of the
29 department of revenue necessary for redemption or reimbursement in relation to tax credits granted
30 under this chapter; provided, however, that the commerce corporation shall not be required to pay
31 from the fund such sums pledged and reserved by the commerce corporation, as permitted in this
32 section, except for redemption of tax credits.

33 (b) Notwithstanding anything in this chapter to the contrary, the commerce corporation
34 may make a loan or equity investment as an alternative incentive in lieu of the provision of tax

1 credits so long as the applicant otherwise qualifies for tax credits under this chapter. In addition to
2 the qualification requirements of this chapter, any loan or equity investment shall be subject to the
3 provisions of §§ 42-64.20-5(b), ~~(d), (e)~~, (f), (g), ~~(n), (o), (p)~~, and (h), (i), (j), (q), (r) and (s), 42-
4 64.20-7, 42-64.20-8, 42-64.20-9, and 42-64.20-10 as if such loan or equity investment were a tax
5 credit. The commerce corporation may pay, reserve, and/or pledge monies for a loan or equity
6 investment from the fund.

7 **42-64.20-10. Sunset.**

8 No credits shall be authorized to be reserved pursuant to this chapter after ~~June 30,~~
9 December 31, 2020.

10 SECTION 4. Section 44-11-11 of the General Laws in Chapter 44-11 entitled "Business
11 Corporation Tax" is hereby amended to read as follows:

12 **44-11-11. "Net income" defined.**

13 (a)(1) "Net income" means, for any taxable year and for any corporate taxpayer, the taxable
14 income of the taxpayer for that taxable year under the laws of the United States, plus:

15 (i) Any interest not included in the taxable income;

16 (ii) Any specific exemptions;

17 (iii) The tax imposed by this chapter; and minus

18 (iv) Interest on obligations of the United States or its possessions, and other interest exempt
19 from taxation by this state; and

20 (v) The federal net operating loss deduction.

21 (2) All binding federal elections made by or on behalf of the taxpayer applicable either
22 directly or indirectly to the determination of taxable income shall be binding on the taxpayer except
23 where this chapter or its attendant regulations specifically modify or provide otherwise. Rhode
24 Island taxable income shall not include the "gross-up of dividends" required by the federal Internal
25 Revenue Code to be taken into taxable income in connection with the taxpayer's election of the
26 foreign tax credit.

27 (b) A net operating loss deduction shall be allowed which shall be the same as the net
28 operating loss deduction allowed under 26 U.S.C. § 172, except that:

29 (1) Any net operating loss included in determining the deduction shall be adjusted to reflect
30 the inclusions and exclusions from entire net income required by subsection (a) of this section and
31 § 44-11-11.1;

32 (2) The deduction shall not include any net operating loss sustained during any taxable year
33 in which the taxpayer was not subject to the tax imposed by this chapter; and

34 (3) The deduction shall not exceed the deduction for the taxable year allowable under 26

1 U.S.C. § 172; provided, that the deduction for a taxable year may not be carried back to any other
2 taxable year for Rhode Island purposes but shall only be allowable on a carry forward basis for the
3 five (5) succeeding taxable years.

4 (c) "Domestic international sales corporations" (referred to as DISCs), for the purposes of
5 this chapter, will be treated as they are under federal income tax law and shall not pay the amount
6 of the tax computed under § 44-11-2(a). Any income to shareholders of DISCs is to be treated in
7 the same manner as it is treated under federal income tax law as it exists on December 31, 1984.

8 (d) A corporation which qualifies as a "foreign sales corporation" (FSC) under the
9 provisions of subchapter N, 26 U.S.C. § 861 et seq., and which has in effect for the entire taxable
10 year a valid election under federal law to be treated as a FSC, shall not pay the amount of the tax
11 computed under § 44-11-2(a). Any income to shareholders of FSCs is to be treated in the same
12 manner as it is treated under federal income tax law as it exists on January 1, 1985.

13 (e) For purposes of a corporation's state tax liability, any deduction to income allowable
14 under 26 U.S.C. 1400Z-2(c) may be claimed in the case of any investment held by the taxpayer for
15 at least seven years. The division of taxation shall promulgate, in its discretion, rules and
16 regulations relative to the accelerated application of deductions under 26 U.S.C. 1400Z-2(c).

17 SECTION 5. Section 44-30-12 of the General Laws in Chapter 44-30 entitled "Personal
18 Income Tax" is hereby amended to read as follows:

19 **44-30-12. Rhode Island income of a resident individual.**

20 (a) General. The Rhode Island income of a resident individual means his or her adjusted
21 gross income for federal income tax purposes, with the modifications specified in this section.

22 (b) Modifications increasing federal adjusted gross income. There shall be added to federal
23 adjusted gross income:

24 (1) Interest income on obligations of any state, or its political subdivisions, other than
25 Rhode Island or its political subdivisions;

26 (2) Interest or dividend income on obligations or securities of any authority, commission,
27 or instrumentality of the United States, but not of Rhode Island or its political subdivisions, to the
28 extent exempted by the laws of the United States from federal income tax but not from state income
29 taxes;

30 (3) The modification described in § 44-30-25(g);

31 (4)(i) The amount defined below of a nonqualified withdrawal made from an account in
32 the tuition savings program pursuant to § 16-57-6.1. For purposes of this section, a nonqualified
33 withdrawal is:

34 (A) A transfer or rollover to a qualified tuition program under Section 529 of the Internal

1 Revenue Code, 26 U.S.C. § 529, other than to the tuition savings program referred to in § 16-57-
2 6.1; and

3 (B) A withdrawal or distribution which is:

4 (I) Not applied on a timely basis to pay "qualified higher education expenses" as defined
5 in § 16-57-3(12) of the beneficiary of the account from which the withdrawal is made;

6 (II) Not made for a reason referred to in § 16-57-6.1(e); or

7 (III) Not made in other circumstances for which an exclusion from tax made applicable by
8 Section 529 of the Internal Revenue Code, 26 U.S.C. § 529, pertains if the transfer, rollover,
9 withdrawal or distribution is made within two (2) taxable years following the taxable year for which
10 a contributions modification pursuant to subdivision (c)(4) of this section is taken based on
11 contributions to any tuition savings program account by the person who is the participant of the
12 account at the time of the contribution, whether or not the person is the participant of the account
13 at the time of the transfer, rollover, withdrawal or distribution;

14 (ii) In the event of a nonqualified withdrawal under subparagraphs (i)(A) or (i)(B) of this
15 subdivision, there shall be added to the federal adjusted gross income of that person for the taxable
16 year of the withdrawal an amount equal to the lesser of:

17 (A) The amount equal to the nonqualified withdrawal reduced by the sum of any
18 administrative fee or penalty imposed under the tuition savings program in connection with the
19 nonqualified withdrawal plus the earnings portion thereof, if any, includible in computing the
20 person's federal adjusted gross income for the taxable year; and

21 (B) The amount of the person's contribution modification pursuant to subdivision (c)(4) of
22 this section for the person's taxable year of the withdrawal and the two (2) prior taxable years less
23 the amount of any nonqualified withdrawal for the two (2) prior taxable years included in
24 computing the person's Rhode Island income by application of this subsection for those years. Any
25 amount added to federal adjusted gross income pursuant to this subdivision shall constitute Rhode
26 Island income for residents, nonresidents and part-year residents; and

27 (5) The modification described in § 44-30-25.1(d)(3)(i).

28 (6) The amount equal to any unemployment compensation received but not included in
29 federal adjusted gross income.

30 (7) The amount equal to the deduction allowed for sales tax paid for a purchase of a
31 qualified motor vehicle as defined by the Internal Revenue Code § 164(a)(6).

32 (c) Modifications reducing federal adjusted gross income. There shall be subtracted from
33 federal adjusted gross income:

34 (1) Any interest income on obligations of the United States and its possessions to the extent

1 includible in gross income for federal income tax purposes, and any interest or dividend income on
2 obligations, or securities of any authority, commission, or instrumentality of the United States to
3 the extent includible in gross income for federal income tax purposes but exempt from state income
4 taxes under the laws of the United States; provided, that the amount to be subtracted shall in any
5 case be reduced by any interest on indebtedness incurred or continued to purchase or carry
6 obligations or securities the income of which is exempt from Rhode Island personal income tax, to
7 the extent the interest has been deducted in determining federal adjusted gross income or taxable
8 income;

9 (2) A modification described in § 44-30-25(f) or § 44-30-1.1(c)(1);

10 (3) The amount of any withdrawal or distribution from the "tuition savings program"
11 referred to in § 16-57-6.1 which is included in federal adjusted gross income, other than a
12 withdrawal or distribution or portion of a withdrawal or distribution that is a nonqualified
13 withdrawal;

14 (4) Contributions made to an account under the tuition savings program, including the
15 "contributions carryover" pursuant to paragraph (iv) of this subdivision, if any, subject to the
16 following limitations, restrictions and qualifications:

17 (i) The aggregate subtraction pursuant to this subdivision for any taxable year of the
18 taxpayer shall not exceed five hundred dollars (\$500) or one thousand dollars (\$1,000) if a joint
19 return;

20 (ii) The following shall not be considered contributions:

21 (A) Contributions made by any person to an account who is not a participant of the account
22 at the time the contribution is made;

23 (B) Transfers or rollovers to an account from any other tuition savings program account or
24 from any other "qualified tuition program" under section 529 of the Internal Revenue Code, 26
25 U.S.C. § 529; or

26 (C) A change of the beneficiary of the account;

27 (iii) The subtraction pursuant to this subdivision shall not reduce the taxpayer's federal
28 adjusted gross income to less than zero (0);

29 (iv) The contributions carryover to a taxable year for purpose of this subdivision is the
30 excess, if any, of the total amount of contributions actually made by the taxpayer to the tuition
31 savings program for all preceding taxable years for which this subsection is effective over the sum
32 of:

33 (A) The total of the subtractions under this subdivision allowable to the taxpayer for all
34 such preceding taxable years; and

1 (B) That part of any remaining contribution carryover at the end of the taxable year which
2 exceeds the amount of any nonqualified withdrawals during the year and the prior two (2) taxable
3 years not included in the addition provided for in this subdivision for those years. Any such part
4 shall be disregarded in computing the contributions carryover for any subsequent taxable year;

5 (v) For any taxable year for which a contributions carryover is applicable, the taxpayer
6 shall include a computation of the carryover with the taxpayer's Rhode Island personal income tax
7 return for that year, and if for any taxable year on which the carryover is based the taxpayer filed a
8 joint Rhode Island personal income tax return but filed a return on a basis other than jointly for a
9 subsequent taxable year, the computation shall reflect how the carryover is being allocated between
10 the prior joint filers; and

11 (5) The modification described in § 44-30-25.1(d)(1).

12 (6) Amounts deemed taxable income to the taxpayer due to payment or provision of
13 insurance benefits to a dependent, including a domestic partner pursuant to chapter 12 of title 36 or
14 other coverage plan.

15 (7) Modification for organ transplantation.

16 (i) An individual may subtract up to ten thousand dollars (\$10,000) from federal adjusted
17 gross income if he or she, while living, donates one or more of his or her human organs to another
18 human being for human organ transplantation, except that for purposes of this subsection, "human
19 organ" means all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow. A subtract
20 modification that is claimed hereunder may be claimed in the taxable year in which the human
21 organ transplantation occurs.

22 (ii) An individual may claim that subtract modification hereunder only once, and the
23 subtract modification may be claimed for only the following unreimbursed expenses that are
24 incurred by the claimant and related to the claimant's organ donation:

25 (A) Travel expenses.

26 (B) Lodging expenses.

27 (C) Lost wages.

28 (iii) The subtract modification hereunder may not be claimed by a part-time resident or a
29 nonresident of this state.

30 (8) Modification for taxable Social Security income.

31 (i) For tax years beginning on or after January 1, 2016:

32 (A) For a person who has attained the age used for calculating full or unreduced social
33 security retirement benefits who files a return as an unmarried individual, head of household or
34 married filing separate whose federal adjusted gross income for such taxable year is less than eighty

1 thousand dollars (\$80,000); or

2 (B) A married individual filing jointly or individual filing qualifying widow(er) who has
3 attained the age used for calculating full or unreduced social security retirement benefits whose
4 joint federal adjusted gross income for such taxable year is less than one hundred thousand dollars
5 (\$100,000), an amount equal to the social security benefits includable in federal adjusted gross
6 income.

7 (ii) Adjustment for inflation. The dollar amount contained in subparagraphs 44-30-
8 12(c)(8)(i)(A) and 44-30-12(c)(8)(i)(B) shall be increased annually by an amount equal to:

9 (A) Such dollar amount contained in subparagraphs 44-30-12(c)(8)(i)(A) and 44-30-
10 12(c)(8)(i)(B) adjusted for inflation using a base tax year of 2000, multiplied by;

11 (B) The cost-of-living adjustment with a base year of 2000.

12 (iii) For the purposes of this section the cost-of-living adjustment for any calendar year is
13 the percentage (if any) by which the consumer price index for the preceding calendar year exceeds
14 the consumer price index for the base year. The consumer price index for any calendar year is the
15 average of the consumer price index as of the close of the twelve (12) month period ending on
16 August 31, of such calendar year.

17 (iv) For the purpose of this section the term "consumer price index" means the last
18 consumer price index for all urban consumers published by the department of labor. For the purpose
19 of this section the revision of the consumer price index which is most consistent with the consumer
20 price index for calendar year 1986 shall be used.

21 (v) If any increase determined under this section is not a multiple of fifty dollars (\$50.00),
22 such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the case of a
23 married individual filing separate return, if any increase determined under this section is not a
24 multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower multiple
25 of twenty-five dollars (\$25.00).

26 (9) Modification for up to fifteen thousand dollars (\$15,000) of taxable retirement income
27 from certain pension plans or annuities.

28 (i) For tax years beginning on or after January 1, 2017, a modification shall be allowed for
29 up to fifteen thousand dollars (\$15,000) of taxable pension and/or annuity income that is included
30 in federal adjusted gross income for the taxable year:

31 (A) For a person who has attained the age used for calculating full or unreduced social
32 security retirement benefits who files a return as an unmarried individual, head of household, or
33 married filing separate whose federal adjusted gross income for such taxable year is less than the
34 amount used for the modification contained in § 44-30-12(c)(8)(i)(A) an amount not to exceed

1 \$15,000 of taxable pension and/or annuity income includable in federal adjusted gross income; or

2 (B) For a married individual filing jointly or individual filing qualifying widow(er) who
3 has attained the age used for calculating full or unreduced social security retirement benefits whose
4 joint federal adjusted gross income for such taxable year is less than the amount used for the
5 modification contained in § 44-30-12(c)(8)(i)(B) an amount not to exceed \$15,000 of taxable
6 pension and/or annuity income includable in federal adjusted gross income.

7 (ii) Adjustment for inflation. The dollar amount contained by reference in §§ 44-30-
8 12(c)(9)(i)(A) and 44-30-12(c)(9)(i)(B) shall be increased annually for tax years beginning on or
9 after January 1, 2018 by an amount equal to:

10 (A) Such dollar amount contained by reference in §§ 44-30-12(c)(9)(i)(A) and 44-30-
11 12(c)(9)(i)(B) adjusted for inflation using a base tax year of 2000, multiplied by;

12 (B) The cost-of-living adjustment with a base year of 2000.

13 (iii) For the purposes of this section, the cost-of-living adjustment for any calendar year is
14 the percentage (if any) by which the consumer price index for the preceding calendar year exceeds
15 the consumer price index for the base year. The consumer price index for any calendar year is the
16 average of the consumer price index as of the close of the twelve-month (12) period ending on
17 August 31, of such calendar year.

18 (iv) For the purpose of this section, the term "consumer price index" means the last
19 consumer price index for all urban consumers published by the department of labor. For the purpose
20 of this section, the revision of the consumer price index which is most consistent with the consumer
21 price index for calendar year 1986 shall be used.

22 (v) If any increase determined under this section is not a multiple of fifty dollars (\$50.00),
23 such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the case of a
24 married individual filing a separate return, if any increase determined under this section is not a
25 multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower multiple
26 of twenty-five dollars (\$25.00).

27 (10) Modification for Rhode Island investment in opportunity zones. For purposes of a
28 taxpayer's state tax liability, in the case of any investment in a Rhode Island opportunity zone by
29 the taxpayer for at least seven (7) years, a modification to income shall be allowed for the
30 incremental difference between the benefit allowed under 26 U.S.C. 1400Z-2(b)(2)(B)(iv) and the
31 federal benefit allowed under 26 U.S.C. 1400Z-2(c).

32 (d) Modification for Rhode Island fiduciary adjustment. There shall be added to, or
33 subtracted from, federal adjusted gross income (as the case may be) the taxpayer's share, as
34 beneficiary of an estate or trust, of the Rhode Island fiduciary adjustment determined under § 44-

1 30-17.

2 (e) Partners. The amounts of modifications required to be made under this section by a
3 partner, which relate to items of income or deduction of a partnership, shall be determined under §
4 44-30-15.

5 SECTION 6. Section 44-31.2-5 and 44-31.2-11 of the General Laws in Chapter 44-31.2
6 entitled "Motion Picture Production Tax Credits" are hereby amended to read as follows:

7 **44-31.2-5. Motion picture production company tax credit.**

8 (a) A motion picture production company shall be allowed a credit to be computed as
9 provided in this chapter against a tax imposed by chapters 11, 14, 17, and 30 of this title. The
10 amount of the credit shall be thirty percent (30%) of the state certified production costs incurred
11 directly attributable to activity within the state, provided that the primary locations are within the
12 state of Rhode Island and the total production budget as defined herein is a minimum of one
13 hundred thousand dollars (\$100,000). The credit shall be earned in the taxable year in which
14 production in Rhode Island is completed, as determined by the film office in final certification
15 pursuant to § 44-31.2-6(c).

16 (b) For the purposes of this section: "total production budget" means and includes the
17 motion picture production company's pre-production, production, and post-production costs
18 incurred for the production activities of the motion picture production company in Rhode Island in
19 connection with the production of a state-certified production. The budget shall not include costs
20 associated with the promotion or marketing of the film, video, or television product.

21 (c) Notwithstanding subsection (a), the credit shall not exceed seven million dollars
22 (\$7,000,000) and shall be allowed against the tax for the taxable period in which the credit is earned
23 and can be carried forward for not more than three (3) succeeding tax years. Pursuant to rules
24 promulgated by the tax administrator, the administrator may issue a waiver of the seven million
25 dollars (\$7,000,000) tax credit cap for any feature-length film or television series up to the
26 remaining funds available pursuant to section (e).

27 (d) Credits allowed to a motion picture production company, which is a subchapter S
28 corporation, partnership, or a limited-liability company that is taxed as a partnership, shall be
29 passed through respectively to persons designated as partners, members, or owners on a pro rata
30 basis or pursuant to an executed agreement among such persons designated as subchapter S
31 corporation shareholders, partners, or members documenting an alternate distribution method
32 without regard to their sharing of other tax or economic attributes of such entity.

33 (e) No more than fifteen million dollars (\$15,000,000) in total may be issued for any tax
34 year beginning after December 31, 2007, for motion picture tax credits pursuant to this chapter

1 and/or musical and theatrical production tax credits pursuant to chapter 31.3 of this title. [After](#)
2 [December 31, 2019, no more than twenty million dollars \(\\$20,000,000\) in total may be issued for](#)
3 [any tax year for motion picture tax credits pursuant to this chapter and/or musical and theater](#)
4 [production tax credits pursuant to chapter 31.3 of this title.](#) Said credits shall be equally available
5 to motion picture productions and musical and theatrical productions. No specific amount shall be
6 set aside for either type of production.

7 **44-31.2-11. Sunset.**

8 No credits shall be issued on or after ~~July 1, 2024~~ [July 1, 2027](#), unless the production has
9 received initial certification under § 44-31.2-6(a) prior to ~~July 1, 2024~~ [July 1, 2027](#).

10 SECTION 7. Section 44-48.3-6 of the General Laws in Chapter 44-48.3 entitled "Rhode
11 Island New Qualified Jobs Incentive Act 2015" is hereby amended to read as follows:

12 **44-48.3-6. Total amount of tax credit for eligible business.**

13 (a) The base amount of the tax credit for an eligible business for each new full-time job
14 shall be up to two thousand five hundred dollars (\$2,500) annually.

15 (b) The total tax credit amount shall be calculated and credited to the business annually for
16 each year of the eligibility period after the commerce corporation, in consultation with the division
17 of taxation, has verified that the jobs covered by the tax credit have generated sufficient personal
18 income taxes to comply with subsection (e) of this section.

19 (c) In addition to the base amount of the tax credit, the amount of the tax credit to be
20 awarded for each new full-time job may be increased, pursuant to the provisions of subsection (d)
21 of this section, if the business meets any of the following criteria or such other additional criteria
22 determined by the commerce corporation from time to time in response to evolving economic or
23 market conditions:

- 24 (1) For a business located within a hope community;
25 (2) For a targeted industry;
26 (3) For a business located within a transit oriented development area; and
27 (4) For an out-of-state business that relocates a business unit or units or creates a significant
28 number of new full-time jobs during the commitment period.

29 (d) For any application made to the commerce corporation ~~from 2015 through 2018~~, the
30 tax credit for an eligible business for each new full-time job shall not exceed seven thousand five
31 hundred dollars (\$7,500) annually.

32 (e) Notwithstanding the provisions of subsections (a) through (d) of this section, for each
33 application approved by the commerce corporation [prior to July 1, 2019](#), the amount of tax credits
34 available to be obtained by the business annually shall not exceed the reasonable W-2 withholding

1 received by the state for each new full-time job created by a business for applications received by
2 the commerce corporation ~~in 2015 through 2018~~. For each application approved by the commerce
3 corporation after July 1, 2019, the amount of tax credits available to be obtained by the business
4 annually shall not exceed seventy-five percent (75%) of the reasonable W-2 withholding received
5 by the state for each new full-time job created by a business for applications received by the
6 commerce corporation.

7 (f) The commerce corporation shall establish regulations regarding the conditions under
8 which a business may submit more than one application for tax credits over time. The commerce
9 corporation may place limits on repeat applications.

10 SECTION 8. Title 45 of the General Laws entitled "TOWNS AND CITIES" is hereby
11 amended by adding thereto the following chapter:

12 CHAPTER 24.6

13 SPECIAL ECONOMIC DEVELOPMENT DISTRICTS

14 **45-24.6-1. Declaration of purpose.**

15 (a) According to the United States Census Bureau estimates as of 2015, Rhode Island ranks
16 second among the fifty (50) states in terms of population density. Notwithstanding this, there exists
17 within the various municipalities of the state, certain large tracts of developable or blighted state-
18 owned land, which areas represent in and of themselves and are often contiguous with areas of vital
19 economic importance to the state. In light of this, the state declares that these tracts of state-owned
20 land, and more specifically those tracts that are twenty (20) or more contiguous acres in size, are
21 important state assets which require the coordination of federal, state, local, or private action to
22 efficiently make use of these lands.

23 (b) It is further declared that coordination is paramount to development as time delays,
24 redundant approvals and local eccentricities often impede development projects.

25 (c) It is further declared that there is a statewide need for coordinated attention to and
26 supervision of the development of these areas for the purpose of education, enjoyment, and welfare
27 of the general public, the promotion of commercial and economic development, the attraction to
28 our state of appropriate business, industrial, and tourist trade, resources, and investment, the
29 development of an attractive environment that fosters the social welfare and health of the public.

30 (d) It is further declared that the developmental tools presently available to municipalities
31 in the state do not contain sufficient flexibility to address the unique problems arising from the
32 projects and to govern comprehensive and coordinated development of areas subject to these
33 projects consistently with the previously-declared public needs and purposes. Proper development
34 of these areas, consistent with the general welfare, may require designation of special land-use

1 districts and special land-use controls, which may be more stringent or more flexible than existing
2 zoning, planning, and other developmental tools, and the adoption, implementation, and
3 administration of a plan that establishes a framework for development including detailed design
4 and development criteria, regulations, and enforcement procedures.

5 (e) It is further declared that the most efficient and effective method to further the
6 previously-declared public policy of the state to encourage the appropriate, comprehensive, and
7 coordinated development of these properties is to permit the creation of special economic
8 development districts in the municipalities of the state and the creation of special economic
9 development district commissions to adopt, implement, and administer plans of development that
10 establish and enforce design and development criteria and regulations for the development of these
11 areas.

12 **45-24.6-2. Short title.**

13 This chapter may be known and may be cited as the "Rhode Island Special Economic
14 Development District Enabling Act".

15 **45-24.6-3. Definitions.**

16 As used in this chapter, the following words and terms have the following meanings, unless
17 the context indicates another or different meaning or intent:

18 (1) "Certificate of approval" means the document issued by a special economic
19 development district commission approving an application for construction, erection, alteration,
20 demolition, or use of a structure or land within the special economic development district, and
21 pursuant to which a building permit may be issued.

22 (2) "Certificate of rejection" means the document issued by a special economic
23 development district commission rejecting an application for construction, erection, alteration,
24 demolition, or use of a structure or land within a special economic development district.

25 (3) "Commission" means a special economic development district commission or
26 independent public instrumentality authorized by the general assembly and empowered by this
27 chapter.

28 (4) "Contiguous acres" means tracts or parcels of land that abut or connect without
29 excepting therefrom streams, ponds, rivers, roads, bridges, or other types of paths or rights of way.

30 (5) "Development map" means a map of a special economic development district that
31 shows the parcels into which the district may have been divided according to the plan of
32 development.

33 (6) "District" means any developable or blighted state-owned tracts or parcels of land,
34 which at its creation, aggregation and/or acquisition by a state agency or instrumentality consists

1 of or consisted of twenty (20) or more contiguous acres in size.

2 (7) "Permit" means a building permit issued by a duly licensed building inspector.

3 (8) "Person" means a natural person or any other legal entity, including, but not limited to,
4 a corporation, firm, partnership, or trust.

5 (9) "Plan of development" or "plan" means a plan, including design and development
6 criteria and regulations, for the development of a special economic development district adopted
7 by a special economic development district commission pursuant to this chapter.

8 (10) "Regulations" means the rules regulating the construction, erection, alteration,
9 demolition, or use of a structure or land within a special development district adopted by a special
10 economic development commission pursuant to a plan of development.

11 (11) "Special economic development district" means an area of a municipality or
12 municipalities that has been or will be established, designated, laid out, or defined by the general
13 assembly including but not limited to, independent public instrumentalities created by the general
14 assembly.

15 (12) "Structure" means a building or anything that is constructed or erected and that
16 requires location on the ground or attachment to something located on the ground.

17 **45-24.6-4. Special economic development districts authorized.**

18 (a) For the purposes stated in § 45-24.6-1, the general assembly may, by statute, establish,
19 designate, lay out, and define, as special economic development districts, areas that are, may be or
20 have been the subject of, or substantially affected by combined federal, state, local, or private
21 action, in the same manner as municipalities are presently empowered to establish, designate, lay
22 out, and define zoning districts, and which lands are developable or blighted state-owned tracts or
23 parcels of land, and which at the time of the creation of the district, consist of twenty (20) or more
24 contiguous acres in size. Properties owned or controlled by the department of environmental
25 management shall not be subject to the provisions of this chapter.

26 (b) The boundaries of a special economic development district established, designated, laid
27 out, and defined according to the provisions of this chapter, may be amended only by an act of the
28 general assembly.

29 (c) The powers of the district to achieve the purposes of this chapter shall be exercised by
30 a commission as herein provided as a public corporation and instrumentality of the state, to adopt,
31 implement, and administer a plan of development.

32 Each district commission shall consist of seven (7) voting members. The governor of the
33 state of Rhode Island shall appoint, with the advice and consent of the senate, the seven (7) voting
34 members of the commission. The commission shall have the sole authority to adopt, implement,

1 and administer a plan of development for the special economic development district.

2 **45-24.6-5. Powers of commission.**

3 A special economic development district commission established under this chapter shall
4 have all powers necessary and incidental to the adoption, implementation, and administration of a
5 plan of development, and any other powers that the general assembly may grant in the creation of
6 the commission.

7 **45-24.6-6. Adoption of special development district plan – Regulation of structures**
8 **and uses - Notice.**

9 (a) A special economic development district commission shall adopt a plan of
10 development. Any plan of development adopted by a special economic development district
11 commission pursuant to this chapter may regulate and restrict, by means of regulations duly adopted
12 by the commission, the erection, construction, reconstruction, alteration, repair, or use of buildings,
13 structures, or land within the special economic development district in a uniform, consistent, and
14 nondiscriminatory manner that is rationally related to the purposes of this chapter. The plan may
15 include regulations relating to allowable land uses, the location and use of buildings, street systems,
16 dimensional, height and area coverage requirements, setbacks and build-to lines, frontage, parking
17 requirements, landscaping, pedestrian travel, signs, design review, open spaces, and population
18 density.

19 (b) Pursuant to the plan of development, the commission may divide the special economic
20 development district into several parcels as indicated on a development map, and may regulate
21 structures and uses differently in different parcels, so long as regulation of similar structures and
22 uses is uniform within any one parcel.

23 (c) A plan of development may be adopted or amended only after a public hearing before
24 the commission, at which all interested parties have an opportunity to be heard. Notice of the time,
25 place, nature, and purpose of the public hearing shall be given to all owners of real property within
26 the bounds of the special economic development district and within two hundred feet (200') of the
27 perimeter thereof, by registered or certified mail at least seven (7) days before the date of the
28 hearing, and by publication of notice in a newspaper of general circulation within the municipality
29 at least once each week for three (3) successive weeks prior to the date of the hearing.

30 (d) The municipality shall not have concurrent jurisdiction over the special economic
31 development district.

32 **45-24.6-7. Permit required to erect, construct, alter, repair, or demolish structure –**
33 **Commission quorum and voting.**

34 (a) Before any structure may be erected, constructed, altered, repaired, or demolished

1 within a special economic development district, the person proposing the construction or other
2 alteration shall file with the commission an application for permission to erect, construct, alter,
3 repair, or demolish the structure, together with plans and specifications, all that may be required by
4 regulations adopted by the commission. It is the duty of the commission to review the application,
5 plans, and specifications, and no building permit shall be granted until the commission has acted
6 on it. No construction or other alteration of a structure may be undertaken within a special
7 development district without a permit. The commission may, by regulation, coordinate permit
8 approvals with state building officials and fire marshals, city or town officials or duly qualified
9 independent staff or consultants.

10 (b) Nothing in this chapter prevents or is to be construed to prevent ordinary maintenance
11 or repair of any structure within the special economic development district; nor shall anything in
12 this chapter prevent or be construed to prevent the continuance of the use of any building or
13 improvement for any purpose to which the building or improvement was lawfully devoted at the
14 time of the adoption of a plan of development, or to prevent or be construed to prevent the erection,
15 construction, alteration, repair, or demolition of any structure under a permit issued by the inspector
16 of buildings prior to the adoption of a plan of development pursuant to this chapter.

17 (c) At all meetings of the commission, a majority of the commissioners is necessary and
18 sufficient to constitute a quorum for the transaction of business, and the act of a majority of the
19 commissioners present at any meeting at which there is a quorum is the act of the commission,
20 except as otherwise provided by law.

21 **45-24.6-8. Variances, deviations, and special exceptions.**

22 (a) Any commission that adopts or has adopted a plan conforming to this chapter has the
23 authority to grant variances, deviations, and special exceptions of any regulations adopted pursuant
24 to that plan, upon the application of an aggrieved property owner:

25 (1) Special exceptions to the terms of the regulations may be granted in those cases
26 specified in the regulations, and subject to those conditions and safeguards specified therein, where
27 the use granted by special exception is reasonably necessary for the convenience or welfare of the
28 public and does not substantially or permanently injure the value of neighboring property.

29 (2) Variances may be granted where, owing to special conditions, enforcement of the
30 regulations would result in unnecessary hardship, where the variance will not be contrary to the
31 public interest, and the spirit of the plan will be observed and substantial justice done.

32 (3) Deviations may be granted where the enforcement of the regulations relating to
33 setbacks, build-to lines, and other area and dimensional restrictions would preclude the full
34 enjoyment by the owner of a permitted use and amount to more than a mere inconvenience.

1 (b) The commission shall hold a hearing on the application within a reasonable time, and
2 give public notice and due notice of the hearing to the parties in interest and property owners within
3 two hundred feet (200') of the affected property. At any hearing any party may appear in person or
4 by agent or attorney.

5 (c) Nothing in this chapter shall be construed to restrict, amend, repeal, or otherwise
6 supersede the jurisdiction of the commission regarding any area designated a special development
7 district pursuant to this chapter.

8 **45-24.6-9. Appeals to superior court.**

9 (a) Any person or persons jointly or severally aggrieved by a decision of the commission
10 may appeal to the superior court for the county in which the special economic development district
11 is situated by filing a complaint stating the reasons of appeal within twenty (20) days after the
12 decision has been filed in the office of the commission. The commission shall file the original
13 documents acted upon by it and constituting the record of the hearing appealed from, or certified
14 copies of the documents, together with any other facts that may be pertinent, with the clerk of the
15 court within ten (10) days after being served with a copy of the complaint. When the complaint is
16 filed by someone other than the original applicant or appellant, the original applicant or appellant
17 and the members of the commission shall be made parties to the proceedings. The appeal shall not
18 stay proceedings upon the decision being appealed, but the court may, in its discretion, grant a stay
19 on appropriate terms and make any other orders that it deems necessary for an equitable disposition
20 of the appeal.

21 (b) If, before the date set for hearing in the superior court, an application is made to the
22 court for leave to present additional evidence before the commission, and it is shown to the
23 satisfaction of the court that the additional evidence is material and that there were good reasons
24 for the failure to present it at the hearing before the commission, the court may order that the
25 additional evidence be taken before the commission upon conditions determined by the court. The
26 commission may modify its findings and decision by reason of the additional evidence and file that
27 evidence and any modifications, new findings, or decisions with the superior court.

28 (c) The review shall be conducted by the superior court without a jury. The court shall
29 consider the record of the hearing before the commission, and if it appears to the court that
30 additional evidence is necessary for the proper disposition of the matter, it may allow any party to
31 the appeal to present evidence in open court, which evidence, along with the record shall constitute
32 the record upon which the determination of the court is made.

33 (d) The court shall not substitute its judgment for that of the commission as to the weight
34 of the evidence on questions of fact. The court may affirm the decision of the commission or remand

1 the case for further proceedings, or may reverse or modify the decision if substantial rights of the
2 appellant have been prejudiced because of findings, inferences, conclusions, or decisions which
3 are:

4 (1) In violation of constitutional, statutory provisions;

5 (2) In excess of the authority granted to the commission by statute;

6 (3) Made upon unlawful procedure;

7 (4) Affected by other error of law;

8 (5) Clearly erroneous in view of the reliable, probative, and substantial evidence of the
9 whole record; or

10 (6) Arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted
11 exercise of discretion.

12 **45-24.6-10. Construction of chapter.**

13 Whenever the context permits in this chapter, the use of the plural includes the singular,
14 the singular, the plural, and the use of any gender is deemed to include all genders.

15 **45-24.6-11. Severability.**

16 If any one or more sections, clauses, sentences, or parts of this chapter are for any reason
17 adjudged unconstitutional or invalid in any court, the judgment does not affect, impair, or invalidate
18 the remaining provisions of this chapter, but are confined in its operation to the specific provisions
19 so held unconstitutional or invalid, and the inapplicability or invalidity of any section, clause, or
20 provision of this chapter in any one or more instances or circumstances shall not be taken to affect
21 or prejudice in any way its applicability or validity in any other instance.

22 **45-24.6-12. Applicability of other laws.**

23 (a) Any special economic development district commission created pursuant to this chapter
24 will not be subject to the provisions of §§ 42-35-1 through 42-35-18. Any commission and its
25 members will be subject to the provisions of §§ 36-14-1 through 36-14-21, §§ 38-2-1 through 38-
26 2-16, and §§ 42-46-1 through 42-46-14.

27 (b) In the event of a conflict between the provisions of this chapter and any other provisions
28 of the general laws governing the powers of any other district commission created by or pursuant
29 to the general laws, including but not limited to the I-195 redevelopment district established
30 pursuant to chapter 64.14 of title 42, the provisions of this chapter shall prevail. The provisions of
31 this chapter shall also prevail over any district commissions established by legislation promulgated
32 after the effective date of this act, unless specifically exempted by that legislation.

33 SECTION 9. Sections 42-64.14-5, 42-64.14-8 and 42-64.14-18 of the General Laws in
34 Chapter 42-64.14 entitled "The I-195 Redevelopment Act of 2011" are hereby amended to read as

1 follows:

2 **42-64.14-5. The I-195 redevelopment district created.**

3 (a) The I-195 redevelopment district is hereby constituted as an independent public
4 instrumentality and body corporate and politic for the purposes set forth in this chapter with a
5 separate legal existence from the city of Providence and from the state and the exercise by the
6 commission of the powers conferred by this chapter shall be deemed and held to be the performance
7 of an essential public function. The boundaries of the district are established in § 37-5-8. However,
8 parcels P2 and P4, as delineated on that certain plan of land captioned "Improvements to Interstate
9 Route 195, Providence, Rhode Island, Proposed Development Parcel Plans 1 through 10, Scale: 1"
10 =20', May 2010, Bryant Associates, Inc., Engineers-Surveyors-Construction Managers, Lincoln,
11 RI, Maguire Group, Inc., Architects/Engineers/Planners, Providence, RI," shall be developed and
12 continued to be used as parks or park supporting activity; provided, however, the commission may,
13 from time to time, pursuant to action taken at a meeting of the commission in public session, adjust
14 the boundaries of parcel P4 provided that at all times parcel P4 shall contain no fewer than one
15 hundred eighty-six thousand one hundred eighty-six square feet (186,186 ft²) of land and provided,
16 further, that the city of Providence shall not be responsible for the upkeep of the parks unless a
17 memorandum of understanding is entered into between the commission or the state and the city of
18 Providence that grants full funding to the city for that purpose.

19 (b) [The property owned by the district is designated as a special economic development](#)
20 [district pursuant to § 45-24.6-4 and constitutes state-owned land within the meaning of that section.](#)

21 ~~The I-195 redevelopment district commission established in this chapter shall oversee,~~
22 ~~plan, implement, and administer the development of the areas within the district consistent with~~
23 ~~and subject to the city of Providence comprehensive plan adopted by the city pursuant to § 45-22-~~
24 ~~2.1 et seq. and the city of Providence zoning ordinances pursuant to § 45-24-27 et seq. as previously~~
25 ~~enacted by the city of Providence, and as may be enacted and/or amended from time to time through~~
26 ~~July 1, 2012, or enacted and/or amended thereafter with the consent of the commission.~~

27 (c) The city of Providence shall not be required to install or pay for the initial installation
28 of any public or private utility infrastructure within the district.

29 (d) It is the intent of the general assembly by the passage of this chapter to vest in the
30 commission all powers, authority, rights, privileges, and titles that may be necessary to enable it to
31 accomplish the purposes herein set forth, and this chapter and the powers granted hereby shall be
32 liberally construed in conformity with those purposes.

33 **42-64.14-8. Additional general powers.**

34 In addition to the powers of the commission otherwise provided herein, the commission

1 shall have the powers set forth below and shall be subject to the limitations herein set forth. Except
2 as may be expressly limited by action of the commission at a regular or special meeting, the
3 commission shall have the powers necessary to put into effect the powers of the commission as set
4 forth below and as herein limited.

5 (a) The commission is authorized and empowered to fix, revise, charge, collect, and abate
6 fees, rates, assessments, delinquency charges, and other charges for its services, and other services,
7 facilities, and commodities furnished or supplied by it including penalties for violations of such
8 regulations as the commission may from time to time promulgate under this chapter. Fees, rates,
9 assessments, delinquency charges, and other charges of general application shall be adopted and
10 revised by the commission in accordance with procedures to be established by the commission for
11 assuring that interested persons are afforded notice and an opportunity to present data, views, and
12 arguments. The commission shall hold at least one public hearing on its schedule of fees, rates, and
13 charges or any revision thereof prior to adoption, notice of which shall be published in a newspaper
14 of substantial circulation in the district at least fifteen (15) days in advance of the hearing, and
15 notice of the hearing shall be provided to the city council of the city of Providence. No later than
16 the date of such publication the commission shall make available to the public the proposed
17 schedule of fees, rates, and charges. Fees, rates, rents, assessments, abatements, and other charges
18 established by the commission shall not be subject to supervision or regulation by any department,
19 division, district, board, bureau, or agency of the state or any of its political subdivisions. In order
20 to provide for the collection and enforcement of its fees, rates, rents, assessments, and other charges,
21 the commission is hereby granted all the powers and privileges with respect to such collection and
22 enforcement held by the city of liens for unpaid taxes. Provided however that the commission shall
23 be required to collect all project application fees, zoning fees and charges, building permit fees, fire
24 code compliance or other public safety permit fees or charges, planning fees, historic district fees
25 and charges, and other similar fees and charges that would otherwise be payable to the city of
26 Providence in connection with such projects located in the city of Providence and remit the greater
27 of one-half (1/2) of such fees collected by the commission to the city of Providence, or one-half
28 (1/2) of such fees the city of Providence would have received from the project under the city's
29 ordinances uniformly applied. The city of Providence shall continue to be entitled to collect all
30 other customary fees for development and maintenance within the district as uniformly applied
31 throughout the city of Providence, including, but not limited to, utility tie-in, connection fees,
32 maintenance fees and assessments.

33 (b) Notwithstanding any provision of law to the contrary, in order to provide for the
34 consolidated, coordinated, efficient and effective exercise of public development powers affecting

1 or benefiting the city of Providence and the state within the boundaries of the district as defined in
2 § 37-5-8, the commission shall have the powers of:

3 (i) A special development district as provided for in chapter 45-24.4.

4 (ii) A redevelopment agency as provided for in chapters 45-31, 45-31.1, 45-31.2, 45-32,
5 and 45-33 within areas of the district which are part of an enterprise zone as provided for in chapter
6 42-64.3. Within the district, the term "blighted area and substandard area" shall be deemed to
7 include areas where the presence of hazardous materials, as defined in § 23-19.14-2, impairs the
8 use, reuse, or redevelopment of impacted sites.

9 (iii) A municipal public buildings authority as provided for in chapter 45-50.

10 (iv) A subsidiary of the Rhode Island commerce corporation and the enactment of this
11 chapter shall constitute the approval of the general assembly as required by § 42-64-7.1.

12 (v) The city planning board as established pursuant to chapter 45-23.

13 (vi) The city zoning board as established pursuant to chapter 45-24, including, but not
14 limited to, the granting of any use or dimensional variances or special use permits.

15 (vii) The city historic district commission established pursuant to chapter 45-24.1.

16 (viii) Any other city board existing or created that exercises any of the authorities of a
17 planning board, zoning board, design review board or historic district commission. ~~Provided,~~
18 ~~however, and notwithstanding the foregoing, the commission shall at all times ensure that all~~
19 ~~projects and development subject to the jurisdiction of the commission are consistent with and~~
20 ~~subject to the city of Providence comprehensive plan adopted by the city pursuant to § 45-22-2.1~~
21 ~~et seq. and the city of Providence zoning ordinances pursuant to § 45-24-27 et seq. as previously~~
22 ~~enacted by the city of Providence, and as may be enacted and/or amended from time to time through~~
23 ~~July 1, 2012, or enacted and/or amended thereafter with the consent of the commission.~~

24 (ix) A special economic development district as provided for in chapter 24.6 of title 45.

25 ~~(3)~~(c) For the benefit of the district, the commission shall have the power to enter into
26 agreements with the city of Providence for:

27 (i) The exercise of powers for tax increment financing as provided for in chapter 45-33.2;

28 (ii) The imposition of impact fees as provided for in chapter 45-22.4 in order to provide
29 infrastructure capacity to or make physical improvements within the district; or

30 (iii) Approval within the district of a district management authority as provided for in
31 chapter 45-59, for purposes of undertaking activities consistent with the approved plans for the
32 district adopted pursuant to § 42-64.14-8.

33 ~~(4)~~(d) Title and survey adjustments. The commission is authorized to adjust boundary lines,
34 survey lines and property descriptions of the parcels of land comprising the I-195 surplus land as

1 may be necessary or appropriate to facilitate or enhance project design plans and for the location
2 and/or relocation of city streets, utility corridors, easements and rights-of-way.

3 ~~(5)~~(e) The commission is authorized and empowered, in the name of and for the State of
4 Rhode Island, to enter into contracts for the sale, transfer or conveyance, in fee simple, by lease or
5 otherwise of the any of the I-195 Surplus lands identified in § 37-5-8 in order to achieve the
6 purposes of this chapter and customary terms for commercial real estate transactions of this nature,
7 and containing the following provisions:

8 (i) The terms for each parcel shall be the fair market value of such parcel at the time of
9 conveyance as determined by the commission.

10 (ii) As a condition to the sale, lease or other transfer of each parcel or any portion thereof,
11 any buyer, tenant or transferee that is a not-for-profit, organization or entity that is otherwise
12 exempt from municipal real estate taxes, including, without limitation, any independent public
13 instrumentality, governmental or quasi governmental agency, body, division, or official, or any
14 affiliate or subsidiary thereof, shall have entered into an agreement for payments to the city in
15 accordance with § 42-64.14-14 relating to tax exempt parcels, or such other things acceptable to
16 the city.

17 (iii) Promptly after taking title to a parcel, the buyer shall cause such parcel to be
18 attractively landscaped and maintained for use as green space until such time as development of
19 the parcel in accordance with this section begins.

20 (iv) Development of the parcels, as appropriate, shall be in accordance with the findings
21 set forth in this chapter and with the buyer's approved development plan for the identified parcels,
22 as the same may be amended from time to time with the approval of the commission.

23 (v) As a condition to the contract for the sale, lease, transfer or conveyance an approved
24 development plan shall include a construction schedule that shall commence within twelve (12)
25 months from the effective date of the contract and all construction shall be complete within three
26 (3) years from the commencement of said construction unless otherwise amended and approved by
27 the commission at a duly posted public meeting of the commission.

28 ~~(6) Notwithstanding any provision of this chapter 42-64.14 or any other law to the contrary,~~
29 ~~the commission shall exercise all powers authorized by §§ 42-64.14-7 and 42-64.14-8 in a manner~~
30 ~~consistent with and subject to the city of Providence comprehensive plan adopted by the city~~
31 ~~pursuant to 45-22-2.1 et seq. and the city of Providence zoning ordinances pursuant to 45-24-27 et~~
32 ~~seq. as previously enacted by the city of Providence, and as may be enacted and/or amended from~~
33 ~~time to time through July 1, 2012, or enacted thereafter with the consent of the commission.~~

34 ~~(7)~~(f) Under no circumstances shall the commission establish, authorize, zone, plan, or

1 permit in the district a so-called "casino" or any form of gambling, including but not limited to
2 those activities governed by title 41 of the Rhode Island general laws, so-called "video-gambling"
3 or any lotteries whatsoever except for the sale of lottery tickets pursuant to title 42, section 61 of
4 the general laws. Furthermore, upon conveyance, but in any event before approving any project,
5 development, or redevelopment, the commission shall ensure that a deed restriction, running to the
6 benefit of the city of Providence and the state, is recorded against the subject property effectuating
7 and memorializing such restriction. The aforementioned restriction shall run with the land and be
8 binding upon all successors and assign. Any deed restriction conveyed to the state pursuant to this
9 subsection may be waived only by statute, resolution or other action by the general assembly which
10 complies with the constitutional requirements for the expansion of gambling.

11 **42-64.14-18. Inconsistent laws or ordinance inoperative.**

12 Except as otherwise provided herein, any provisions of any special law and part of any
13 special law and all ordinances and parts of ordinances pertaining to development within the district
14 which are inconsistent with the provisions of this chapter shall be inoperative and cease to be
15 effective. The provisions of this chapter shall be deemed to provide an exclusive, additional,
16 alternative, and complete method for the doing of the things authorized hereby and shall be deemed
17 and construed to be supplemental and additional to, and not in derogation of, powers conferred
18 upon the commission by law and on the city by its charter; provided, however, that insofar as the
19 express provisions of this chapter are inconsistent with the provisions of any general or special law,
20 administrative order or regulation, or ordinance of the city, the provisions of this chapter shall be
21 controlling; provided, however, to the extent of any inconsistency or conflict between this chapter
22 and chapter 24.6 of title 45, the provisions of chapter 24.6 of title 45 shall be controlling.

23 SECTION 10. Title 42 of the General Laws entitled "STATE AFFAIRS AND
24 GOVERNMENT" is hereby amended by adding thereto the following chapter:

25 CHAPTER 64.33

26 THE RHODE ISLAND SMALL BUSINESS DEVELOPMENT FUND

27 **42-64.33-1. Short title.**

28 This chapter shall be known and may be cited as the "Rhode Island Small Business
29 Development Fund."

30 **42-64.33-2. Definitions.**

31 (a) As used in this chapter:

32 (1) "Affiliate" means an entity that directly, or indirectly, through one or more
33 intermediaries, controls, or is controlled by, or is under common control with another entity. For
34 the purposes of this chapter, an entity is "controlled by" another entity if the controlling entity holds,

1 directly or indirectly, the majority voting or ownership interest in the controlled entity or has control
2 over the day-to-day operations of the controlled entity by contract or by law.

3 (2) "Applicable percentage" means zero percent (0%) for the first three (3) credit allowance
4 dates, and twenty-one and one-half percent (21.5%) for the fourth, fifth, and sixth credit allowance
5 dates.

6 (3) "Capital investment" means any equity or debt investment in a small business
7 development fund by a small business fund investor that:

8 (i) Is acquired after the effective date of this chapter at its original issuance solely in
9 exchange for cash;

10 (ii) Has one hundred percent (100%) of its cash purchase price used by the small business
11 development fund to make qualified investments in eligible businesses located in this state within
12 three (3) years of the initial credit allowance date; and

13 (iii) Is designated by the small business development fund as a capital investment under
14 this chapter and is certified by the Corporation pursuant to § 42-64.33-4. This term shall include
15 any capital investment that does not meet the provisions of § 42-64.33-4(a) if the investment was
16 a capital investment in the hands of a prior holder.

17 (4) "Corporation" means the Rhode Island Commerce Corporation.

18 (5) "Credit allowance date" means the date on which a capital investment is made and each
19 of the five (5) anniversary dates of the date thereafter.

20 (6) "Eligible business" means a business that, at the time of the initial qualified investment
21 in the company:

22 (i) Has less than two hundred fifty (250) employees;

23 (ii) Has not more than fifteen million dollars (\$15,000,000) in net income from the
24 preceding tax year;

25 (iii) Has its principal business operations in this state; and

26 (iv) Is engaged in industries related to clean energy, biomedical innovation, life sciences,
27 information technology, software, cyber physical systems, cybersecurity, data analytics, defense,
28 shipbuilding, maritime, composites, advanced business services, design, food, manufacturing,
29 transportation, distribution, logistics, arts, education, hospitality, tourism, or, if not engaged in the
30 industries, the Corporation makes a determination that the investment will be beneficial to the
31 economic growth of the state.

32 (7) "Eligible distribution" means:

33 (i) A distribution of cash to one or more equity owners of a small business fund investor to
34 fully or partially offset a projected increase in the owner's federal or state tax liability, including

1 any penalties and interest, related to the owner's ownership, management, or operation of the small
2 business fund investor;

3 (ii) A distribution of cash as payment of interest and principal on the debt of the small
4 business fund investor or small business development fund; or

5 (iii) A distribution of cash related to the reasonable costs and expenses of forming,
6 syndicating, managing, and operating the small business fund investor or the small business
7 development fund, or a return of equity or debt to affiliates of a small business fund investor or
8 small business development fund. The distributions may include reasonable and necessary fees paid
9 for professional services, including legal and accounting services, related to the formation and
10 operation of the small business development fund.

11 (8) "Jobs created" means a newly created position of employment that was not previously
12 located in the state at the time of the qualified investment in the eligible business and requiring a
13 minimum of thirty five (35) hours worked each week, measured each year by subtracting the
14 number of full-time thirty five (35) hours per week employment positions at the time of the initial
15 qualified investment in the eligible business from the monthly average of full-time thirty five (35)
16 hours per week employment positions for the applicable year. The number shall not be less than
17 zero.

18 (9) "Jobs retained" means a position requiring a minimum of thirty five (35) hours worked
19 each week that existed prior to the initial qualified investment. Retained jobs shall be counted each
20 year based on the monthly average of full-time thirty five (35) hours per week employment
21 positions for the applicable year. The number shall not exceed the initial amount of retained jobs
22 reported and shall be reduced each year if employment at the eligible business concern drops below
23 that number.

24 (10) "Minority business enterprise" means an eligible business which is certified by the
25 Rhode Island office of diversity, equity and opportunity as being a minority or women business
26 enterprise.

27 (11) "Principal business operations" means the location where at least sixty percent (60%)
28 of a business's employees work or where employees who are paid at least sixty percent (60%)
29 percent of the business's payroll work. A business that has agreed to relocate employees using the
30 proceeds of a qualified investment to establish its principal business operations in a new location
31 shall be deemed to have its principal business operations in the new location if it satisfies these
32 requirements no later than one hundred eighty (180) days after receiving a qualified investment.

33 (12) "Purchase price" means the amount paid to the small business development fund that
34 issues a capital investment which shall not exceed the amount of capital investment authority

1 certified pursuant to § 42-64.33-4.

2 (13) "Qualified investment" means any investment in an eligible business or any loan to an
3 eligible business with a stated maturity date of at least one year after the date of issuance, excluding
4 revolving lines of credit and senior secured debt unless the eligible business has a credit refusal
5 letter or similar correspondence from a depository institution or a referral letter or similar
6 correspondence from a depository institution referring the business to a small business development
7 fund; provided that, with respect to any one eligible business, the maximum amount of investments
8 made in the business by one or more small business development funds, on a collective basis with
9 all of the businesses' affiliates, with the proceeds of capital investments shall be twenty percent
10 (20%) of the small business development fund's capital investment authority, exclusive of
11 investments made with repaid or redeemed investments or interest or profits realized thereon. An
12 eligible business, on a collective basis with all of the businesses' affiliates, is prohibited from
13 receiving more than four million dollars (\$4,000,000) in investments from one or more small
14 business development funds with the proceeds of capital investments.

15 (14) "Small business development fund" means an entity certified by the Corporation under
16 § 42-64.33-4.

17 (15) "Small business fund investor" means an entity that makes a capital investment in a
18 small business development fund.

19 (16) "State" means the state of Rhode Island and Providence Plantations.

20 (17) "State tax liability" means any liability incurred by any entity under § 44-17-1 et seq.

21 **42-64.33-3. Tax credit established.**

22 (a) Upon making a capital investment in a small business development fund, a small
23 business fund investor earns a vested right to a credit against the entity's state tax liability that may
24 be utilized on each credit allowance date of the capital investment in an amount equal to the
25 applicable percentage for the credit allowance date multiplied by the purchase price paid to the
26 small business development fund for the capital investment. The amount of the credit claimed by
27 any entity shall not exceed the amount of the entity's state tax liability for the tax year for which
28 the credit is claimed. Any amount of credit that an entity is prohibited from claiming in a taxable
29 year as a result of this section may be carried forward for a period of seven (7) years. It is the intent
30 of this chapter that an entity claiming a credit under this section is not required to pay any additional
31 tax that may arise as a result of claiming the credit.

32 (b) No credit claimed under this section shall be refundable or saleable on the open market.
33 Credits earned by or allocated to a partnership, limited liability company, or S- corporation may be
34 allocated to the partners, members, or shareholders of the entity for their direct use for state tax

1 liability as defined in this chapter in accordance with the provisions of any agreement among the
2 partners, members, or shareholders, and a small business development fund must notify the
3 Corporation of the names of the entities that are eligible to utilize credits pursuant to an allocation
4 of credits or a change in allocation of credits or due to a transfer of a capital investment upon the
5 allocation, change, or transfer. The allocation shall be not considered a sale for purposes of this
6 section.

7 (c) The Corporation shall provide copies of issued certificates to the division of taxation.

8 **42-64.33-4. Application, approval and allocations.**

9 (a) A small business development fund that seeks to have an equity or debt investment
10 certified as a capital investment and eligible for credits under this chapter shall apply to the
11 Corporation. The Corporation shall begin accepting applications within ninety (90) days of the
12 effective date of this chapter. The small business development fund shall include the following:

13 (1) The amount of capital investment requested;

14 (2) A copy of the applicant's or an affiliate of the applicant's license as a rural business
15 investment company under 7 U.S.C. § 2009cc, or as a small business investment company under
16 15 U.S.C. § 681, and a certificate executed by an executive officer of the applicant attesting that
17 the license remains in effect and has not been revoked;

18 (3) Evidence that, as of the date the application is submitted, the applicant or affiliates of
19 the applicant have invested at least one hundred million dollars (\$100,000,000) in nonpublic
20 companies;

21 (4) An estimate of the number of jobs that will be created or retained in this state as a result
22 of the applicant's qualified investments;

23 (5) A business plan that includes a strategy for reaching out to and investing in minority
24 business enterprises and a revenue impact assessment projecting state and local tax revenue to be
25 generated by the applicant's proposed qualified investment prepared by a nationally recognized,
26 third-party, independent economic forecasting firm using a dynamic economic forecasting model
27 that analyzes the applicant's business plan over the ten (10) years following the date the application
28 is submitted to the Corporation; and

29 (6) A nonrefundable application fee of five thousand dollars (\$5,000), payable to the
30 Corporation.

31 (b) Within thirty (30) days after receipt of a completed application, the Corporation shall
32 grant or deny the application in full or in part. The Corporation shall deny the application if:

33 (1) The applicant does not satisfy all of the criteria described in subsection (a) of this
34 section;

1 (2) The revenue impact assessment submitted with the application does not demonstrate
2 that the applicant's business plan will result in a positive economic impact on this state over a ten
3 (10) year period that exceeds the cumulative amount of tax credits that would be issued to the
4 applicant if the application were approved; or

5 (3) The Corporation has already approved the maximum amount of capital investment
6 authority under subsection (g) of this section.

7 (c) If the Corporation denies any part of the application, it shall inform the applicant of the
8 grounds for the denial. If the applicant provides any additional information required by the
9 Corporation or otherwise completes its application within fifteen (15) days of the notice of denial,
10 the application shall be considered completed as of the original date of submission. If the applicant
11 fails to provide the information or fails to complete its application within the fifteen (15) day period,
12 the application remains denied and must be resubmitted in full with a new submission date.

13 (d) If the application is deemed to be complete and the applicant deemed to meet all of the
14 requirements of Section 42-64.33-4 (a) and (b), the Corporation shall certify the proposed equity
15 or debt investment as a capital investment that is eligible for credits under this chapter, subject to
16 the limitations contained in subsection (g) of this section. The Corporation shall provide written
17 notice of the certification to the small business development fund.

18 (e) The Corporation shall certify capital investments in the order that the applications were
19 received by the Corporation. Applications received on the same day shall be deemed to have been
20 received simultaneously.

21 (f) For applications that are complete and received on the same day, the Corporation shall
22 certify applications in proportionate percentages based upon the ratio of the amount of capital
23 investments requested in an application to the total amount of capital investments requested in all
24 applications.

25 (g) The Corporation shall certify sixty-five million dollars (\$65,000,000) in capital
26 investments pursuant to this section; provided that not more than twenty million dollars
27 (\$20,000,000) may be allocated to any individual small business development fund certified under
28 this section.

29 (h) Within sixty (60) days of the applicant receiving notice of certification, the small
30 business development fund shall issue the capital investment to and receive cash in the amount of
31 the certified amount from a small business fund investor. At least forty-five percent (45%) of the
32 small business fund investor's capital investment shall be composed of capital raised by the small
33 business fund investor from sources, including directors, members, employees, officers, and
34 affiliates of the small business fund investor, other than the amount of capital invested by the

1 allocattee claiming the tax credits in exchange for the allocation of tax credits; provided that at least
2 ten percent (10%) of the capital investment shall be derived from the small business investment
3 fund's managers. The small business development fund shall provide the Corporation with evidence
4 of the receipt of the cash investment within sixty-five (65) days of the applicant receiving notice of
5 certification. If the small business development fund does not receive the cash investment and issue
6 the capital investment within the time period following receipt of the certification notice, the
7 certification shall lapse and the small business development fund shall not issue the capital
8 investment without reapplying to the Corporation for certification. Lapsed certifications revert to
9 the authority and shall be reissued pro rata to applicants whose capital investment allocations were
10 reduced pursuant to this chapter and then in accordance with the application process.

11 **42-64.33-5. Tax credit recapture and exit.**

12 (a) The Corporation, working in coordination with the Division of Taxation, may recapture,
13 from any entity that claims a credit on a tax return, the credit allowed under this chapter if:

14 (1) The small business development fund does not invest one hundred (100%) percent of
15 its capital investment authority in qualified investments in this state within three (3) years of the
16 first credit allowance date;

17 (2) The small business development fund, after satisfying subsection (a)(1) of this section,
18 fails to maintain qualified investments equal to one hundred (100%) percent of its capital
19 investment authority until the sixth anniversary of the initial credit allowance date. For the purposes
20 of this subsection, a qualified investment is considered maintained even if the qualified investment
21 was sold or repaid so long as the small business development fund reinvests an amount equal to the
22 capital returned or recovered by the small business development fund from the original investment,
23 exclusive of any profits realized, in other qualified investments in this state within twelve (12)
24 months of the receipt of the capital. Amounts received periodically by a small business
25 development fund shall be treated as continually invested in qualified investments if the amounts
26 are reinvested in one or more qualified investments by the end of the following calendar year. A
27 small business development fund shall not be required to reinvest capital returned from qualified
28 investments after the fifth anniversary of the initial credit allowance date, and the qualified
29 investments shall be considered held continuously by the small business development fund through
30 the sixth anniversary of the initial credit allowance date;

31 (3) The small business development fund, before exiting the program in accordance with
32 subsection (e) of this section, makes a distribution or payment that results in the small business
33 development fund having less than one hundred percent (100%) of its capital investment authority
34 invested in qualified investments in this state or available for investment in qualified investments

1 and held in cash and other marketable securities;

2 (4) The small business development fund, before exiting the program in accordance with
3 subsection (e) of this section, fails to make qualified investments in minority business enterprises
4 that when added together equal at least ten percent (10%) of the small business development fund's
5 capital investment authority; or

6 (5) The small business development fund violates subsection (d) of this section.

7 (b) Recaptured credits and the related capital investment authority revert to the Corporation
8 and shall be reissued pro rata to applicants whose capital investment allocations were reduced
9 pursuant to § 42-64.33-4(f) of this section and then in accordance with the application process.

10 (c) Enforcement of each of the recapture provisions of subsection (a) of this section shall
11 be subject to a six (6) month cure period. No recapture shall occur until the small business
12 development fund has been given notice of noncompliance and afforded six (6) months from the
13 date of the notice to cure the noncompliance.

14 (d) No eligible business that receives a qualified investment under this chapter, or any
15 affiliates of the eligible business, may directly or indirectly:

16 (1) Own or have the right to acquire an ownership interest in a small business development
17 fund or member or affiliate of a small business development fund, including, but not limited to, a
18 holder of a capital investment issued by the small business development fund; or

19 (2) Loan to or invest in a small business development fund or member or affiliate of a small
20 business development fund, including, but not limited to, a holder of a capital investment issued by
21 a small business development fund, where the proceeds of the loan or investment are directly or
22 indirectly used to fund or refinance the purchase of a capital investment under this chapter.

23 (e) On or after the sixth anniversary of the initial credit allowance date, a small business
24 development fund may apply to the Corporation to exit the program and no longer be subject to
25 regulation under this chapter. The Corporation shall respond to the exit application within thirty
26 (30) days of receipt. In evaluating the exit application, the fact that no credits have been recaptured
27 and that the small business development fund has not received a notice of recapture that has not
28 been cured pursuant to subsection (c) of this section shall be sufficient evidence to prove that the
29 small business development fund is eligible for exit. The Corporation shall not unreasonably deny
30 an exit application submitted under this subsection. If the exit application is denied, the notice shall
31 include the reasons for the determination.

32 (f) If the number of jobs created or retained by the eligible businesses that received
33 qualified investments from the small business development fund, calculated pursuant to reports
34 filed by the small business development fund pursuant to § 42-64.33-7, is:

1 (1) Less than sixty percent (60%) of the amount projected in the approved small business
2 development fund's business plan filed as part of its application for certification under § 42- 64.33-
3 4, then the state shall receive thirty percent (30%) of any distribution or payment to an equity or
4 debt holder in an approved small business development fund made after its exit from the program
5 in excess of eligible distributions; or

6 (2) Greater than sixty percent (60%) but less than one hundred percent (100%) of the
7 amount projected in the approved small business development fund's business plan filed as part of
8 its application for certification under § 42-64.33-4, then the state shall receive fifteen percent (15%)
9 of any distribution or payment to an equity or debt holder in an approved small business
10 development fund made after its exit from the program in excess of eligible distributions.

11 (g) At the time a small business development fund applies to the Corporation to exit the
12 program, it shall calculate the aggregate internal rate of return of its qualified investments. If the
13 small business development fund's aggregate internal rate of return on its qualified investments at
14 exit exceeds ten percent (10%), then, after eligible distributions, the state shall receive ten percent
15 (10%) of any distribution or payment in excess of the aggregate ten percent (10%) internal rate of
16 return to an equity or debtholder in an approved small business development fund.

17 (h) The Corporation shall not revoke a tax credit certificate after the small business
18 development fund's exit from the program.

19 **42-64.33-6. Request for determination.**

20 A small business development fund, before making a qualified investment, may request
21 from the Corporation a written opinion as to whether the business in which it is proposed to invest
22 is an eligible business. The Corporation, not later than the fifteenth business day after the date of
23 receipt of the request, shall notify the small business development fund of its determination. If the
24 Corporation fails to notify the small business development fund by the fifteenth business day of its
25 determination, the business in which the small business development fund proposes to invest shall
26 be considered an eligible business.

27 **42-64.33-7. Reporting obligations.**

28 (a) Each small business development fund shall submit a report to the Corporation on or
29 before the fifth business day after the first, second and third anniversaries of the closing date. The
30 report shall provide documentation as to the small business development fund's qualified
31 investments and include:

32 (1) A bank statement evidencing each qualified investment;

33 (2) The name, location, status as a minority business enterprise if applicable, and industry
34 of each business receiving a qualified investment, including either the determination letter set forth

1 in § 42-64.33-6 or evidence that the business qualified as an eligible business at the time the
2 investment was made;

3 (3) The number of employment positions created or retained as a result of the small
4 business development fund's qualified investments as of the last day of the preceding calendar year;
5 and

6 (4) Such other reasonable information as the corporation may require.

7 (b) On or before the last day of February of each year following the final year in which the
8 report required in subsection (a) of this section is due, the small business development fund shall
9 submit an annual report to the Corporation including the following:

10 (1) The number of employment positions created or retained as a result of the small
11 business development fund's qualified investments as of the last day of the preceding calendar year;

12 (2) The number of minority business enterprises that have received qualified investments
13 and the amount of qualified investment that such minority business enterprises have received;

14 (3) The average annual salary of the positions described in subsection (b)(1) of this section;

15 (4) The follow-on capital investment that has occurred along with or after the small
16 business development fund's investment as of the last day of the preceding calendar year; and

17 (5) Such other reasonable information as the corporation may require.

18 (c) A copy of the reports required under this section must also be sent concurrently to the
19 speaker of the house, president of the senate, house finance chairperson, senate finance chairperson,
20 and the general treasurer.

21 (d) On or before each September 30, the corporation shall publish a report on the small
22 business development fund and provide such report to the speaker of the house of representatives,
23 president of the senate, house finance chair, senate finance chair, and the general treasurer. The
24 report shall contain information on the program implementation, investments made fund
25 performance, and to the extent practicable, track the economic impact of the investments
26 completed.

27 **42-64.33-8. Limitations.**

28 The incentives provided under this chapter shall not be granted in combination with any
29 other job specific benefit provided by the state, the commerce corporation, or any other state
30 agency, board, commission, quasi-public corporation or similar entity without the express
31 authorization of the commerce corporation.

32 **42-64.33-9. Rules and regulations.**

33 The Corporation and Division of Taxation may issue reasonable rules and regulations,
34 consistent with this chapter, as are necessary to carry out the intent and purpose and implementation

1 [of the responsibilities under this chapter.](#)

2 SECTION 11. Section 42-64.21-9 of the General Laws in Chapter 42-64.21 entitled
3 "Rhode Island Tax Increment Financing" is hereby amended to read as follows:

4 **42-64.21-9. Sunset.**

5 The commerce corporation shall enter into no agreement under this chapter after [December](#)
6 [31, ~~June 30,~~](#) 2020.

7 SECTION 12. Section 42-64.22-15 of the General Laws in Chapter 42-64.22 entitled "Tax
8 Stabilization Incentive" is hereby amended to read as follows:

9 **42-64.22-15. Sunset.**

10 The commerce corporation shall enter into no agreement under this chapter after ~~June 30,~~
11 [December 31,](#) 2020.

12 SECTION 13. Section 42-64.23-8 of the General Laws in Chapter 42-64.23 entitled "First
13 Wave Closing Fund" is hereby amended to read as follows:

14 **42-64.23-8. Sunset.**

15 No financing shall be authorized to be reserved pursuant to this chapter after ~~June 30,~~
16 [December 31,](#) 2020.

17 SECTION 14. Section 42-64.24-8 of the General Laws in Chapter 42-64.24 entitled "I-195
18 Redevelopment Project Fund" is hereby amended to read as follows:

19 **42-64.24-8. Sunset.**

20 No funding, credits, or incentives shall be authorized or authorized to be reserved pursuant
21 to this chapter after ~~June 30,~~ [December 31,](#) 2020.

22 SECTION 15. Section 42-64.25-14 of the General Laws in Chapter 42-64.25 entitled
23 "Small Business Assistance Program" is hereby amended to read as follows:

24 **42-64.25-14. Sunset.**

25 No grants, funding, or incentives shall be authorized pursuant to this chapter after ~~June 30,~~
26 [December 31,](#) 2020.

27 SECTION 16. Section 42-64.26-12 of the General Laws in Chapter 42-64.26 entitled "Stay
28 Invested in RI Wavemaker Fellowship" is hereby amended to read as follows:

29 **42-64.26-12. Sunset.**

30 No incentives or credits shall be authorized pursuant to this chapter after ~~June 30,~~
31 [December 31,](#) 2020.

32 SECTION 17. Section 42-64.27-6 of the General Laws in Chapter 42-64.27 entitled "Main
33 Street Rhode Island Streetscape Improvement Fund" is hereby amended to read as follows:

34 **42-64.27-6. Sunset.**

1 No incentives shall be authorized pursuant to this chapter after ~~June 30~~, [December 31](#),
2 2020.

3 SECTION 18. Section 42-64.28-10 of the General Laws in Chapter 42-64.28 entitled
4 "Innovation Initiative" is hereby amended to read as follows:

5 **42-64.28-10. Sunset.**

6 No vouchers, grants, or incentives shall be authorized pursuant to this chapter after ~~June~~
7 ~~30~~, [December 31](#), 2020.

8 SECTION 19. Section 42-64.29-8 of the General Laws in Chapter 42-64.29 entitled
9 "Industry Cluster Grants" is hereby amended to read as follows:

10 **42-64.29-8. Sunset.**

11 No grants or incentives shall be authorized to be reserved pursuant to this chapter after
12 ~~June 30~~, [December 31](#), 2020.

13 SECTION 20. Section 42-64.31-4 of the General Laws in Chapter 42-64.31 entitled "High
14 School, College, and Employer Partnerships" is hereby amended to read as follows:

15 **42-64.31-4. Sunset.**

16 No grants shall be authorized pursuant to this chapter after ~~June 30~~, [December 31](#), 2020.

17 SECTION 21. Section 42-64.32-6 of the General Laws in Chapter 42-64.32 entitled "Air
18 Service Development Fund" is hereby amended to read as follows:

19 **42-64.32-6. Sunset.**

20 No grants, credits, or incentives shall be authorized or authorized to be reserved pursuant
21 to this chapter after ~~June 30~~, [December 31](#), 2020.

22 SECTION 22. Section 44-48.3-14 of the General Laws in Chapter 44-48.3 entitled "Rhode
23 Island New Qualified Jobs Incentive Act 2015" is hereby amended to read as follows:

24 **44-48.3-14. Sunset.**

25 No credits shall be authorized to be reserved pursuant to this chapter after ~~June 30~~,
26 [December 31](#), 2020.

27 SECTION 23. This article shall take effect upon passage.

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ARTICLE 13 AS AMENDED

RELATING TO HUMAN SERVICES

SECTION 1. Section 35-17-1 of the General Laws in Chapter 35-17 entitled "Medical Assistance and Public Assistance Caseload Estimating Conferences" is hereby amended to read as follows:

35-17-1. Purpose and membership.

(a) In order to provide for a more stable and accurate method of financial planning and budgeting, it is hereby declared the intention of the legislature that there be a procedure for the determination of official estimates of anticipated medical assistance expenditures and public assistance caseloads, upon which the executive budget shall be based and for which appropriations by the general assembly shall be made.

(b) The state budget officer, the house fiscal advisor, and the senate fiscal advisor shall meet in regularly scheduled caseload estimating conferences (C.E.C.). These conferences shall be open public meetings.

(c) The chairpersonship of each regularly scheduled C.E.C. will rotate among the state budget officer, the house fiscal advisor, and the senate fiscal advisor, hereinafter referred to as principals. The schedule shall be arranged so that no chairperson shall preside over two (2) successive regularly scheduled conferences on the same subject.

(d) Representatives of all state agencies are to participate in all conferences for which their input is germane.

(e) The department of human services shall provide monthly data to the members of the caseload estimating conference by the fifteenth day of the following month. Monthly data shall include, but is not limited to, actual caseloads and expenditures for the following case assistance programs: Rhode Island Works, SSI state program, general public assistance, and child care. [For individuals eligible to receive the payment under § 40-6-27\(a\)\(1\)\(vi\), the report shall include the number of individuals enrolled in a managed care plan receiving long-term care services and supports and the number receiving fee-for-service benefits.](#) The executive office of health and human services shall report relevant caseload information and expenditures for the following medical assistance categories: hospitals, long-term care, managed care, pharmacy, and other medical services. In the category of managed care, caseload information and expenditures for the

1 following populations shall be separately identified and reported: children with disabilities,
2 children in foster care, and children receiving adoption assistance [and Rite Share enrollees under §](#)
3 [40-8.4-12\(j\)](#). The information shall include the number of Medicaid recipients whose estate may
4 be subject to a recovery and the anticipated amount to be collected from those subject to recovery,
5 the total recoveries collected each month and number of estates attached to the collections and each
6 month, the number of open cases and the number of cases that have been open longer than three
7 months.

8 SECTION 2. ~~Section~~ [Sections 40-5-10 and](#) 40-5.2-20 of the General Laws in Chapter 40-
9 5.2 entitled "The Rhode Island Works Program" ~~is~~ [are](#) hereby amended to read as follows:

10 **40-5.2-10. Necessary requirements and conditions.**

11 The following requirements and conditions shall be necessary to establish eligibility for
12 the program.

13 (a) Citizenship, alienage and residency requirements.

14 (1) A person shall be a resident of the State of Rhode Island.

15 (2) Effective October 1, 2008 a person shall be a United States citizen, or shall meet the
16 alienage requirements established in § 402(b) of the Personal Responsibility and Work Opportunity
17 Reconciliation Act of 1996, PRWORA, Public Laws No. 104-193 and as that section may hereafter
18 be amended [8 U.S.C. § 1612]; a person who is not a United States citizen and does not meet the
19 alienage requirements established in PRWORA, as amended, is not eligible for cash assistance in
20 accordance with this chapter.

21 (b) The family/assistance unit must meet any other requirements established by the
22 department of human services by rules and regulations adopted pursuant to the Administrative
23 Procedures Act, as necessary to promote the purpose and goals of this chapter.

24 (c) Receipt of cash assistance is conditional upon compliance with all program
25 requirements.

26 (d) All individuals domiciled in this state shall be exempt from the application of
27 subdivision 115(d)(1)(A) of Public Law 104-193, the Personal Responsibility and Work
28 Opportunity Reconciliation Act of 1996, PRWORA [21 U.S.C. § 862a], which makes any
29 individual ineligible for certain state and federal assistance if that individual has been convicted
30 under federal or state law of any offense which is classified as a felony by the law of the jurisdiction
31 and which has as an element the possession, use, or distribution of a controlled substance as defined
32 in § 102(6) of the Controlled Substances Act (21 U.S.C. § 802(6)).

33 (e) Individual employment plan as a condition of eligibility.

34 (1) Following receipt of an application, the department of human services shall assess the

1 financial conditions of the family, including the non-parent caretaker relative who is applying for
2 cash assistance for himself or herself as well as for the minor child(ren),in the context of an
3 eligibility determination. If a parent or non parent caretaker relative is unemployed or under-
4 employed, the department shall conduct an initial assessment, taking into account: (A) the physical
5 capacity, skills, education, work experience, health, safety, family responsibilities and place of
6 residence of the individual; and (B) the child care and supportive services required by the applicant
7 to avail himself or herself of employment opportunities and/or work readiness programs.

8 (2) On the basis of such assessment, the department of human services and the department
9 of labor and training, as appropriate, in consultation with the applicant, shall develop an individual
10 employment plan for the family which requires the individual to participate in the intensive
11 employment services. Intensive employment services shall be defined as the work requirement
12 activities in subsections 40-5.2-12(g) and (i).

13 (3) The director, or his/her designee, may assign a case manager to an applicant/participant,
14 as appropriate.

15 (4) The department of labor and training and the department of human services in
16 conjunction with the participant shall develop a revised individual employment plan which shall
17 identify employment objectives, taking into consideration factors above, and shall include a
18 strategy for immediate employment and for preparing for, finding, and retaining employment
19 consistent, to the extent practicable, with the individual's career objectives.

20 (5) The individual employment plan must include the provision for the participant to
21 engage in work requirements as outlined in § 40-5.2-12 of this chapter.

22 (6)(A) The participant shall attend and participate immediately in intensive assessment and
23 employment services as the first step in the individual employment plan, unless temporarily exempt
24 from this requirement in accordance with this chapter. Intensive assessment and employment
25 services shall be defined as the work requirement activities in subsections 40-5.2-12(g) and (i).

26 (B) Parents under age twenty (20) without a high school diploma or General Equivalency
27 Diploma (GED) shall be referred to special teen parent programs which will provide intensive
28 services designed to assist teen parent to complete high school education or GED, and to continue
29 approved work plan activities in accord with Works program requirements.

30 (7) The applicant shall become a participant in accordance with this chapter at the time the
31 individual employment plan is signed and entered into.

32 (8) Applicants and participants of the Rhode Island Work Program shall agree to comply
33 with the terms of the individual employment plan, and shall cooperate fully with the steps
34 established in the individual employment plan, including the work requirements.

1 (9) The department of human services has the authority under the chapter to require
2 attendance by the applicant/participant, either at the department of human services or at the
3 department of labor and training, at appointments deemed necessary for the purpose of having the
4 applicant enter into and become eligible for assistance through the Rhode Island Work Program.
5 Said appointments include, but are not limited to, the initial interview, orientation and assessment;
6 job readiness and job search. Attendance is required as a condition of eligibility for cash assistance
7 in accordance with rules and regulations established by the department.

8 (10) As a condition of eligibility for assistance pursuant to this chapter, the
9 applicant/participant shall be obligated to keep appointments, attend orientation meetings at the
10 department of human services and/or the Rhode Island department of labor and training, participate
11 in any initial assessments or appraisals and comply with all the terms of the individual employment
12 plan in accordance with department of human service rules and regulations.

13 (11) A participant, including a parent or non-parent caretaker relative included in the cash
14 assistance payment, shall not voluntarily quit a job or refuse a job unless there is good cause as
15 defined in this chapter or the department's rules and regulations.

16 (12) A participant who voluntarily quits or refuses a job without good cause, as defined in
17 subsection 40-5.2-12(1), while receiving cash assistance in accordance with this chapter, shall be
18 sanctioned in accordance with rules and regulations promulgated by the department.

19 (f) Resources.

20 (1) The Family or assistance unit's countable resources shall be less than the allowable
21 resource limit established by the department in accordance with this chapter.

22 (2) No family or assistance unit shall be eligible for assistance payments if the combined
23 value of its available resources (reduced by any obligations or debts with respect to such resources)
24 exceeds one thousand dollars (\$1,000).

25 (3) For purposes of this subsection, the following shall not be counted as resources of the
26 family/assistance unit in the determination of eligibility for the works program:

27 (A) The home owned and occupied by a child, parent, relative or other individual;

28 (B) Real property owned by a husband and wife as tenants by the entirety, if the property
29 is not the home of the family and if the spouse of the applicant refuses to sell his or her interest in
30 the property;

31 (C) Real property which the family is making a good faith effort to dispose of, however,
32 any cash assistance payable to the family for any such period shall be conditioned upon such
33 disposal of the real property within six (6) months of the date of application and any payments of
34 assistance for that period shall (at the time of disposal) be considered overpayments to the extent

1 that they would not have occurred at the beginning of the period for which the payments were
2 made. All overpayments are debts subject to recovery in accordance with the provisions of the
3 chapter;

4 (D) Income producing property other than real estate including, but not limited to,
5 equipment such as farm tools, carpenter's tools and vehicles used in the production of goods or
6 services which the department determines are necessary for the family to earn a living;

7 (E) One vehicle for each adult household member, but not to exceed two (2) vehicles per
8 household, and in addition, a vehicle used primarily for income producing purposes such as, but
9 not limited to, a taxi, truck or fishing boat; a vehicle used as a family's home; a vehicle which
10 annually produces income consistent with its fair market value, even if only used on a seasonal
11 basis; a vehicle necessary to transport a family member with a disability where the vehicle is
12 specially equipped to meet the specific needs of the person with a disability or if the vehicle is a
13 special type of vehicle that makes it possible to transport the person with a disability;

14 (F) Household furnishings and appliances, clothing, personal effects and keepsakes of
15 limited value;

16 (G) Burial plots (one for each child, relative, and other individual in the assistance unit),
17 and funeral arrangements;

18 (H) For the month of receipt and the following month, any refund of federal income taxes
19 made to the family by reason of § 32 of the Internal Revenue Code of 1986, 26 U.S.C. § 32 (relating
20 to earned income tax credit), and any payment made to the family by an employer under § 3507 of
21 the Internal Revenue Code of 1986, 26 U.S.C. § 3507 (relating to advance payment of such earned
22 income credit);

23 (I) The resources of any family member receiving supplementary security income
24 assistance under the Social Security Act, 42 U.S.C. § 301 et seq.

25 (g) Income.

26 (1) Except as otherwise provided for herein, in determining eligibility for and the amount
27 of cash assistance to which a family is entitled under this chapter, the income of a family includes
28 all of the money, goods, and services received or actually available to any member of the family.

29 (2) In determining the eligibility for and the amount of cash assistance to which a
30 family/assistance unit is entitled under this chapter, income in any month shall not include the first
31 one hundred seventy dollars (\$170) of gross earnings plus fifty percent (50%) of the gross earnings
32 of the family in excess of one hundred seventy dollars (\$170) earned during the month.

33 (3) The income of a family shall not include:

34 (A) The first fifty dollars (\$50.00) in child support received in any month from each non-

1 custodial parent of a child plus any arrearages in child support (to the extent of the first fifty dollars
2 (\$50.00) per month multiplied by the number of months in which the support has been in arrears)
3 which are paid in any month by a non-custodial parent of a child;

4 (B) Earned income of any child;

5 (C) Income received by a family member who is receiving supplemental security income
6 (SSI) assistance under Title XVI of the Social Security Act, 42 U.S.C. § 1381 et seq.;

7 (D) The value of assistance provided by state or federal government or private agencies to
8 meet nutritional needs, including: value of USDA donated foods; value of supplemental food
9 assistance received under the Child Nutrition Act of 1966, as amended and the special food service
10 program for children under Title VII, nutrition program for the elderly, of the Older Americans Act
11 of 1965 as amended, and the value of food stamps;

12 (E) Value of certain assistance provided to undergraduate students, including any grant or
13 loan for an undergraduate student for educational purposes made or insured under any loan program
14 administered by the U.S. Commissioner of Education (or the Rhode Island council on
15 postsecondary education or the Rhode Island division of higher education assistance);

16 (F) Foster Care Payments;

17 (G) Home energy assistance funded by state or federal government or by a nonprofit
18 organization;

19 (H) Payments for supportive services or reimbursement of out-of-pocket expenses made to
20 foster grandparents, senior health aides or senior companions and to persons serving in SCORE
21 and ACE and any other program under Title II and Title III of the Domestic Volunteer Service Act
22 of 1973, 42 U.S.C. § 5000 et seq.;

23 (I) Payments to volunteers under AmeriCorps VISTA as defined in the department's rules
24 and regulations;

25 (J) Certain payments to native Americans; payments distributed per capita to, or held in
26 trust for, members of any Indian Tribe under P.L. 92-254, 25 U.S.C. § 1261 et seq., P.L. 93-134,
27 25 U.S.C. § 1401 et seq., or P.L. 94-540; receipts distributed to members of certain Indian tribes
28 which are referred to in § 5 of P.L. 94-114, 25 U.S.C. § 459d, that became effective October 17,
29 1975;

30 (K) Refund from the federal and state earned income tax credit;

31 (L) The value of any state, local, or federal government rent or housing subsidy, provided
32 that this exclusion shall not limit the reduction in benefits provided for in the payment standard
33 section of this chapter.

34 (4) The receipt of a lump sum of income shall affect participants for cash assistance in

1 accordance with rules and regulations promulgated by the department.

2 (h) Time limit on the receipt of cash assistance.

3 (1) ~~No~~ On or after January 1, 2020, no cash assistance shall be provided, pursuant to this
4 chapter, to a family or assistance unit which includes an adult member who has received cash
5 assistance, ~~either for him/herself or on behalf of his/her children,~~ for a total of ~~twenty four (24)~~
6 forty-eight (48) months, (whether or not consecutive) ~~within any sixty (60) continuous months after~~
7 ~~July 1, 2008~~ to include any time receiving any type of cash assistance in any other state or territory
8 of the United States of America as defined herein. Provided further, in no circumstances other than
9 provided for in section (3) below with respect to certain minor children, shall cash assistance be
10 provided pursuant to this chapter to a family or assistance unit which includes an adult member
11 who has received cash assistance for a total of a lifetime limit of forty-eight (48) months.

12 (2) Cash benefits received by a minor dependent child shall not be counted toward their
13 lifetime time limit for receiving benefits under this chapter should that minor child apply for cash
14 benefits as an adult.

15 (3) Certain minor children not subject to time limit. This section regarding the lifetime time
16 limit for the receipt of cash assistance, shall not apply only in the instances of a minor child(ren)
17 living with a parent who receives SSI benefits and a minor child(ren) living with a responsible adult
18 non-parent caretaker relative who is not in the case assistance payment.

19 (4) Receipt of family cash assistance in any other state or territory of the United States of
20 America shall be determined by the department of human services and shall include family cash
21 assistance funded in whole or in part by Temporary Assistance for Needy Families (TANF) funds
22 [Title IV-A of the Federal Social Security Act 42 U.S.C. § 601 et seq.] and/or family cash assistance
23 provided under a program similar to the Rhode Island Families Work and Opportunity Program or
24 the federal TANF program.

25 (5)(A) The department of human service shall mail a notice to each assistance unit when
26 the assistance unit has six (6) months of cash assistance remaining and each month thereafter until
27 the time limit has expired. The notice must be developed by the department of human services and
28 must contain information about the lifetime time limit, the number of months the participant has
29 remaining, the hardship extension policy, the availability of a post-employment-and-closure bonus,
30 and any other information pertinent to a family or an assistance unit ~~nearing either the twenty-four~~
31 ~~(24) month or~~ nearing the forty-eight (48) month lifetime time limit.

32 (B) For applicants who have less than six (6) months remaining in ~~either the twenty-four~~
33 ~~(24) month or~~ the forty-eight (48) month lifetime time limit because the family or assistance unit
34 previously received cash assistance in Rhode Island or in another state, the department shall notify

1 the applicant of the number of months remaining when the application is approved and begin the
2 process required in paragraph (A) above.

3 (6) If a cash assistance recipient family closed pursuant to Rhode Island's Temporary
4 Assistance for Needy Families Program, (federal TANF described in Title IV A of the Federal
5 Social Security Act, 42 U.S.C. § 601 et seq.) formerly entitled the Rhode Island Family
6 Independence Program, more specifically under subdivision 40-5.1-9(2)(c), due to sanction
7 because of failure to comply with the cash assistance program requirements; and that recipients
8 family received forty-eight (48) months of cash benefits in accordance with the Family
9 Independence Program, than that recipient family is not able to receive further cash assistance for
10 his/her family, under this chapter, except under hardship exceptions.

11 (7) The months of state or federally funded cash assistance received by a recipient family
12 since May 1, 1997 under Rhode Island's Temporary Assistance for Needy Families Program,
13 (federal TANF described in Title IV A of the Federal Social Security Act, 42 U.S.C. § 601 et seq.)
14 formerly entitled the Rhode Island Family Independence Program, shall be countable toward the
15 time limited cash assistance described in this chapter.

16 (i) Time limit on the receipt of cash assistance.

17 (1)(A) No cash assistance shall be provided, pursuant to this chapter, to a family assistance
18 unit in which an adult member has received cash assistance for a total of sixty (60) months (whether
19 or not consecutive) to include any time receiving any type of cash assistance in any other state or
20 territory of the United States as defined herein effective August 1, 2008. Provided further, that no
21 cash assistance shall be provided to a family in which an adult member has received assistance for
22 twenty-four (24) consecutive months unless the adult member has a rehabilitation employment plan
23 as provided in subsection 40-5.2-12(g)(5).

24 (B) Effective August 1, 2008 no cash assistance shall be provided pursuant to this chapter
25 to a family in which a child has received cash assistance for a total of sixty (60) months (whether
26 or not consecutive) if the parent is ineligible for assistance under this chapter pursuant to
27 subdivision 40-5.2(a) (2) to include any time received any type of cash assistance in any other state
28 or territory of the United States as defined herein.

29 (j) Hardship Exceptions.

30 (1) The department may extend an assistance unit's or family's cash assistance beyond the
31 time limit, by reason of hardship; provided, however, that the number of such families to be
32 exempted by the department with respect to their time limit under this subsection shall not exceed
33 twenty percent (20%) of the average monthly number of families to which assistance is provided
34 for under this chapter in a fiscal year; provided, however, that to the extent now or hereafter

1 permitted by federal law, any waiver granted under § 40-5.2-35, for domestic violence, shall not be
2 counted in determining the twenty percent (20%) maximum under this section.

3 (2) Parents who receive extensions to the time limit due to hardship must have and comply
4 with employment plans designed to remove or ameliorate the conditions that warranted the
5 extension.

6 (k) Parents under eighteen (18) years of age.

7 (1) A family consisting of a parent who is under the age of eighteen (18), and who has
8 never been married, and who has a child; or a family which consists of a woman under the age of
9 eighteen (18) who is at least six (6) months pregnant, shall be eligible for cash assistance only if
10 such family resides in the home of an adult parent, legal guardian or other adult relative. Such
11 assistance shall be provided to the adult parent, legal guardian, or other adult relative on behalf of
12 the individual and child unless otherwise authorized by the department.

13 (2) This subsection shall not apply if the minor parent or pregnant minor has no parent,
14 legal guardian or other adult relative who is living and/or whose whereabouts are unknown; or the
15 department determines that the physical or emotional health or safety of the minor parent, or his or
16 her child, or the pregnant minor, would be jeopardized if he or she was required to live in the same
17 residence as his or her parent, legal guardian or other adult relative (refusal of a parent, legal
18 guardian or other adult relative to allow the minor parent or his or her child, or a pregnant minor,
19 to live in his or her home shall constitute a presumption that the health or safety would be so
20 jeopardized); or the minor parent or pregnant minor has lived apart from his or her own parent or
21 legal guardian for a period of at least one year before either the birth of any child to a minor parent
22 or the onset of the pregnant minor's pregnancy; or there is good cause, under departmental
23 regulations, for waiving the subsection; and the individual resides in supervised supportive living
24 arrangement to the extent available.

25 (3) For purposes of this section "supervised supportive living arrangement" means an
26 arrangement which requires minor parents to enroll and make satisfactory progress in a program
27 leading to a high school diploma or a general education development certificate, and requires minor
28 parents to participate in the adolescent parenting program designated by the department, to the
29 extent the program is available; and provides rules and regulations which ensure regular adult
30 supervision.

31 (l) Assignment and Cooperation. As a condition of eligibility for cash and medical
32 assistance under this chapter, each adult member, parent or caretaker relative of the
33 family/assistance unit must:

34 (1) Assign to the state any rights to support for children within the family from any person

1 which the family member has at the time the assignment is executed or may have while receiving
2 assistance under this chapter;

3 (2) Consent to and cooperate with the state in establishing the paternity and in establishing
4 and/or enforcing child support and medical support orders for all children in the family or assistance
5 unit in accordance with Title 15 of the general laws, as amended, unless the parent or caretaker
6 relative is found to have good cause for refusing to comply with the requirements of this subsection.

7 (3) Absent good cause, as defined by the department of human services through the rule
8 making process, for refusing to comply with the requirements of (1) and (2) above, cash assistance
9 to the family shall be reduced by twenty-five percent (25%) until the adult member of the family
10 who has refused to comply with the requirements of this subsection consents to and cooperates with
11 the state in accordance with the requirements of this subsection.

12 (4) As a condition of eligibility for cash and medical assistance under this chapter, each
13 adult member, parent or caretaker relative of the family/assistance unit must consent to and
14 cooperate with the state in identifying and providing information to assist the state in pursuing any
15 third-party who may be liable to pay for care and services under Title XIX of the Social Security
16 Act, 42 U.S.C. § 1396 et seq.

17 **40-5.2-20. Child-care assistance.**

18 Families or assistance units eligible for child-care assistance.

19 (a) The department shall provide appropriate child care to every participant who is eligible
20 for cash assistance and who requires child care in order to meet the work requirements in
21 accordance with this chapter.

22 (b) Low-income child care. The department shall provide child care to all other working
23 families with incomes at or below one hundred eighty percent (180%) of the federal poverty level
24 if, and to the extent, such other families require child care in order to work at paid employment as
25 defined in the department's rules and regulations. Beginning October 1, 2013, the department shall
26 also provide child care to families with incomes below one hundred eighty percent (180%) of the
27 federal poverty level if, and to the extent, such families require child care to participate on a short-
28 term basis, as defined in the department's rules and regulations, in training, apprenticeship,
29 internship, on-the-job training, work experience, work immersion, or other job-readiness/job-
30 attachment program sponsored or funded by the human resource investment council (governor's
31 workforce board) or state agencies that are part of the coordinated program system pursuant to §
32 42-102-11.

33 (c) No family/assistance unit shall be eligible for child-care assistance under this chapter if
34 the combined value of its liquid resources exceeds ~~ten thousand dollars (\$10,000)~~ one million

1 [dollars \(\\$1,000,000\), which corresponds to the amount permitted by the federal government under](#)
2 [the state plan and set forth in the administrative rule-making process by the department.](#) Liquid
3 resources are defined as any interest(s) in property in the form of cash or other financial instruments
4 or accounts that are readily convertible to cash or cash equivalents. These include, but are not
5 limited to: cash, bank, credit union, or other financial institution savings, checking, and money
6 market accounts; certificates of deposit or other time deposits; stocks; bonds; mutual funds; and
7 other similar financial instruments or accounts. These do not include educational savings accounts,
8 plans, or programs; retirement accounts, plans, or programs; or accounts held jointly with another
9 adult, not including a spouse. The department is authorized to promulgate rules and regulations to
10 determine the ownership and source of the funds in the joint account.

11 (d) As a condition of eligibility for child-care assistance under this chapter, the parent or
12 caretaker relative of the family must consent to, and must cooperate with, the department in
13 establishing paternity, and in establishing and/or enforcing child support and medical support
14 orders for ~~all~~ [any](#) children in the family [receiving appropriate child care under this section](#) in
15 accordance with [the applicable sections of](#) title 15 [of the state's general laws](#), as amended, unless
16 the parent or caretaker relative is found to have good cause for refusing to comply with the
17 requirements of this subsection.

18 (e) For purposes of this section, "appropriate child care" means child care, including infant,
19 toddler, pre-school, nursery school, school-age, that is provided by a person or organization
20 qualified, approved, and authorized to provide such care by ~~the department of children, youth and~~
21 ~~families, or by the department of elementary and secondary education, or such other lawful~~
22 ~~providers as determined by the department of human services, in cooperation with the department~~
23 ~~of children, youth and families and the department of elementary and secondary education~~ [the state](#)
24 [agency or agencies designated to make such determinations in accordance with the provisions set](#)
25 [forth herein.](#)

26 (f)(1) Families with incomes below one hundred percent (100%) of the applicable federal
27 poverty level guidelines shall be provided with free child care. Families with incomes greater than
28 one hundred percent (100%) and less than one hundred eighty percent (180%) of the applicable
29 federal poverty guideline shall be required to pay for some portion of the child care they receive,
30 according to a sliding-fee scale adopted by the department in the department's rules.

31 (2) Families who are receiving child-care assistance and who become ineligible for child-
32 care assistance as a result of their incomes exceeding one hundred eighty percent (180%) of the
33 applicable federal poverty guidelines shall continue to be eligible for child-care assistance until
34 their incomes exceed two hundred twenty-five percent (225%) of the applicable federal poverty

1 guidelines. To be eligible, such families must continue to pay for some portion of the child care
2 they receive, as indicated in a sliding-fee scale adopted in the department's rules and in accordance
3 with all other eligibility standards.

4 (g) In determining the type of child care to be provided to a family, the department shall
5 take into account the cost of available child-care options; the suitability of the type of care available
6 for the child; and the parent's preference as to the type of child care.

7 (h) For purposes of this section, "income" for families receiving cash assistance under §
8 40-5.2-11 means gross, earned income and unearned income, subject to the income exclusions in
9 §§ 40-5.2-10(g)(2) and 40-5.2-10(g)(3), and income for other families shall mean gross, earned and
10 unearned income as determined by departmental regulations.

11 (i) The caseload estimating conference established by chapter 17 of title 35 shall forecast
12 the expenditures for child care in accordance with the provisions of § 35-17-1.

13 (j) In determining eligibility for child-care assistance for children of members of reserve
14 components called to active duty during a time of conflict, the department shall freeze the family
15 composition and the family income of the reserve component member as it was in the month prior
16 to the month of leaving for active duty. This shall continue until the individual is officially
17 discharged from active duty.

18 SECTION 3. Sections 40-6-27 and 40-6-27.2 of the General Laws in Chapter 40-6 entitled
19 "Public Assistance Act" are hereby amended to read as follows:

20 **40-6-27. Supplemental security income.**

21 (a)(1) The director of the department is hereby authorized to enter into agreements on
22 behalf of the state with the secretary of the Department of Health and Human Services or other
23 appropriate federal officials, under the supplementary and security income (SSI) program
24 established by title XVI of the Social Security Act, 42 U.S.C. § 1381 et seq., concerning the
25 administration and determination of eligibility for SSI benefits for residents of this state, except as
26 otherwise provided in this section. The state's monthly share of supplementary assistance to the
27 supplementary security income program shall be as follows:

- | | |
|---|----------|
| 28 (i) Individual living alone: | \$39.92 |
| 29 (ii) Individual living with others: | \$51.92 |
| 30 (iii) Couple living alone: | \$79.38 |
| 31 (iv) Couple living with others: | \$97.30 |
| 32 (v) Individual living in state licensed assisted living residence: | \$332.00 |
| 33 (vi) Individual eligible to receive Medicaid-funded long-term services and supports and
34 living in a Medicaid certified state licensed assisted living residence or adult supportive care | |

1 residence, as defined in § 23-17.24-1, participating in the program authorized under § 40-8.13-12
2 [or an alternative, successor, or substitute program or delivery option designated for such purposes](#)
3 [by the secretary of the executive office of health and human services](#):

4 (a) with countable income above one hundred and twenty (120) percent of poverty: up to
5 \$465.00;

6 (b) with countable income at or below one hundred and twenty (120) percent of poverty:
7 up to the total amount established in (v) and \$465: \$797

8 (vii) Individual living in state licensed supportive residential care settings that, depending
9 on the population served, meet the standards set by the department of human services in conjunction
10 with the department(s) of children, youth and families, elderly affairs and/or behavioral healthcare,
11 developmental disabilities and hospitals: \$300.00.

12 Provided, however, that the department of human services shall by regulation reduce,
13 effective January 1, 2009, the state's monthly share of supplementary assistance to the
14 supplementary security income program for each of the above listed payment levels, by the same
15 value as the annual federal cost of living adjustment to be published by the federal social security
16 administration in October 2008 and becoming effective on January 1, 2009, as determined under
17 the provisions of title XVI of the federal social security act [42 U.S.C. § 1381 et seq.]; and provided
18 further, that it is the intent of the general assembly that the January 1, 2009 reduction in the state's
19 monthly share shall not cause a reduction in the combined federal and state payment level for each
20 category of recipients in effect in the month of December 2008; provided further, that the
21 department of human services is authorized and directed to provide for payments to recipients in
22 accordance with the above directives.

23 (2) As of July 1, 2010, state supplement payments shall not be federally administered and
24 shall be paid directly by the department of human services to the recipient.

25 (3) Individuals living in institutions shall receive a twenty dollar (\$20.00) per month
26 personal needs allowance from the state which shall be in addition to the personal needs allowance
27 allowed by the Social Security Act, 42 U.S.C. § 301 et seq.

28 (4) Individuals living in state licensed supportive residential care settings and assisted
29 living residences who are receiving SSI supplemental payments under this section who are
30 participating in the program under § 40-8.13-12 [or an alternative, successor, or substitute program](#)
31 [or delivery option](#), or otherwise shall be allowed to retain a minimum personal needs allowance of
32 fifty-five dollars (\$55.00) per month from their SSI monthly benefit prior to payment of any
33 monthly fees in addition to any amounts established in an administrative rule promulgated by the
34 secretary of the executive office of health and human services for persons eligible to receive

1 Medicaid-funded long-term services and supports in the settings identified in subsection (a)(1)(v)
2 and (a)(1)(vi).

3 (5) Except as authorized for the program authorized under § 40-8.13-12 [or an alternative,](#)
4 [successor, or substitute program, or delivery option designated by the secretary](#) to ensure that
5 supportive residential care or an assisted living residence is a safe and appropriate service setting,
6 the department is authorized and directed to make a determination of the medical need and whether
7 a setting provides the appropriate services for those persons who: (i) Have applied for or are
8 receiving SSI, and who apply for admission to supportive residential care setting and assisted living
9 residences on or after October 1, 1998; or

10 (ii) Who are residing in supportive residential care settings and assisted living residences,
11 and who apply for or begin to receive SSI on or after October 1, 1998.

12 (6) The process for determining medical need required by subsection (5) of this section
13 shall be developed by the [executive](#) office of health and human services in collaboration with the
14 departments of that office and shall be implemented in a manner that furthers the goals of
15 establishing a statewide coordinated long-term care entry system as required pursuant to the
16 Medicaid section 1115 waiver demonstration.

17 (7) To assure access to high quality coordinated services, the executive office of health and
18 human services is further authorized and directed to establish certification or contract standards
19 that must be met by those state licensed supportive residential care settings, including adult
20 supportive care homes and assisted living residences admitting or serving any persons eligible for
21 state-funded supplementary assistance under this section or the program established under § 40-
22 8.13-12. Such certification or contract standards shall define:

23 (i) The scope and frequency of resident assessments, the development and implementation
24 of individualized service plans, staffing levels and qualifications, resident monitoring, service
25 coordination, safety risk management and disclosure, and any other related areas;

26 (ii) The procedures for determining whether the certifications or contract standards have
27 been met; and

28 (iii) The criteria and process for granting a one time, short-term good cause exemption
29 from the certification or contract standards to a licensed supportive residential care setting or
30 assisted living residence that provides documented evidence indicating that meeting or failing to
31 meet said standards poses an undue hardship on any person eligible under this section who is a
32 prospective or current resident.

33 (8) The certification or contract standards required by this section or § 40-8.13-12 [or an](#)
34 [alternative, successor, or substitute program, or delivery option designated by the secretary](#) shall

1 be developed in collaboration by the departments, under the direction of the executive office of
2 health and human services, so as to ensure that they comply with applicable licensure regulations
3 either in effect or in development.

4 (b) The department is authorized and directed to provide additional assistance to
5 individuals eligible for SSI benefits for:

6 (1) Moving costs or other expenses as a result of an emergency of a catastrophic nature
7 which is defined as a fire or natural disaster; and

8 (2) Lost or stolen SSI benefit checks or proceeds of them; and

9 (3) Assistance payments to SSI eligible individuals in need because of the application of
10 federal SSI regulations regarding estranged spouses; and the department shall provide such
11 assistance in a form and amount, which the department shall by regulation determine.

12 **40-6-27.2. Supplementary cash assistance payment for certain supplemental security**
13 **income recipients.**

14 There is hereby established a \$206 monthly payment for disabled and elderly individuals
15 who, on or after July 1, 2012, receive the state supplementary assistance payment for an individual
16 in state licensed assisted living residence under § 40-6-27 and further reside in an assisted living
17 facility that is not eligible to receive funding under Title XIX of the Social Security Act, 42 U.S.C.
18 § 1381 et seq. or reside in any assisted living facility financed by the Rhode Island housing and
19 mortgage finance corporation prior to January 1, 2006, and receive a payment under § 40-6-27.
20 Such a monthly payment shall not be made on behalf of persons participating in the program
21 authorized under § 40-8.13-12 [or an alternative, successor, or substitute program, or delivery option](#)
22 [designated for such purposes by the secretary of the executive office of health and human services.](#)

23 SECTION 4. Section 40-6.2-1.1 of the General Laws in Chapter 40-6.2 entitled "Child
24 Care - State Subsidies" is hereby amended to read as follows:

25 **40-6.2-1.1. Rates established.**

26 (a) Through June 30, 2015, subject to the payment limitations in subsection (c), the
27 maximum reimbursement rates to be paid by the departments of human services and children, youth
28 and families for licensed childcare centers and licensed family-childcare providers shall be based
29 on the following schedule of the 75th percentile of the 2002 weekly market rates adjusted for the
30 average of the 75th percentile of the 2002 and the 2004 weekly market rates:

31 LICENSED CHILDCARE CENTERS	75th PERCENTILE OF WEEKLY
32	MARKET RATE
33 INFANT	\$182.00
34 PRESCHOOL	\$150.00

1	SCHOOL-AGE	\$135.00
2	LICENSED FAMILY CHILDCARE	75th PERCENTILE OF WEEKLY
3	PROVIDERS	MARKET RATE
4	INFANT	\$150.00
5	PRESCHOOL	\$150.00
6	SCHOOL-AGE	\$135.00

7 Effective July 1, 2015, subject to the payment limitations in subsection (c), the maximum
8 reimbursement rates to be paid by the departments of human services and children, youth and
9 families for licensed childcare centers and licensed family-childcare providers shall be based on
10 the above schedule of the 75th percentile of the 2002 weekly market rates adjusted for the average
11 of the 75th percentile of the 2002 and the 2004 weekly market rates. These rates shall be increased
12 by ten dollars (\$10.00) per week for infant/toddler care provided by licensed family-childcare
13 providers and license-exempt providers and then the rates for all providers for all age groups shall
14 be increased by three percent (3%). For the fiscal year ending June 30, 2018, licensed childcare
15 centers shall be reimbursed a maximum weekly rate of one hundred ninety-three dollars and sixty-
16 four cents (\$193.64) for infant/toddler care and one hundred sixty-one dollars and seventy-one
17 cents (\$161.71) for preschool-age children.

18 (b) Effective July 1, 2018, subject to the payment limitations in subsection (c), the
19 maximum infant/toddler and preschool-age reimbursement rates to be paid by the departments of
20 human services and children, youth and families for licensed childcare centers shall be
21 implemented in a tiered manner, reflective of the quality rating the provider has achieved within
22 the state's quality rating system outlined in § 42-12-23.1.

23 (1) For infant/toddler childcare, tier one shall be reimbursed two and one-half percent
24 (2.5%) above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%) above
25 the FY 2018 weekly amount, tier three shall be reimbursed thirteen percent (13%) above the FY
26 2018 weekly amount, tier four shall be reimbursed twenty percent (20%) above the FY 2018 weekly
27 amount, and tier five shall be reimbursed thirty-three percent (33%) above the FY 2018 weekly
28 amount.

29 (2) For preschool reimbursement rates, tier one shall be reimbursed two and one-half
30 (2.5%) percent above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%)
31 above the FY 2018 weekly amount, tier three shall be reimbursed ten percent (10%) above the FY
32 2018 weekly amount, tier four shall be reimbursed thirteen percent (13%) above the FY 2018
33 weekly amount, and tier five shall be reimbursed twenty-one percent (21%) above the FY 2018
34 weekly amount.

1 ~~(e) The departments shall pay childcare providers based on the lesser of the applicable rate~~
2 ~~specified in subsection (a), or the lowest rate actually charged by the provider to any of its public~~
3 ~~or private childcare customers with respect to each of the rate categories, infant, preschool and~~
4 ~~school age.~~

5 ~~(d)~~(c) By June 30, 2004, and biennially through June 30, 2014, the department of labor and
6 training shall conduct an independent survey or certify an independent survey of the then current
7 weekly market rates for childcare in Rhode Island and shall forward such weekly market rate survey
8 to the department of human services. The next survey shall be conducted by June 30, 2016, and
9 triennially thereafter. The departments of human services and labor and training will jointly
10 determine the survey criteria including, but not limited to, rate categories and sub-categories.

11 ~~(e)~~(d) In order to expand the accessibility and availability of quality childcare, the
12 department of human services is authorized to establish by regulation alternative or incentive rates
13 of reimbursement for quality enhancements, innovative or specialized childcare and alternative
14 methodologies of childcare delivery, including non-traditional delivery systems and collaborations.

15 ~~(f)~~(e) Effective January 1, 2007, all childcare providers have the option to be paid every
16 two (2) weeks and have the option of automatic direct deposit and/or electronic funds transfer of
17 reimbursement payments.

18 (f) Effective July 1, 2019, the maximum infant/toddler reimbursement rates to be paid by
19 the departments of human services and children, youth and families for licensed family childcare
20 providers shall be implemented in a tiered manner, reflective of the quality rating the provider has
21 achieved within the state's quality rating system outlined in § 42-12-23.1. Tier one shall be
22 reimbursed two percent (2%) above the prevailing base rate for step 1 and step 2 providers, three
23 percent (3%) above prevailing base rate for step 3 providers, and four percent (4%) above the
24 prevailing base rate for step 4 providers; tier two shall be reimbursed five percent (5%) above the
25 prevailing base rate; tier three shall be reimbursed eleven percent (11%) above the prevailing base
26 rate; tier four shall be reimbursed fourteen percent (14%) above the prevailing base rate; and tier
27 five shall be reimbursed twenty-three percent (23%) above the prevailing base rate.

28 SECTION 5. Sections 40-8-13.4 and 40-8-19 of the General Laws in Chapter 40-8 entitled
29 "Medical Assistance" are hereby amended to read as follows:

30 **40-8-13.4. Rate methodology for payment for in state and out of state hospital**
31 **services.**

32 (a) The executive office of health and human services ("executive office") shall implement
33 a new methodology for payment for in-state and out-of-state hospital services in order to ensure
34 access to, and the provision of, high-quality and cost-effective hospital care to its eligible recipients.

1 (b) In order to improve efficiency and cost effectiveness, the executive office shall:

2 (1)(i) With respect to inpatient services for persons in fee-for-service Medicaid, which is
3 non-managed care, implement a new payment methodology for inpatient services utilizing the
4 Diagnosis Related Groups (DRG) method of payment, which is a patient-classification method that
5 provides a means of relating payment to the hospitals to the type of patients cared for by the
6 hospitals. It is understood that a payment method based on DRG may include cost outlier payments
7 and other specific exceptions. The executive office will review the DRG-payment method and the
8 DRG base price annually, making adjustments as appropriate in consideration of such elements as
9 trends in hospital input costs; patterns in hospital coding; beneficiary access to care; and the Centers
10 for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS) Hospital
11 Input Price index. For the twelve-month (12) period beginning July 1, 2015, the DRG base rate for
12 Medicaid fee-for-service inpatient hospital services shall not exceed ninety-seven and one-half
13 percent (97.5%) of the payment rates in effect as of July 1, 2014. [Beginning July 1, 2019, the DRG](#)
14 [base rate for Medicaid fee-for-service inpatient hospital services shall be 107.2% of the payment](#)
15 [rates in effect as of July 1, 2018. Increases in the Medicaid fee-for-service DRG hospital payments](#)
16 [for the twelve-month \(12\) period beginning July 1, 2020 shall be based on the payment rates in](#)
17 [effect as of July 1 of the preceding fiscal year, and shall be the Centers for Medicare and Medicaid](#)
18 [Services national Prospective Payment System \(IPPS\) Hospital Input Price Index.](#)

19 (ii) With respect to inpatient services, (A) It is required as of January 1, 2011 until
20 December 31, 2011, that the Medicaid managed care payment rates between each hospital and
21 health plan shall not exceed ninety and one tenth percent (90.1%) of the rate in effect as of June 30,
22 2010. Increases in inpatient hospital payments for each annual twelve-month (12) period beginning
23 January 1, 2012 may not exceed the Centers for Medicare and Medicaid Services national CMS
24 Prospective Payment System (IPPS) Hospital Input Price index for the applicable period; (B)
25 Provided, however, for the twenty-four-month (24) period beginning July 1, 2013, the Medicaid
26 managed care payment rates between each hospital and health plan shall not exceed the payment
27 rates in effect as of January 1, 2013, and for the twelve-month (12) period beginning July 1, 2015,
28 the Medicaid managed-care payment inpatient rates between each hospital and health plan shall not
29 exceed ninety-seven and one-half percent (97.5%) of the payment rates in effect as of January 1,
30 2013; (C) Increases in inpatient hospital payments for each annual twelve-month (12) period
31 beginning July 1, 2017, shall be the Centers for Medicare and Medicaid Services national CMS
32 Prospective Payment System (IPPS) Hospital Input Price Index, less Productivity Adjustment, for
33 the applicable period and shall be paid to each hospital retroactively to July 1; (D) [Beginning July](#)
34 [1, 2019, the Medicaid managed care payment inpatient rates between each hospital and health plan](#)

1 shall be 107.2% of the payment rates in effect as of January 1, 2019 and shall be paid to each
2 hospital retroactively to July 1; (E) Increases in inpatient hospital payments for each annual twelve-
3 month (12) period beginning July 1, 2020, shall be based on the payment rates in effect as of
4 January 1 of the preceding fiscal year, and shall be the Centers for Medicare and Medicaid Services
5 national CMS Prospective Payment System (IPPS) Hospital Input Price Index, less Productivity
6 Adjustment, for the applicable period and shall be paid to each hospital retroactively to July 1. The
7 executive office will develop an audit methodology and process to assure that savings associated
8 with the payment reductions will accrue directly to the Rhode Island Medicaid program through
9 reduced managed-care-plan payments and shall not be retained by the managed-care plans; (E) All
10 hospitals licensed in Rhode Island shall accept such payment rates as payment in full; and (F) For
11 all such hospitals, compliance with the provisions of this section shall be a condition of
12 participation in the Rhode Island Medicaid program.

13 (2) With respect to outpatient services and notwithstanding any provisions of the law to the
14 contrary, for persons enrolled in fee-for-service Medicaid, the executive office will reimburse
15 hospitals for outpatient services using a rate methodology determined by the executive office and
16 in accordance with federal regulations. Fee-for-service outpatient rates shall align with Medicare
17 payments for similar services. Notwithstanding the above, there shall be no increase in the
18 Medicaid fee-for-service outpatient rates effective on July 1, 2013, July 1, 2014, or July 1, 2015.
19 For the twelve-month (12) period beginning July 1, 2015, Medicaid fee-for-service outpatient rates
20 shall not exceed ninety-seven and one-half percent (97.5%) of the rates in effect as of July 1, 2014.
21 Increases in the outpatient hospital payments for the twelve-month (12) period beginning July 1,
22 2016, may not exceed the CMS national Outpatient Prospective Payment System (OPPS) Hospital
23 Input Price Index. Beginning July 1, 2019, the Medicaid fee-for-service outpatient rates shall be
24 107.2% of the payment rates in effect as of July 1, 2018. Increases in the outpatient hospital
25 payments for the twelve-month (12) period beginning July 1, 2020 shall be based on the payment
26 rates in effect as of July 1 of the preceding fiscal year, and shall be the CMS national Outpatient
27 Prospective Payment System (OPPS) Hospital Input Price Index. With respect to the outpatient
28 rate, (i) It is required as of January 1, 2011, until December 31, 2011, that the Medicaid managed-
29 care payment rates between each hospital and health plan shall not exceed one hundred percent
30 (100%) of the rate in effect as of June 30, 2010; (ii) Increases in hospital outpatient payments for
31 each annual twelve-month (12) period beginning January 1, 2012 until July 1, 2017, may not exceed
32 the Centers for Medicare and Medicaid Services national CMS Outpatient Prospective Payment
33 System OPPS hospital price index for the applicable period; (iii) Provided, however, for the twenty-
34 four-month (24) period beginning July 1, 2013, the Medicaid managed-care outpatient payment

1 rates between each hospital and health plan shall not exceed the payment rates in effect as of
2 January 1, 2013, and for the twelve-month (12) period beginning July 1, 2015, the Medicaid
3 managed-care outpatient payment rates between each hospital and health plan shall not exceed
4 ninety-seven and one-half percent (97.5%) of the payment rates in effect as of January 1, 2013; (iv)
5 Increases in outpatient hospital payments for each annual twelve-month (12) period beginning July
6 1, 2017, shall be the Centers for Medicare and Medicaid Services national CMS OPPS Hospital
7 Input Price Index, less Productivity Adjustment, for the applicable period and shall be paid to each
8 hospital retroactively to July 1. Beginning July 1, 2019, the Medicaid managed care outpatient
9 payment rates between each hospital and health plan shall be one hundred seven and two-tenths
10 percent (107.2%) of the payment rates in effect as of January 1, 2019 and shall be paid to each
11 hospital retroactively to July 1; (vi) Increases in outpatient hospital payments for each annual
12 twelve-month (12) period beginning July 1, 2020, shall be based on the payment rates in effect as
13 of January 1 of the preceding fiscal year, and shall be the Centers for Medicare and Medicaid
14 Services national CMS OPPS Hospital Input Price Index, less Productivity Adjustment, for
15 the applicable period and shall be paid to each hospital retroactively to July 1.

16 (3) "Hospital", as used in this section, shall mean the actual facilities and buildings in
17 existence in Rhode Island, licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter
18 any premises included on that license, regardless of changes in licensure status pursuant to chapter
19 17.14 of title 23 (hospital conversions) and § 23-17-6(b) (change in effective control), that provides
20 short-term, acute inpatient and/or outpatient care to persons who require definitive diagnosis and
21 treatment for injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language,
22 the Medicaid managed care payment rates for a court-approved purchaser that acquires a hospital
23 through receivership, special mastership or other similar state insolvency proceedings (which court-
24 approved purchaser is issued a hospital license after January 1, 2013) shall be based upon the new
25 rates between the court-approved purchaser and the health plan, and such rates shall be effective as
26 of the date that the court-approved purchaser and the health plan execute the initial agreement
27 containing the new rates. The rate-setting methodology for inpatient-hospital payments and
28 outpatient-hospital payments set forth in subdivisions (b)(1)(ii)(C) and (b)(2), respectively, shall
29 thereafter apply to increases for each annual twelve-month (12) period as of July 1 following the
30 completion of the first full year of the court-approved purchaser's initial Medicaid managed care
31 contract.

32 (c) It is intended that payment utilizing the DRG method shall reward hospitals for
33 providing the most efficient care, and provide the executive office the opportunity to conduct value-
34 based purchasing of inpatient care.

1 (d) The secretary of the executive office is hereby authorized to promulgate such rules and
2 regulations consistent with this chapter, and to establish fiscal procedures he or she deems
3 necessary, for the proper implementation and administration of this chapter in order to provide
4 payment to hospitals using the DRG-payment methodology. Furthermore, amendment of the Rhode
5 Island state plan for Medicaid, pursuant to Title XIX of the federal Social Security Act, is hereby
6 authorized to provide for payment to hospitals for services provided to eligible recipients in
7 accordance with this chapter.

8 (e) The executive office shall comply with all public notice requirements necessary to
9 implement these rate changes.

10 (f) As a condition of participation in the DRG methodology for payment of hospital
11 services, every hospital shall submit year-end settlement reports to the executive office within one
12 year from the close of a hospital's fiscal year. Should a participating hospital fail to timely submit
13 a year-end settlement report as required by this section, the executive office shall withhold
14 financial-cycle payments due by any state agency with respect to this hospital by not more than ten
15 percent (10%) until said report is submitted. For hospital fiscal year 2010 and all subsequent fiscal
16 years, hospitals will not be required to submit year-end settlement reports on payments for
17 outpatient services. For hospital fiscal year 2011 and all subsequent fiscal years, hospitals will not
18 be required to submit year-end settlement reports on claims for hospital inpatient services. Further,
19 for hospital fiscal year 2010, hospital inpatient claims subject to settlement shall include only those
20 claims received between October 1, 2009, and June 30, 2010.

21 (g) The provisions of this section shall be effective upon implementation of the new
22 payment methodology set forth in this section and § 40-8-13.3, which shall in any event be no later
23 than March 30, 2010, at which time the provisions of §§ 40-8-13.2, 27-19-14, 27-19-15, and 27-
24 19-16 shall be repealed in their entirety.

25 **40-8-19. Rates of payment to nursing facilities.**

26 (a) Rate reform.

27 (1) The rates to be paid by the state to nursing facilities licensed pursuant to chapter 17 of
28 title 23, and certified to participate in Title XIX of the Social Security Act for services rendered to
29 Medicaid-eligible residents, shall be reasonable and adequate to meet the costs that must be
30 incurred by efficiently and economically operated facilities in accordance with 42 U.S.C. §
31 1396a(a)(13). The executive office of health and human services ("executive office") shall
32 promulgate or modify the principles of reimbursement for nursing facilities in effect as of July 1,
33 2011, to be consistent with the provisions of this section and Title XIX, 42 U.S.C. § 1396 et seq.,
34 of the Social Security Act.

1 (2) The executive office shall review the current methodology for providing Medicaid
2 payments to nursing facilities, including other long-term-care services providers, and is authorized
3 to modify the principles of reimbursement to replace the current cost-based methodology rates with
4 rates based on a price-based methodology to be paid to all facilities with recognition of the acuity
5 of patients and the relative Medicaid occupancy, and to include the following elements to be
6 developed by the executive office:

- 7 (i) A direct-care rate adjusted for resident acuity;
- 8 (ii) An indirect-care rate comprised of a base per diem for all facilities;
- 9 (iii) A rearray of costs for all facilities every three (3) years beginning October, 2015, that
10 may or may not result in automatic per diem revisions;
- 11 (iv) Application of a fair-rental value system;
- 12 (v) Application of a pass-through system; and

13 (vi) Adjustment of rates by the change in a recognized national nursing home inflation
14 index to be applied on October 1 of each year, beginning October 1, 2012. This adjustment will not
15 occur on October 1, 2013, October 1, 2014 or October 1, 2015, but will occur on April 1, 2015.
16 The adjustment of rates will also not occur on October 1, 2017, ~~or~~ October 1, 2018 and October 1,
17 2019. Effective July 1, 2018, rates paid to nursing facilities from the rates approved by the Centers
18 for Medicare and Medicaid Services and in effect on October 1, 2017, both fee-for-service and
19 managed care, will be increased by one and one-half percent (1.5%) and further increased by one
20 percent (1%) on October 1, 2018, and further increased by one percent (1%) on October 1, 2019.
21 Said inflation index shall be applied without regard for the transition factors in subsections (b)(1)
22 and (b)(2). For purposes of October 1, 2016, adjustment only, any rate increase that results from
23 application of the inflation index to subsections (a)(2)(i) and (a)(2)(ii) shall be dedicated to increase
24 compensation for direct-care workers in the following manner: Not less than 85% of this aggregate
25 amount shall be expended to fund an increase in wages, benefits, or related employer costs of direct-
26 care staff of nursing homes. For purposes of this section, direct-care staff shall include registered
27 nurses (RNs), licensed practical nurses (LPNs), certified nursing assistants (CNAs), certified
28 medical technicians, housekeeping staff, laundry staff, dietary staff, or other similar employees
29 providing direct care services; provided, however, that this definition of direct-care staff shall not
30 include: (i) RNs and LPNs who are classified as "exempt employees" under the Federal Fair Labor
31 Standards Act (29 U.S.C. § 201 et seq.); or (ii) CNAs, certified medical technicians, RNs, or LPNs
32 who are contracted, or subcontracted, through a third-party vendor or staffing agency. By July 31,
33 2017, nursing facilities shall submit to the secretary, or designee, a certification that they have
34 complied with the provisions of subsections (a)(2)(vi) with respect to the inflation index applied

1 on October 1, 2016. Any facility that does not comply with terms of such certification shall be
2 subjected to a clawback, paid by the nursing facility to the state, in the amount of increased
3 reimbursement subject to this provision that was not expended in compliance with that certification.

4 (b) Transition to full implementation of rate reform. For no less than four (4) years after
5 the initial application of the price-based methodology described in subsection (a)(2) to payment
6 rates, the executive office of health and human services shall implement a transition plan to
7 moderate the impact of the rate reform on individual nursing facilities. Said transition shall include
8 the following components:

9 (1) No nursing facility shall receive reimbursement for direct-care costs that is less than
10 the rate of reimbursement for direct-care costs received under the methodology in effect at the time
11 of passage of this act; for the year beginning October 1, 2017, the reimbursement for direct-care
12 costs under this provision will be phased out in twenty-five-percent (25%) increments each year
13 until October 1, 2021, when the reimbursement will no longer be in effect; and

14 (2) No facility shall lose or gain more than five dollars (\$5.00) in its total, per diem rate the
15 first year of the transition. An adjustment to the per diem loss or gain may be phased out by twenty-
16 five percent (25%) each year; except, however, for the years beginning October 1, 2015, there shall
17 be no adjustment to the per diem gain or loss, but the phase out shall resume thereafter; and

18 (3) The transition plan and/or period may be modified upon full implementation of facility
19 per diem rate increases for quality of care-related measures. Said modifications shall be submitted
20 in a report to the general assembly at least six (6) months prior to implementation.

21 (4) Notwithstanding any law to the contrary, for the twelve-month (12) period beginning
22 July 1, 2015, Medicaid payment rates for nursing facilities established pursuant to this section shall
23 not exceed ninety-eight percent (98%) of the rates in effect on April 1, 2015. Consistent with the
24 other provisions of this chapter, nothing in this provision shall require the executive office to restore
25 the rates to those in effect on April 1, 2015, at the end of this twelve-month (12) period.

26 SECTION 6. Sections 40-8.3-2, 40-8.3-3 and 40-8.3-10 of the General Laws in Chapter
27 40-8.3 entitled "Uncompensated Care" are hereby amended to read as follows:

28 **40-8.3-2. Definitions.**

29 As used in this chapter:

30 (1) "Base year" means, for the purpose of calculating a disproportionate share payment for
31 any fiscal year ending after September 30, ~~2017~~ 2018, the period from October 1, ~~2015~~ 2016,
32 through September 30, ~~2016~~ 2017, and for any fiscal year ending after September 30, ~~2018~~ 2019,
33 the period from October 1, 2016, through September 30, 2017.

34 (2) "Medicaid inpatient utilization rate for a hospital" means a fraction (expressed as a

1 percentage), the numerator of which is the hospital's number of inpatient days during the base year
2 attributable to patients who were eligible for medical assistance during the base year and the
3 denominator of which is the total number of the hospital's inpatient days in the base year.

4 (3) "Participating hospital" means any nongovernment and nonpsychiatric hospital that:

5 (i) Was licensed as a hospital in accordance with chapter 17 of title 23 during the base year
6 and shall mean the actual facilities and buildings in existence in Rhode Island, licensed pursuant to
7 § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on that license, regardless
8 of changes in licensure status pursuant to chapter 17.14 of title 23 (hospital conversions) and § 23-
9 17-6(b) (change in effective control), that provides short-term, acute inpatient and/or outpatient
10 care to persons who require definitive diagnosis and treatment for injury, illness, disabilities, or
11 pregnancy. Notwithstanding the preceding language, the negotiated Medicaid managed-care
12 payment rates for a court-approved purchaser that acquires a hospital through receivership, special
13 mastership, or other similar state insolvency proceedings (which court-approved purchaser is issued
14 a hospital license after January 1, 2013) shall be based upon the newly negotiated rates between
15 the court-approved purchaser and the health plan, and such rates shall be effective as of the date
16 that the court-approved purchaser and the health plan execute the initial agreement containing the
17 newly negotiated rate. The rate-setting methodology for inpatient hospital payments and outpatient
18 hospital payments set forth in §§ 40-8-13.4(b)(1)(ii)(C) and 40-8-13.4(b)(2), respectively, shall
19 thereafter apply to negotiated increases for each annual twelve-month (12) period as of July 1
20 following the completion of the first full year of the court-approved purchaser's initial Medicaid
21 managed-care contract;

22 (ii) Achieved a medical assistance inpatient utilization rate of at least one percent (1%)
23 during the base year; and

24 (iii) Continues to be licensed as a hospital in accordance with chapter 17 of title 23 during
25 the payment year.

26 (4) "Uncompensated-care costs" means, as to any hospital, the sum of: (i) The cost incurred
27 by such hospital during the base year for inpatient or outpatient services attributable to charity care
28 (free care and bad debts) for which the patient has no health insurance or other third-party coverage
29 less payments, if any, received directly from such patients; and (ii) The cost incurred by such
30 hospital during the base year for inpatient or out-patient services attributable to Medicaid
31 beneficiaries less any Medicaid reimbursement received therefor; multiplied by the uncompensated
32 care index.

33 (5) "Uncompensated-care index" means the annual percentage increase for hospitals
34 established pursuant to § 27-19-14 for each year after the base year, up to and including the payment

1 year; provided, however, that the uncompensated-care index for the payment year ending
2 September 30, 2007, shall be deemed to be five and thirty-eight hundredths percent (5.38%), and
3 that the uncompensated-care index for the payment year ending September 30, 2008, shall be
4 deemed to be five and forty-seven hundredths percent (5.47%), and that the uncompensated-care
5 index for the payment year ending September 30, 2009, shall be deemed to be five and thirty-eight
6 hundredths percent (5.38%), and that the uncompensated-care index for the payment years ending
7 September 30, 2010, September 30, 2011, September 30, 2012, September 30, 2013, September
8 30, 2014, September 30, 2015, September 30, 2016, September 30, 2017, ~~and~~ September 30, 2018,
9 [September 30, 2019, and September 30, 2020](#) shall be deemed to be five and thirty hundredths
10 percent (5.30%).

11 **40-8.3-3. Implementation.**

12 ~~(a) For federal fiscal year 2017, commencing on October 1, 2016, and ending September~~
13 ~~30, 2017, the executive office of health and human services shall submit to the Secretary of the~~
14 ~~U.S. Department of Health and Human Services a state plan amendment to the Rhode Island~~
15 ~~Medicaid DSH Plan to provide:~~

16 ~~(1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of~~
17 ~~\$139.7 million, shall be allocated by the executive office of health and human services to the Pool~~
18 ~~D component of the DSH Plan; and~~

19 ~~(2) That the Pool D allotment shall be distributed among the participating hospitals in direct~~
20 ~~proportion to the individual, participating hospital's uncompensated care costs for the base year,~~
21 ~~inflated by the uncompensated care index to the total uncompensated care costs for the base year~~
22 ~~inflated by uncompensated care index for all participating hospitals. The disproportionate share~~
23 ~~payments shall be made on or before July 11, 2017, and are expressly conditioned upon approval~~
24 ~~on or before July 5, 2017, by the Secretary of the U.S. Department of Health and Human Services,~~
25 ~~or his or her authorized representative, of all Medicaid state plan amendments necessary to secure~~
26 ~~for the state the benefit of federal financial participation in federal fiscal year 2017 for the~~
27 ~~disproportionate share payments.~~

28 ~~(b)~~[\(a\)](#) For federal fiscal year 2018, commencing on October 1, 2017, and ending September
29 30, 2018, the executive office of health and human services shall submit to the Secretary of the
30 U.S. Department of Health and Human Services a state plan amendment to the Rhode Island
31 Medicaid DSH Plan to provide:

32 (1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of
33 \$138.6 million, shall be allocated by the executive office of health and human services to the Pool
34 D component of the DSH Plan; and

1 (2) That the Pool D allotment shall be distributed among the participating hospitals in direct
2 proportion to the individual participating hospital's uncompensated care costs for the base year,
3 inflated by the uncompensated care index to the total uncompensated care costs for the base year
4 inflated by uncompensated care index for all participating hospitals. The disproportionate share
5 payments shall be made on or before July 10, 2018, and are expressly conditioned upon approval
6 on or before July 5, 2018, by the Secretary of the U.S. Department of Health and Human Services,
7 or his or her authorized representative, of all Medicaid state plan amendments necessary to secure
8 for the state the benefit of federal financial participation in federal fiscal year 2018 for the
9 disproportionate share payments.

10 ~~(e)~~(b) For federal fiscal year 2019, commencing on October 1, 2018, and ending September
11 30, 2019, the executive office of health and human services shall submit to the Secretary of the
12 U.S. Department of Health and Human Services a state plan amendment to the Rhode Island
13 Medicaid DSH Plan to provide:

14 (1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of
15 ~~\$139.7~~ \$142.4 million, shall be allocated by the executive office of health and human services to
16 the Pool D component of the DSH Plan; and

17 (2) That the Pool D allotment shall be distributed among the participating hospitals in direct
18 proportion to the individual participating hospital's uncompensated care costs for the base year,
19 inflated by the uncompensated care index to the total uncompensated care costs for the base year
20 inflated by uncompensated care index for all participating hospitals. The disproportionate share
21 payments shall be made on or before July 10, 2019, and are expressly conditioned upon approval
22 on or before July 5, 2019, by the Secretary of the U.S. Department of Health and Human Services,
23 or his or her authorized representative, of all Medicaid state plan amendments necessary to secure
24 for the state the benefit of federal financial participation in federal fiscal year ~~2018~~ 2019 for the
25 disproportionate share payments.

26 (c) For federal fiscal year 2020, commencing on October 1, 2019, and ending September
27 30, 2020, the executive office of health and human services shall submit to the Secretary of the
28 U.S. Department of Health and Human Services a state plan amendment to the Rhode Island
29 Medicaid DSH Plan to provide:

30 (1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of
31 \$142.4 million, shall be allocated by the executive office of health and human services to the Pool
32 D component of the DSH Plan; and

33 (2) That the Pool D allotment shall be distributed among the participating hospitals in direct
34 proportion to the individual participating hospital's uncompensated care costs for the base year,

1 inflated by the uncompensated care index to the total uncompensated care costs for the base year
2 inflated by uncompensated care index for all participating hospitals. The disproportionate share
3 payments shall be made on or before July 13, 2020, and are expressly conditioned upon approval
4 on or before July 6, 2020, by the Secretary of the U.S. Department of Health and Human Services,
5 or his or her authorized representative, of all Medicaid state plan amendments necessary to secure
6 for the state the benefit of federal financial participation in federal fiscal year 2020 for the
7 disproportionate share payments.

8 (d) No provision is made pursuant to this chapter for disproportionate-share hospital
9 payments to participating hospitals for uncompensated-care costs related to graduate medical
10 education programs.

11 (e) The executive office of health and human services is directed, on at least a monthly
12 basis, to collect patient-level uninsured information, including, but not limited to, demographics,
13 services rendered, and reason for uninsured status from all hospitals licensed in Rhode Island.

14 ~~(f) Beginning with federal FY 2016, Pool D DSH payments will be recalculated by the~~
15 ~~state based on actual hospital experience. The final Pool D payments will be based on the data from~~
16 ~~the final DSH audit for each federal fiscal year. Pool D DSH payments will be redistributed among~~
17 ~~the qualifying hospitals in direct proportion to the individual, qualifying hospital's uncompensated-~~
18 ~~care to the total uncompensated care costs for all qualifying hospitals as determined by the DSH~~
19 ~~audit. No hospital will receive an allocation that would incur funds received in excess of audited~~
20 ~~uncompensated care costs.~~

21 **40-8.3-10. Hospital adjustment payments.**

22 Effective July 1, 2012 and for each subsequent year, the executive office of health and
23 human services is hereby authorized and directed to amend its regulations for reimbursement to
24 hospitals for ~~inpatient and~~ outpatient services as follows:

25 (a) Each hospital in the state of Rhode Island, as defined in subdivision 23-17-38.1(c)(1),
26 shall receive a quarterly outpatient adjustment payment each state fiscal year of an amount
27 determined as follows:

28 (1) Determine the percent of the state's total Medicaid outpatient and emergency
29 department services (exclusive of physician services) provided by each hospital during each
30 hospital's prior fiscal year;

31 (2) Determine the sum of all Medicaid payments to hospitals made for outpatient and
32 emergency department services (exclusive of physician services) provided during each hospital's
33 prior fiscal year;

34 (3) Multiply the sum of all Medicaid payments as determined in subdivision (2) by a

1 percentage defined as the total identified upper payment limit for all hospitals divided by the sum
2 of all Medicaid payments as determined in subdivision (2); and then multiply that result by each
3 hospital's percentage of the state's total Medicaid outpatient and emergency department services as
4 determined in subdivision (1) to obtain the total outpatient adjustment for each hospital to be paid
5 each year;

6 (4) Pay each hospital on or before July 20, October 20, January 20, and April 20 one quarter
7 (1/4) of its total outpatient adjustment as determined in subdivision (3) above.

8 ~~(b) Each hospital in the state of Rhode Island, as defined in subdivision 3-17-38.19(b)(1),
9 shall receive a quarterly inpatient adjustment payment each state fiscal year of an amount
10 determined as follows:~~

11 ~~(1) Determine the percent of the state's total Medicaid inpatient services (exclusive of
12 physician services) provided by each hospital during each hospital's prior fiscal year;~~

13 ~~(2) Determine the sum of all Medicaid payments to hospitals made for inpatient services
14 (exclusive of physician services) provided during each hospital's prior fiscal year;~~

15 ~~(3) Multiply the sum of all Medicaid payments as determined in subdivision (2) by a
16 percentage defined as the total identified upper payment limit for all hospitals divided by the sum
17 of all Medicaid payments as determined in subdivision (2); and then multiply that result by each
18 hospital's percentage of the state's total Medicaid inpatient services as determined in subdivision
19 (1) to obtain the total inpatient adjustment for each hospital to be paid each year;~~

20 ~~(4) Pay each hospital on or before July 20, October 20, January 20, and April 20 one quarter
21 (1/4) of its total inpatient adjustment as determined in subdivision (3) above.~~

22 ~~(e)(b)~~ The amounts determined in subsections (a) ~~and (b)~~ are in addition to Medicaid
23 ~~inpatient and~~ outpatient payments and emergency services payments (exclusive of physician
24 services) paid to hospitals in accordance with current state regulation and the Rhode Island Plan
25 for Medicaid Assistance pursuant to Title XIX of the Social Security Act and are not subject to
26 recoupment or settlement.

27 SECTION 7. Section 40-8.4-12 of the General Laws in Chapter 40-8.4 entitled "Health
28 Care For Families" is hereby amended to read as follows:

29 **40-8.4-12. RItE Share Health Insurance Premium Assistance Program.**

30 (a) Basic RItE Share Health Insurance Premium Assistance Program. Under the terms of
31 Section 1906 of Title XIX of the U.S. Social Security Act, 42 U.S.C. § 1396e, states are permitted
32 to pay a Medicaid eligible person's share of the costs for enrolling in employer-sponsored health
33 insurance (ESI) coverage if it is cost effective to do so. Pursuant to the general assembly's direction
34 in the Rhode Island Health Reform Act of 2000, the Medicaid agency requested and obtained

1 federal approval under § 1916, 42 U.S.C. § 1396o, to establish the RIte Share premium assistance
2 program to subsidize the costs of enrolling Medicaid eligible persons and families in employer
3 sponsored health insurance plans that have been approved as meeting certain cost and coverage
4 requirements. The Medicaid agency also obtained, at the general assembly's direction, federal
5 authority to require any such persons with access to ESI coverage to enroll as a condition of
6 retaining eligibility providing that doing so meets the criteria established in Title XIX for obtaining
7 federal matching funds.

8 (b) Definitions. For the purposes of this section, the following definitions apply:

9 (1) "Cost-effective" means that the portion of the ESI that the state would subsidize, as
10 well as wrap-around costs, would on average cost less to the state than enrolling that same
11 person/family in a managed-care delivery system.

12 (2) "Cost sharing" means any co-payments, deductibles, or co-insurance associated with
13 ESI.

14 (3) "Employee premium" means the monthly premium share a person or family is required
15 to pay to the employer to obtain and maintain ESI coverage.

16 (4) "Employer-sponsored insurance or ESI" means health insurance or a group health plan
17 offered to employees by an employer. This includes plans purchased by small employers through
18 the state health insurance marketplace, healthsource, RI (HSRI).

19 (5) "Policy holder" means the person in the household with access to ESI, typically the
20 employee.

21 (6) "RIte Share-approved employer-sponsored insurance (ESI)" means an employer-
22 sponsored health insurance plan that meets the coverage and cost-effectiveness criteria for RIte
23 Share.

24 (7) "RIte Share buy-in" means the monthly amount an Medicaid-ineligible policy holder
25 must pay toward RIte Share-approved ESI that covers the Medicaid-eligible children, young adults,
26 or spouses with access to the ESI. The buy-in only applies in instances when household income is
27 above one hundred fifty percent (150%) of the FPL.

28 (8) "RIte Share premium assistance program" means the Rhode Island Medicaid premium
29 assistance program in which the State pays the eligible Medicaid member's share of the cost of
30 enrolling in a RIte Share-approved ESI plan. This allows the state to share the cost of the health
31 insurance coverage with the employer.

32 (9) "RIte Share Unit" means the entity within EOHHS responsible for assessing the cost-
33 effectiveness of ESI, contacting employers about ESI as appropriate, initiating the RIte Share
34 enrollment and disenrollment process, handling member communications, and managing the

1 overall operations of the RItE Share program.

2 (10) "Third-Party Liability (TPL)" means other health insurance coverage. This insurance
3 is in addition to Medicaid and is usually provided through an employer. Since Medicaid is always
4 the payer of last resort, the TPL is always the primary coverage.

5 (11) "Wrap-around services or coverage" means any health care services not included in
6 the ESI plan that would have been covered had the Medicaid member been enrolled in a RItE Care
7 or Rhody Health Partners plan. Coverage of deductibles and co-insurance is included in the wrap.
8 Co-payments to providers are not covered as part of the wrap-around coverage.

9 (c) RItE Share populations. Medicaid beneficiaries subject to RItE Share include: children,
10 families, parent and caretakers eligible for Medicaid or the Children's Health Insurance Program
11 under this chapter or chapter 12.3 of title 42; and adults between the ages of nineteen (19) and sixty-
12 four (64) who are eligible under chapter 8.12 of title 40, not receiving or eligible to receive
13 Medicare, and are enrolled in managed care delivery systems. The following conditions apply:

14 (1) The income of Medicaid beneficiaries shall affect whether and in what manner they
15 must participate in RItE Share as follows:

16 (i) Income at or below one hundred fifty percent (150%) of FPL -- Persons and families
17 determined to have household income at or below one hundred fifty percent (150%) of the Federal
18 Poverty Level (FPL) guidelines based on the modified adjusted gross income (MAGI) standard or
19 other standard approved by the secretary are required to participate in RItE Share if a Medicaid-
20 eligible adult or parent/caretaker has access to cost-effective ESI. Enrolling in ESI through RItE
21 Share shall be a condition of maintaining Medicaid health coverage for any eligible adult with
22 access to such coverage.

23 (ii) Income above one hundred fifty percent (150%) of FPL and policy holder is not
24 Medicaid-eligible -- Premium assistance is available when the household includes Medicaid-
25 eligible members, but the ESI policy holder (typically a parent/caretaker, or spouse) is not eligible
26 for Medicaid. Premium assistance for parents/caretakers and other household members who are not
27 Medicaid-eligible may be provided in circumstances when enrollment of the Medicaid-eligible
28 family members in the approved ESI plan is contingent upon enrollment of the ineligible policy
29 holder and the executive office of health and human services (executive office) determines, based
30 on a methodology adopted for such purposes, that it is cost-effective to provide premium assistance
31 for family or spousal coverage.

32 (d) RItE Share enrollment as a condition of eligibility. For Medicaid beneficiaries over the
33 age of nineteen (19) enrollment in RItE Share shall be a condition of eligibility except as exempted
34 below and by regulations promulgated by the executive office.

1 (1) Medicaid-eligible children and young adults up to age nineteen (19) shall not be
2 required to enroll in a parent/caretaker relative's ESI as a condition of maintaining Medicaid
3 eligibility if the person with access to RIte Share-approved ESI does not enroll as required. These
4 Medicaid-eligible children and young adults shall remain eligible for Medicaid and shall be
5 enrolled in a RIte Care plan.

6 (2) There shall be a limited six-month (6) exemption from the mandatory enrollment
7 requirement for persons participating in the RI Works program pursuant to chapter 5.2 of title 40.

8 (e) Approval of health insurance plans for premium assistance. The executive office of
9 health and human services shall adopt regulations providing for the approval of employer-based
10 health insurance plans for premium assistance and shall approve employer-based health insurance
11 plans based on these regulations. In order for an employer-based health insurance plan to gain
12 approval, the executive office must determine that the benefits offered by the employer-based
13 health insurance plan are substantially similar in amount, scope, and duration to the benefits
14 provided to Medicaid-eligible persons enrolled in a Medicaid managed-care plan, when the plan is
15 evaluated in conjunction with available supplemental benefits provided by the office. The office
16 shall obtain and make available to persons otherwise eligible for Medicaid identified in this section
17 as supplemental benefits those benefits not reasonably available under employer-based health
18 insurance plans that are required for Medicaid beneficiaries by state law or federal law or
19 regulation. Once it has been determined by the Medicaid agency that the ESI offered by a particular
20 employer is RIte Share-approved, all Medicaid members with access to that employer's plan are
21 required to participate in RIte Share. Failure to meet the mandatory enrollment requirement shall
22 result in the termination of the Medicaid eligibility of the policy holder and other Medicaid
23 members nineteen (19) or older in the household who could be covered under the ESI until the
24 policy holder complies with the RIte Share enrollment procedures established by the executive
25 office.

26 (f) Premium Assistance. The executive office shall provide premium assistance by paying
27 all or a portion of the employee's cost for covering the eligible person and/or his or her family under
28 such a RIte Share-approved ESI plan subject to the buy-in provisions in this section.

29 (g) Buy-in. Persons who can afford it shall share in the cost. -- The executive office is
30 authorized and directed to apply for and obtain any necessary state plan and/or waiver amendments
31 from the secretary of the U.S. DHHS to require that persons enrolled in a RIte Share-approved
32 employer-based health plan who have income equal to or greater than one hundred fifty percent
33 (150%) of the FPL to buy-in to pay a share of the costs based on the ability to pay, provided that
34 the buy-in cost shall not exceed five percent (5%) of the person's annual income. The executive

1 office shall implement the buy-in by regulation, and shall consider co-payments, premium shares,
2 or other reasonable means to do so.

3 (h) Maximization of federal contribution. The executive office of health and human
4 services is authorized and directed to apply for and obtain federal approvals and waivers necessary
5 to maximize the federal contribution for provision of medical assistance coverage under this
6 section, including the authorization to amend the Title XXI state plan and to obtain any waivers
7 necessary to reduce barriers to provide premium assistance to recipients as provided for in Title
8 XXI of the Social Security Act, 42 U.S.C. § 1397 et seq.

9 (i) Implementation by regulation. The executive office of health and human services is
10 authorized and directed to adopt regulations to ensure the establishment and implementation of the
11 premium assistance program in accordance with the intent and purpose of this section, the
12 requirements of Title XIX, Title XXI and any approved federal waivers.

13 (j) Outreach and Reporting. The executive office of health and human services shall
14 develop a plan to identify Medicaid eligible individuals who have access to employer sponsored
15 insurance and increase the use of RItE Share benefits. Beginning October 1, 2019, the executive
16 office shall submit the plan to be included as part of the reporting requirements under § 35-17-1.
17 Starting January 1, 2020, the executive office of health and human services shall include the number
18 of Medicaid recipients with access to employer sponsored insurance, the number of plans that did
19 not meet the cost effectiveness criteria for RItE Share, and enrollment in the premium assistance
20 program as part of the reporting requirements under § 35-17-1.

21 SECTION 8. Section 40-8.9-9 of the General Laws in Chapter 40-8.9 entitled "Medical
22 Assistance - Long-Term Care Service and Finance Reform" is hereby amended to read as follows:

23 **40-8.9-9. Long-term-care rebalancing system reform goal.**

24 (a) Notwithstanding any other provision of state law, the executive office of health and
25 human services is authorized and directed to apply for, and obtain, any necessary waiver(s), waiver
26 amendment(s), and/or state-plan amendments from the secretary of the United States Department
27 of Health and Human Services, and to promulgate rules necessary to adopt an affirmative plan of
28 program design and implementation that addresses the goal of allocating a minimum of fifty percent
29 (50%) of Medicaid long-term-care funding for persons aged sixty-five (65) and over and adults
30 with disabilities, in addition to services for persons with developmental disabilities, to home- and
31 community-based care; provided, further, the executive office shall report annually as part of its
32 budget submission, the percentage distribution between institutional care and home- and
33 community-based care by population and shall report current and projected waiting lists for long-
34 term-care and home- and community-based care services. The executive office is further authorized

1 and directed to prioritize investments in home- and community-based care and to maintain the
2 integrity and financial viability of all current long-term-care services while pursuing this goal.

3 (b) The reformed long-term-care system rebalancing goal is person centered and
4 encourages individual self-determination, family involvement, interagency collaboration, and
5 individual choice through the provision of highly specialized and individually tailored home-based
6 services. Additionally, individuals with severe behavioral, physical, or developmental disabilities
7 must have the opportunity to live safe and healthful lives through access to a wide range of
8 supportive services in an array of community-based settings, regardless of the complexity of their
9 medical condition, the severity of their disability, or the challenges of their behavior. Delivery of
10 services and supports in less costly and less restrictive community settings, will enable children,
11 adolescents, and adults to be able to curtail, delay, or avoid lengthy stays in long-term care
12 institutions, such as behavioral health residential-treatment facilities, long-term-care hospitals,
13 intermediate-care facilities, and/or skilled nursing facilities.

14 (c) Pursuant to federal authority procured under § 42-7.2-16, the executive office of health
15 and human services is directed and authorized to adopt a tiered set of criteria to be used to determine
16 eligibility for services. Such criteria shall be developed in collaboration with the state's health and
17 human services departments and, to the extent feasible, any consumer group, advisory board, or
18 other entity designated for such purposes, and shall encompass eligibility determinations for long-
19 term-care services in nursing facilities, hospitals, and intermediate-care facilities for persons with
20 intellectual disabilities, as well as home- and community-based alternatives, and shall provide a
21 common standard of income eligibility for both institutional and home- and community-based care.
22 The executive office is authorized to adopt clinical and/or functional criteria for admission to a
23 nursing facility, hospital, or intermediate-care facility for persons with intellectual disabilities that
24 are more stringent than those employed for access to home- and community-based services. The
25 executive office is also authorized to promulgate rules that define the frequency of re-assessments
26 for services provided for under this section. Levels of care may be applied in accordance with the
27 following:

28 (1) The executive office shall continue to apply the level of care criteria in effect on June
29 30, 2015, for any recipient determined eligible for and receiving Medicaid-funded, long-term
30 services in supports in a nursing facility, hospital, or intermediate-care facility for persons with
31 intellectual disabilities on or before that date, unless:

32 (a) The recipient transitions to home- and community-based services because he or she
33 would no longer meet the level of care criteria in effect on June 30, 2015; or

34 (b) The recipient chooses home- and community-based services over the nursing facility,

1 hospital, or intermediate-care facility for persons with intellectual disabilities. For the purposes of
2 this section, a failed community placement, as defined in regulations promulgated by the executive
3 office, shall be considered a condition of clinical eligibility for the highest level of care. The
4 executive office shall confer with the long-term-care ombudsperson with respect to the
5 determination of a failed placement under the ombudsperson's jurisdiction. Should any Medicaid
6 recipient eligible for a nursing facility, hospital, or intermediate-care facility for persons with
7 intellectual disabilities as of June 30, 2015, receive a determination of a failed community
8 placement, the recipient shall have access to the highest level of care; furthermore, a recipient who
9 has experienced a failed community placement shall be transitioned back into his or her former
10 nursing home, hospital, or intermediate-care facility for persons with intellectual disabilities
11 whenever possible. Additionally, residents shall only be moved from a nursing home, hospital, or
12 intermediate-care facility for persons with intellectual disabilities in a manner consistent with
13 applicable state and federal laws.

14 (2) Any Medicaid recipient eligible for the highest level of care who voluntarily leaves a
15 nursing home, hospital, or intermediate-care facility for persons with intellectual disabilities shall
16 not be subject to any wait list for home- and community-based services.

17 (3) No nursing home, hospital, or intermediate-care facility for persons with intellectual
18 disabilities shall be denied payment for services rendered to a Medicaid recipient on the grounds
19 that the recipient does not meet level of care criteria unless and until the executive office has:

20 (i) Performed an individual assessment of the recipient at issue and provided written notice
21 to the nursing home, hospital, or intermediate-care facility for persons with intellectual disabilities
22 that the recipient does not meet level of care criteria; and

23 (ii) The recipient has either appealed that level of care determination and been
24 unsuccessful, or any appeal period available to the recipient regarding that level of care
25 determination has expired.

26 (d) The executive office is further authorized to consolidate all home- and community-
27 based services currently provided pursuant to 42 U.S.C. § 1396n into a single system of home- and
28 community-based services that include options for consumer direction and shared living. The
29 resulting single home- and community-based services system shall replace and supersede all 42
30 U.S.C. § 1396n programs when fully implemented. Notwithstanding the foregoing, the resulting
31 single program home- and community-based services system shall include the continued funding
32 of assisted-living services at any assisted-living facility financed by the Rhode Island housing and
33 mortgage finance corporation prior to January 1, 2006, and shall be in accordance with chapter 66.8
34 of title 42 as long as assisted-living services are a covered Medicaid benefit.

1 (e) The executive office is authorized to promulgate rules that permit certain optional
2 services including, but not limited to, homemaker services, home modifications, respite, and
3 physical therapy evaluations to be offered to persons at risk for Medicaid-funded, long-term care
4 subject to availability of state-appropriated funding for these purposes.

5 (f) To promote the expansion of home- and community-based service capacity, the
6 executive office is authorized to pursue payment methodology reforms that increase access to
7 homemaker, personal care (home health aide), assisted living, adult supportive-care homes, and
8 adult day services, as follows:

9 (1) Development of revised or new Medicaid certification standards that increase access to
10 service specialization and scheduling accommodations by using payment strategies designed to
11 achieve specific quality and health outcomes.

12 (2) Development of Medicaid certification standards for state-authorized providers of
13 adult-day services, excluding such providers of services authorized under § 40.1-24-1(3), assisted
14 living, and adult supportive care (as defined under chapter 17.24 of title 23) that establish for each,
15 an acuity-based, tiered service and payment methodology tied to: licensure authority; level of
16 beneficiary needs; the scope of services and supports provided; and specific quality and outcome
17 measures.

18 The standards for adult-day services for persons eligible for Medicaid-funded, long-term
19 services may differ from those who do not meet the clinical/functional criteria set forth in § 40-
20 8.10-3.

21 (3) As the state's Medicaid program seeks to assist more beneficiaries requiring long-term
22 services and supports in home- and community-based settings, the demand for home care workers
23 has increased, and wages for these workers has not kept pace with neighboring states, leading to
24 high turnover and vacancy rates in the state's home-care industry, the executive office shall institute
25 a one-time increase in the base-payment rates for home-care service providers to promote increased
26 access to and an adequate supply of highly trained home health care professionals, in amount to be
27 determined by the appropriations process, for the purpose of raising wages for personal care
28 attendants and home health aides to be implemented by such providers.

29 (4) A prospective base adjustment, effective not later than July 1, 2018, of ten percent
30 (10%) of the current base rate for home care providers, home nursing care providers, and hospice
31 providers contracted with the executive office of health and human services and its subordinate
32 agencies to deliver Medicaid fee-for-service personal care attendant services.

33 (5) A prospective base adjustment, effective not later than July 1, 2018, of twenty percent
34 (20%) of the current base rate for home care providers, home nursing care providers, and hospice

1 providers contracted with the executive office of health and human services and its subordinate
2 agencies to deliver Medicaid fee-for-service skilled nursing and therapeutic services and hospice
3 care.

4 (6) Effective upon passage of this section, hospice provider reimbursement, exclusively for
5 room and board expenses for individuals residing in a skilled nursing facility, shall revert to the
6 rate methodology in effect on June 30, 2018, and these room and board expenses shall be exempted
7 from any and all annual rate increases to hospice providers as provided for in this section.

8 ~~(6)~~ (7) On the first of July in each year, beginning on July 1, 2019, the executive office of
9 health and human services will initiate an annual inflation increase to the base rate for home care
10 providers, home nursing care providers, and hospice providers contracted with the executive office
11 and its subordinate agencies to deliver Medicaid fee-for-service personal care attendant services,
12 skilled nursing and therapeutic services and hospice care. The base rate increase shall be by a
13 percentage amount equal to the New England Consumer Price Index card as determined by the
14 United States Department of Labor for medical care and for compliance with all federal and state
15 laws, regulations, and rules, and all national accreditation program requirements. (g) The executive
16 office shall implement a long-term-care options counseling program to provide individuals, or their
17 representatives, or both, with long-term-care consultations that shall include, at a minimum,
18 information about: long-term-care options, sources, and methods of both public and private
19 payment for long-term-care services and an assessment of an individual's functional capabilities
20 and opportunities for maximizing independence. Each individual admitted to, or seeking admission
21 to, a long-term-care facility, regardless of the payment source, shall be informed by the facility of
22 the availability of the long-term-care options counseling program and shall be provided with long-
23 term-care options consultation if they so request. Each individual who applies for Medicaid long-
24 term-care services shall be provided with a long-term-care consultation.

25 (h) The executive office is also authorized, subject to availability of appropriation of
26 funding, and federal, Medicaid-matching funds, to pay for certain services and supports necessary
27 to transition or divert beneficiaries from institutional or restrictive settings and optimize their health
28 and safety when receiving care in a home or the community. The secretary is authorized to obtain
29 any state plan or waiver authorities required to maximize the federal funds available to support
30 expanded access to such home- and community-transition and stabilization services; provided,
31 however, payments shall not exceed an annual or per-person amount.

32 (i) To ensure persons with long-term-care needs who remain living at home have adequate
33 resources to deal with housing maintenance and unanticipated housing-related costs, the secretary
34 is authorized to develop higher resource eligibility limits for persons or obtain any state plan or

1 waiver authorities necessary to change the financial eligibility criteria for long-term services and
2 supports to enable beneficiaries receiving home and community waiver services to have the
3 resources to continue living in their own homes or rental units or other home-based settings.

4 (j) The executive office shall implement, no later than January 1, 2016, the following home-
5 and community-based service and payment reforms:

6 (1) Community-based, supportive-living program established in § 40-8.13-12 or an
7 alternative, successor, or substitute program, or delivery option designated for such purposes by
8 the secretary of the executive office of health and human services;

9 (2) Adult day services level of need criteria and acuity-based, tiered-payment
10 methodology; and

11 (3) Payment reforms that encourage home- and community-based providers to provide the
12 specialized services and accommodations beneficiaries need to avoid or delay institutional care.

13 (k) The secretary is authorized to seek any Medicaid section 1115 waiver or state-plan
14 amendments and take any administrative actions necessary to ensure timely adoption of any new
15 or amended rules, regulations, policies, or procedures and any system enhancements or changes,
16 for which appropriations have been authorized, that are necessary to facilitate implementation of
17 the requirements of this section by the dates established. The secretary shall reserve the discretion
18 to exercise the authority established under §§ 42-7.2-5(6)(v) and 42-7.2-6.1, in consultation with
19 the governor, to meet the legislative directives established herein.

20 SECTION 9. Section 40-8.13-12 of the General Laws in Chapter 40-8.13 entitled "Long-
21 Term Managed Care Arrangements" is hereby amended to read as follows:

22 **40-8.13-12. Community-based supportive living program.**

23 (a) To expand the number of community-based service options, the executive office of
24 health and human services shall establish a program for beneficiaries opting to participate in
25 managed care long-term care arrangements under this chapter who choose to receive Medicaid-
26 funded assisted living, adult supportive care home, or shared living long-term care services and
27 supports. As part of the program, the executive office shall implement Medicaid certification or, as
28 appropriate, managed care contract standards for state authorized providers of these services that
29 establish an acuity-based, tiered service and payment system that ties reimbursements to:
30 beneficiary's clinical/functional level of need; the scope of services and supports provided; and
31 specific quality and outcome measures. Such standards shall set the base level of Medicaid state
32 plan and waiver services that each type of provider must deliver, the range of acuity-based service
33 enhancements that must be made available to beneficiaries with more intensive care needs, and the
34 minimum state licensure and/or certification requirements a provider must meet to participate in

1 the pilot at each service/payment level. The standards shall also establish any additional
2 requirements, terms or conditions a provider must meet to ensure beneficiaries have access to high
3 quality, cost effective care.

4 (b) Room and board. The executive office shall raise the cap on the amount Medicaid
5 certified assisted living and adult supportive home care providers are permitted to charge
6 participating beneficiaries for room and board. In the first year of the program, the monthly charges
7 for a beneficiary living in a single room who has income at or below three hundred percent (300%)
8 of the Supplemental Security Income (SSI) level shall not exceed the total of both the maximum
9 monthly federal SSI payment and the monthly state supplement authorized for persons requiring
10 long-term services under § 40-6-27.2(a)(1)(vi), less the specified personal need allowance. For a
11 beneficiary living in a double room, the room and board cap shall be set at eighty-five percent
12 (85%) of the monthly charge allowed for a beneficiary living in a single room.

13 (c) Program cost-effectiveness. The total cost to the state for providing the state supplement
14 and Medicaid-funded services and supports to beneficiaries participating in the program in the
15 initial year of implementation shall not exceed the cost for providing Medicaid-funded services to
16 the same number of beneficiaries with similar acuity needs in an institutional setting in the initial
17 year of the operations. The program shall be terminated if the executive office determines that the
18 program has not met this target. [The state shall expand access to the program to qualified
19 beneficiaries who opt out of an LTSS arrangement, in accordance with § 40-8.13-2, or are required
20 to enroll in an alternative, successor, or substitute program, or delivery option designated for such
21 purposes by the secretary of the executive office of health and human services if the enrollment in
22 an LTSS plan is no longer an option.](#)

23 SECTION 10. Section 40.1-22-13 of the General Laws in Chapter 40.1-22 entitled
24 "Developmental Disabilities" is hereby amended to read as follows:

25 **40.1-22-13. Visits.**

26 No public or private developmental disabilities facility shall restrict the visiting of a client
27 by anyone at any time of the day or night; however, in special circumstances when the client is ill
28 or incapacitated and a visit would not be in his or her best interest, visitation may be restricted
29 temporarily during the illness or incapacity [when documented in the client's individualized
30 program plan, as defined in § 40.1-21-4.3\(7\) of the general laws.](#)

31 SECTION 11. Section 40.1-26-3 of the General Laws in Chapter 40.1-26 entitled "Rights
32 for Persons with Developmental Disabilities" is hereby amended to read as follows:

33 **40.1-26-3. Participants' rights.**

34 In addition to any other rights provided by state or federal laws, a participant as defined in

1 this chapter shall be entitled to the following rights:

2 (1) To be treated with dignity, respect for privacy and have the right to a safe and supportive
3 environment;

4 (2) To be free from verbal and physical abuse;

5 (3)(i) To engage in any activity including employment, appropriate to his or her age, and
6 interests in the most integrated community setting;

7 (ii) No participant shall be required to perform labor, which involves the essential operation
8 and maintenance of the agency or the regular supervision or care of other participants. Participants
9 may however, be requested to perform labor involving normal housekeeping and home
10 maintenance functions if such responsibilities are documented in the participant's individualized
11 plan;

12 (4) To participate in the development of his or her individualized plan and to provide
13 informed consent to its implementation or to have an advocate provide informed consent if the
14 participant is not competent to do so;

15 (5) To have access to his or her individualized plan and other medical, social, financial,
16 vocational, psychiatric, or other information included in the file maintained by the agency;

17 (6) To give written informed consent prior to the imposition of any plan designed to modify
18 behavior, including those which utilizes aversive techniques or impairs the participant's liberty or
19 to have an advocate provide written informed consent if the participant is not competent to do so.
20 Provided, however, that if the participant is competent to provide consent but cannot provide
21 written consent, the agency shall accept an alternate form of consent and document in the
22 participant's record how such consent was obtained;

23 (7) To register a complaint regarding an alleged violation of rights through the grievance
24 procedure delineated in § 40.1-26-5;

25 (8) To be free from unnecessary restraint. Restraints shall not be employed as punishment,
26 for the convenience of the staff, or as a substitute for an individualized plan. Restraints shall impose
27 the least possible restrictions consistent with their purpose and shall be removed when the
28 emergency ends. Restraints shall not cause physical injury to the participant and shall be designed
29 to allow the greatest possible comfort. Restraints shall be subject to the following conditions:

30 (i) Physical restraint shall be employed only in emergencies to protect the participant or
31 others from imminent injury or when prescribed by a physician, when necessary, during the conduct
32 of a specific medical or surgical procedure or if necessary for participant protection during the time
33 that a medical condition exists;

34 (ii) Chemical restraint shall only be used when prescribed by a physician in extreme

1 emergencies in which physical restraint is not possible and the harmful effects of the emergency
2 clearly outweigh the potential harmful effects of the chemical restraints;

3 (iii) No participant shall be placed in seclusion;

4 (iv) The agency shall have a written policy that defines the use of restraints, the staff
5 members who may authorize their use, and a mechanism for monitoring and controlling their use;

6 (v) All orders for restraint as well as the required frequency of staff observation of the
7 participant shall be written;

8 (9) To have ~~reasonable, at any time,~~ access to telephone communication;

9 (10) To receive visitors of a participant's choosing at ~~all reasonable hours~~ any time;

10 (11) To keep and be allowed to spend ~~a reasonable amount of~~ one's own money;

11 (12) To be provided advance written notice explaining the reason(s) why the participant is
12 no longer eligible for service from the agency;

13 (13) To religious freedom and practice;

14 (14) To communicate by sealed mail or otherwise with persons of one's choosing;

15 (15) To select and wear one's own clothing and to keep and use one's own personal
16 possessions;

17 (16) To have ~~reasonable,~~ prompt access to current newspapers, magazines and radio and
18 television programming;

19 (17) To have opportunities for physical exercise and outdoor recreation;

20 (18)(i) To provide informed consent prior to the imposition of any invasive medical
21 treatment including any surgical procedure or to have a legal guardian, or in the absence of a legal
22 guardian, a relative as defined in this chapter, provide informed consent if the participant is not
23 competent to do so. Information upon which a participant shall make necessary treatment and/or
24 surgery decisions shall be presented to the participant in a manner consistent with his or her learning
25 style and shall include, but not be limited to:

26 (A) The nature and consequences of the procedure(s);

27 (B) The risks, benefits and purpose of the procedure(s); and

28 (C) Alternate procedures available;

29 (ii) The informed consent of a participant or his or her legal guardian or, in the absence of
30 a legal guardian, a relative as defined in this chapter, may be withdrawn at any time, with or without
31 cause, prior to treatment. The absence of informed consent notwithstanding, a licensed and
32 qualified physician may render emergency medical care or treatment to any participant who has
33 been injured or who is suffering from an acute illness, disease, or condition if, within a reasonable
34 degree of medical certainty, delay in initiation of emergency medical care or treatment would

1 endanger the health of the participant;

2 (19) Each participant shall have a central record. The record shall include data pertaining
3 to admissions and such other information as may be required under regulations by the department;

4 (20) Admissions -- As part of the procedure for the admission of a participant to an agency,
5 each participant or applicant, or advocate if the participant or applicant is not competent, shall be
6 fully informed, orally and in writing, of all rules, regulations, and policies governing participant
7 conduct and responsibilities, including grounds for dismissal, procedures for discharge, and all
8 anticipated financial charges, including all costs not covered under federal and/or state programs,
9 by other third party payors or by the agency's basic per diem rate. The written notice shall include
10 information regarding the participant's or applicant's right to appeal the admission or dismissal
11 decisions of the agency;

12 (21) Upon termination of services to or death of a participant, a final accounting shall be
13 made of all personal effects and/or money belonging to the participant held by the agency. All
14 personal effects and/or money including interest shall be promptly released to the participant or his
15 or her heirs;

16 (22) Nothing in this chapter shall preclude intervention in the form of appropriate and
17 reasonable restraint should it be necessary to protect individuals from physical injury to themselves
18 or others.

19 SECTION 12. Section 42-7.2-5 of the General Laws in Chapter 42-7.2 entitled "Office of
20 Health and Human Services" is hereby amended to read as follows:

21 **42-7.2-5. Duties of the secretary.**

22 The secretary shall be subject to the direction and supervision of the governor for the
23 oversight, coordination and cohesive direction of state administered health and human services and
24 in ensuring the laws are faithfully executed, notwithstanding any law to the contrary. In this
25 capacity, the Secretary of Health and Human Services shall be authorized to:

26 (1) Coordinate the administration and financing of health-care benefits, human services
27 and programs including those authorized by the state's Medicaid section 1115 demonstration waiver
28 and, as applicable, the Medicaid State Plan under Title XIX of the U.S. Social Security Act.
29 However, nothing in this section shall be construed as transferring to the secretary the powers,
30 duties or functions conferred upon the departments by Rhode Island public and general laws for
31 the administration of federal/state programs financed in whole or in part with Medicaid funds or
32 the administrative responsibility for the preparation and submission of any state plans, state plan
33 amendments, or authorized federal waiver applications, once approved by the secretary.

34 (2) Serve as the governor's chief advisor and liaison to federal policymakers on Medicaid

1 reform issues as well as the principal point of contact in the state on any such related matters.

2 (3)(a) Review and ensure the coordination of the state's Medicaid section 1115
3 demonstration waiver requests and renewals as well as any initiatives and proposals requiring
4 amendments to the Medicaid state plan or ~~category two (II) or three (III) changes~~ [formal](#)
5 [amendment changes](#), as described in the special terms and conditions of the state's Medicaid section
6 1115 demonstration waiver with the potential to affect the scope, amount or duration of publicly-
7 funded health-care services, provider payments or reimbursements, or access to or the availability
8 of benefits and services as provided by Rhode Island general and public laws. The secretary shall
9 consider whether any such changes are legally and fiscally sound and consistent with the state's
10 policy and budget priorities. The secretary shall also assess whether a proposed change is capable
11 of obtaining the necessary approvals from federal officials and achieving the expected positive
12 consumer outcomes. Department directors shall, within the timelines specified, provide any
13 information and resources the secretary deems necessary in order to perform the reviews authorized
14 in this section;

15 (b) Direct the development and implementation of any Medicaid policies, procedures, or
16 systems that may be required to assure successful operation of the state's health and human services
17 integrated eligibility system and coordination with HealthSource RI, the state's health insurance
18 marketplace.

19 (c) Beginning in 2015, conduct on a biennial basis a comprehensive review of the Medicaid
20 eligibility criteria for one or more of the populations covered under the state plan or a waiver to
21 ensure consistency with federal and state laws and policies, coordinate and align systems, and
22 identify areas for improving quality assurance, fair and equitable access to services, and
23 opportunities for additional financial participation.

24 (d) Implement service organization and delivery reforms that facilitate service integration,
25 increase value, and improve quality and health outcomes.

26 (4) Beginning in ~~2006~~ [2020](#), prepare and submit to the governor, the chairpersons of the
27 house and senate finance committees, the caseload estimating conference, and to the joint
28 legislative committee for health-care oversight, by no later than March 15 of each year, a
29 comprehensive overview of all Medicaid expenditures outcomes, [administrative costs](#), and
30 utilization rates. The overview shall include, but not be limited to, the following information:

31 (i) Expenditures under Titles XIX and XXI of the Social Security Act, as amended;

32 (ii) Expenditures, outcomes and utilization rates by population and sub-population served
33 (e.g. families with children, persons with disabilities, children in foster care, children receiving
34 adoption assistance, adults ages nineteen (19) to sixty-four (64), and elders);

1 (iii) Expenditures, outcomes and utilization rates by each state department or other
2 municipal or public entity receiving federal reimbursement under Titles XIX and XXI of the Social
3 Security Act, as amended; ~~and~~

4 (iv) Expenditures, outcomes and utilization rates by type of service and/or service provider;
5 and

6 (v) Expenditures by mandatory population receiving mandatory services and, reported
7 separately, optional services, as well as optional populations receiving mandatory services and,
8 reported separately, optional services for each state agency receiving Title XIX and XXI funds .

9 The directors of the departments, as well as local governments and school departments,
10 shall assist and cooperate with the secretary in fulfilling this responsibility by providing whatever
11 resources, information and support shall be necessary.

12 (5) Resolve administrative, jurisdictional, operational, program, or policy conflicts among
13 departments and their executive staffs and make necessary recommendations to the governor.

14 (6) Assure continued progress toward improving the quality, the economy, the
15 accountability and the efficiency of state-administered health and human services. In this capacity,
16 the secretary shall:

17 (i) Direct implementation of reforms in the human resources practices of the executive
18 office and the departments that streamline and upgrade services, achieve greater economies of scale
19 and establish the coordinated system of the staff education, cross-training, and career development
20 services necessary to recruit and retain a highly-skilled, responsive, and engaged health and human
21 services workforce;

22 (ii) Encourage EOHHS-wide consumer-centered approaches to service design and delivery
23 that expand their capacity to respond efficiently and responsibly to the diverse and changing needs
24 of the people and communities they serve;

25 (iii) Develop all opportunities to maximize resources by leveraging the state's purchasing
26 power, centralizing fiscal service functions related to budget, finance, and procurement,
27 centralizing communication, policy analysis and planning, and information systems and data
28 management, pursuing alternative funding sources through grants, awards and partnerships and
29 securing all available federal financial participation for programs and services provided EOHHS-
30 wide;

31 (iv) Improve the coordination and efficiency of health and human services legal functions
32 by centralizing adjudicative and legal services and overseeing their timely and judicious
33 administration;

34 (v) Facilitate the rebalancing of the long term system by creating an assessment and

1 coordination organization or unit for the expressed purpose of developing and implementing
2 procedures EOHHS-wide that ensure that the appropriate publicly-funded health services are
3 provided at the right time and in the most appropriate and least restrictive setting;

4 (vi) Strengthen health and human services program integrity, quality control and
5 collections, and recovery activities by consolidating functions within the office in a single unit that
6 ensures all affected parties pay their fair share of the cost of services and are aware of alternative
7 financing.

8 (vii) Assure protective services are available to vulnerable elders and adults with
9 developmental and other disabilities by reorganizing existing services, establishing new services
10 where gaps exist and centralizing administrative responsibility for oversight of all related initiatives
11 and programs.

12 (7) Prepare and integrate comprehensive budgets for the health and human services
13 departments and any other functions and duties assigned to the office. The budgets shall be
14 submitted to the state budget office by the secretary, for consideration by the governor, on behalf
15 of the state's health and human services agencies in accordance with the provisions set forth in §
16 35-3-4 of the Rhode Island general laws.

17 (8) Utilize objective data to evaluate health and human services policy goals, resource use
18 and outcome evaluation and to perform short and long-term policy planning and development.

19 (9) Establishment of an integrated approach to interdepartmental information and data
20 management that complements and furthers the goals of the unified health infrastructure project
21 initiative and that will facilitate the transition to consumer-centered integrated system of state
22 administered health and human services.

23 (10) At the direction of the governor or the general assembly, conduct independent reviews
24 of state-administered health and human services programs, policies and related agency actions and
25 activities and assist the department directors in identifying strategies to address any issues or areas
26 of concern that may emerge thereof. The department directors shall provide any information and
27 assistance deemed necessary by the secretary when undertaking such independent reviews.

28 (11) Provide regular and timely reports to the governor and make recommendations with
29 respect to the state's health and human services agenda.

30 (12) Employ such personnel and contract for such consulting services as may be required
31 to perform the powers and duties lawfully conferred upon the secretary.

32 (13) Assume responsibility for complying with the provisions of any general or public law
33 or regulation related to the disclosure, confidentiality and privacy of any information or records, in
34 the possession or under the control of the executive office or the departments assigned to the

1 executive office, that may be developed or acquired or transferred at the direction of the governor
2 or the secretary for purposes directly connected with the secretary's duties set forth herein.

3 (14) Hold the director of each health and human services department accountable for their
4 administrative, fiscal and program actions in the conduct of the respective powers and duties of
5 their agencies.

6 SECTION 13. Section 42-12.4-7 of the General Laws in Chapter 42-12.4 entitled "The
7 Rhode Island Medicaid Reform Act of 2008" is hereby amended to read as follows:

8 **42-12.4-7. Demonstration implementation -- Restrictions.**

9 The executive office of health and human services and the department of human services
10 may implement the global consumer choice section 1115 demonstration ("the demonstration"),
11 project number 11W-00242/1, subject to the following restrictions:

12 (1) Notwithstanding the provisions of the demonstration, any change that requires the
13 implementation of a rule or regulation or modification of a rule or regulation in existence prior to
14 the demonstration shall require prior approval of the general assembly;

15 (2) Notwithstanding the provisions of the demonstration, any ~~Category II change or~~
16 ~~Category III change~~ formal waiver amendments, as defined in the demonstration, or state plan
17 amendments shall require the prior approval of the general assembly.

18 SECTION 14. Section 42-14.6-4 of the General Laws in Chapter 42-14.6 entitled "Rhode
19 Island All-Payer Patient-Centered Medical Home Act" is hereby amended to read as follows:

20 **42-14.6-4. Promotion of the patient-centered medical home.**

21 (a) Care coordination payments.

22 (1) The commissioner and the secretary shall convene a patient-centered medical home
23 collaborative consisting of the entities described in subdivision 42-14.6-3(7). The commissioner
24 shall require participation in the collaborative by all of the health insurers described above. The
25 collaborative shall propose, by January 1, 2012, a payment system, to be adopted in whole or in
26 part by the commissioner and the secretary, that requires all health insurers to make per-person care
27 coordination payments to patient-centered medical homes, for providing care coordination services
28 and directly managing on-site or employing care coordinators as part of all health insurance plans
29 offered in Rhode Island. The collaborative shall provide guidance to the state health-care program
30 as to the appropriate payment system for the state health-care program to the same patient-centered
31 medical homes; the state health-care program must justify the reasons for any departure from this
32 guidance to the collaborative.

33 (2) The care coordination payments under this shall be consistent across insurers and
34 patient-centered medical homes and shall be in addition to any other incentive payments such as

1 quality incentive payments. In developing the criteria for care coordination payments, the
2 commissioner shall consider the feasibility of including the additional time and resources needed
3 by patients with limited English-language skills, cultural differences, or other barriers to health
4 care. The commissioner may direct the collaborative to determine a schedule for phasing in care
5 coordination fees.

6 ~~(3) The care coordination payment system shall be in place through July 1, 2016. Its~~
7 ~~continuation beyond that point shall depend on results of the evaluation reports filed pursuant to §~~
8 ~~42-14.6-6.~~

9 ~~(4)(3)~~ Examination of other payment reforms. ~~By January 1, 2013, the~~ The commissioner
10 and the secretary shall direct the collaborative to consider additional payment reforms to be
11 implemented to support patient-centered medical homes including, but not limited to, payment
12 structures (to medical home or other providers) that:

- 13 (i) Reward high-quality, low-cost providers;
- 14 (ii) Create enrollee incentives to receive care from high-quality, low-cost providers;
- 15 (iii) Foster collaboration among providers to reduce cost shifting from one part of the health
16 continuum to another; and
- 17 (iv) Create incentives that health care be provided in the least restrictive, most appropriate
18 setting.

19 (v) Constitute alternatives to fee for service payment, such as partial and full capitation.

20 ~~(5)(4)~~ The patient-centered medical home collaborative shall examine and make
21 recommendations to the secretary regarding the designation of patient-centered medical homes, in
22 order to promote diversity in the size of practices designated, geographic locations of practices
23 designated and accessibility of the population throughout the state to patient-centered medical
24 homes.

25 (b) The patient-centered medical home collaborative shall propose to the secretary for
26 adoption, standards for the patient-centered medical home to be used in the payment system. In
27 developing these standards, the existing standards by the national committee for quality assurance,
28 or other independent accrediting organizations may be considered where feasible.

29 SECTION 15. Section 42-72-5.3 of the General Laws in Chapter 42-72 entitled
30 "Department of Children, Youth and Families" is hereby amended to read as follows:

31 **42-72-5.3. Accreditation.**

32 (a) The standards set by the Council on Accreditation (COA) are nationally recognized as
33 best practices for protecting and providing services to abused and neglected children.

34 (b) Achieving and maintaining these standards requires a solid commitment from the

1 legislative, executive and judicial branches of government;

2 (c) It is the intent of the general assembly to provide the resources for the department of
3 children, youth and families to meet, achieve and sustain accreditation by the Council on
4 Accreditation;

5 (d) ~~Upon the appropriation of sufficient funds and resources by the general assembly, the~~
6 The department of children, youth and families shall initiate the process for seeking COA
7 accreditation no later than ~~July 1, 2011~~ September 1, 2019, and shall submit an accreditation plan
8 to the governor, the speaker of the house of representatives, the president of the senate, the
9 chairperson of the house committee on health, education and welfare, the chairperson of the senate
10 committee on health and human services, the chairpersons of the finance committees of the house
11 and senate, and to the chairpersons of the judiciary committees of the house and senate no later
12 than ~~July 1, 2012~~ October 1, 2020. Said plan shall include, at a minimum, the following:

13 (1) Inputs, including updated staffing requirements, a timetable for achieving those
14 requirements, and any additional costs associated with achieving accreditation;

15 (2) Outcomes, including an assessment based on statistical and other evidence, of the
16 impact of accreditation on the number of abused and neglected children, the nature of their abuse,
17 and the relationships between such children and their families.

18 (e) ~~The general assembly shall appropriate sufficient funds for expenses associated with~~
19 ~~achieving initial COA accreditation and subsequent re-accreditation with said funds being placed~~
20 ~~in a restricted receipt account to be used solely for this purpose."~~

21 SECTION 16. Rhode Island Medicaid Reform Act of 2008 Resolution.

22 WHEREAS, The General Assembly enacted Chapter 12.4 of Title 42 entitled "The Rhode
23 Island Medicaid Reform Act of 2008"; and

24 WHEREAS, a legislative enactment is required pursuant to Rhode Island General Laws
25 42-12.4-1, et seq.; and

26 WHEREAS, Rhode Island General Law 42-7.2-5(3)(a) provides that the Secretary of the
27 Executive Office of Health and Human Services ("Executive Office") is responsible for the review
28 and coordination of any Rhode Island's Medicaid section 1115 demonstration waiver requests and
29 renewals as well as any initiatives and proposals requiring amendments to the Medicaid state plan
30 or changes as described in the demonstration, "with potential to affect the scope, amount, or
31 duration of publicly-funded health care services, provider payments or reimbursements, or access
32 to or the availability of benefits and services provided by Rhode Island general and public laws";
33 and

34 WHEREAS, In pursuit of a more cost-effective consumer choice system of care that is

1 fiscally sound and sustainable, the Secretary of the Executive Office requests legislative approval
2 of the following proposals to amend the Rhode Island's Medicaid section 1115 demonstration:

3 (a) Provider rates – Adjustments. The Executive Office proposes to:

4 (i) Increase in-patient and out-patient hospital payment rates by seven and two tenths
5 percent (7.2%) on July 1, 2019;

6 (ii) Increase nursing home rates by one percent (1%) on October 1, 2019;

7 (iii) Establish, effective July 1, 2019, hospice provider reimbursement, exclusively for
8 room and board expenses for individuals residing in a skilled nursing facility, shall revert to the
9 rate methodology in effect on June 30, 2018 and these room and board expenses shall be exempted
10 from any and all annual rate increases to hospice providers; and

11 (iv) Reduce the rates for Medicaid managed care plan.

12 Implementation of adjustments may require amendments to the Rhode Island's Medicaid
13 state plan and/or section 1115 demonstration waiver under applicable terms and conditions.
14 Further, adoption of new or amended rules, regulations and procedures may also be required.

15 (b) Increase in the Department of Behavioral Healthcare, Developmental Disabilities and
16 Hospitals (BHDDH) Direct Care Service Workers Wages. To further the long-term care system
17 rebalancing goal of improving access to high quality services in the least restrictive setting, the
18 Executive Office proposes to establish a targeted wage increase for certain community-based
19 BHDDH developmental disability private providers and self-directed consumer direct care service
20 workers. Implementation of the program may require amendments to the Medicaid State Plan
21 and/or Section 1115 demonstration waiver due to changes in payment methodologies.

22 (c) Federal Financing Opportunities. The Executive Office proposes to review Medicaid
23 requirements and opportunities under the U.S. Patient Protection and Affordable Care Act of 2010,
24 as amended, and various other recently enacted federal laws and pursue any changes in the Rhode
25 Island Medicaid program that promote service quality, access and cost-effectiveness that may
26 warrant a Medicaid state plan amendment or amendment under the terms and conditions of Rhode
27 Island's section 1115 waiver, its successor, or any extension thereof. Any such actions by the
28 Executive Office shall not have an adverse impact on beneficiaries and shall not cause an increase
29 in expenditures beyond the amount appropriated for state fiscal year 2020.

30 Now, therefore, be it

31 RESOLVED, the General Assembly hereby approves the proposals under paragraphs (a)
32 through (c) above; and be it further;

33 RESOLVED, the Secretary of the Executive Office is authorized to pursue and implement
34 any Rhode Island's Medicaid section 1115 demonstration waiver amendments, Medicaid state plan

1 amendments, and/or changes to the applicable department's rules, regulations and procedures
2 approved herein and as authorized by 42-12.4; and be it further

3 RESOLVED, that this Joint Resolution shall take effect upon passage.

4 SECTION 17. Title 21 of the General Laws entitled "FOOD AND DRUGS" is hereby
5 amended by adding thereto the following chapter:

6 CHAPTER 28.10

7 OPIOID STEWARDSHIP ACT

8 **21-28.10-1. Definitions.**

9 21-28.10-1. Definitions.

10 Unless the context otherwise requires, the following terms shall be construed in this chapter
11 to have the following meanings:

12 (1) "Department" means the Rhode Island department of health.

13 (2) "Director" means the director of the Rhode Island department of health.

14 (3) "Distribute" means distribute as defined in § 21-28-1.02.

15 (4) "Distributor" means distributor as defined in § 21-28-1.02.

16 (5) "Manufacture" means manufacture as defined in § 21-28-1.02.

17 (6) "Manufacturer" means manufacturer as defined in § 21-28-1.02.

18 (7) "Market share" means the total opioid stewardship fund amount measured as a
19 percentage of each manufacturer's, distributor's and wholesaler's gross, in-state, opioid sales in
20 dollars from the previous calendar year as reported to the U.S. Drug Enforcement Administration
21 (DEA) on its Automation of Reports and Consolidated Orders System (ARCOS) report.

22 (8) "Wholesaler" means wholesaler as defined in § 21-28-1.02.

23 **21-28.10-2. Opioid registration fee imposed on manufacturers, distributors, and**
24 **wholesalers.**

25 All manufacturers, distributors, and wholesalers licensed or registered under this title or
26 chapter 19.1 of title 5 (hereinafter referred to as "licensees"), that manufacture or distribute opioids
27 shall be required to pay an opioid registration fee. On an annual basis, the director shall certify the
28 amount of all revenues collected from opioid registration fees and any penalties imposed, to the
29 general treasurer. The amount of revenues so certified shall be deposited annually into the opioid
30 stewardship fund restricted receipt account established pursuant to § 21-28.10-10.

31 **21-28.10-3. Determination of market share and registration fee.**

32 (1) The total opioid stewardship fund amount shall be five million dollars (\$5,000,000)
33 annually, subject to downward adjustments pursuant to § 21-28.10-7.

34 (2) Each manufacturer's, distributor's, and wholesaler's annual opioid registration fee shall

1 be based on that licensee's in-state market share.

2 (3) The following sales will not be included when determining a manufacturer's,
3 distributor's, or wholesaler's market share:

4 (i) The gross, in-state opioid sales attributed to the sale of buprenorphine or methadone;

5 (ii) The gross, in-state opioid sales sold or distributed directly to opioid treatment programs,
6 data-waivered practitioners, or hospice providers licensed pursuant to chapter 17 of title 23;

7 (iii) Any sales from those opioids manufactured in Rhode Island, but whose final point of
8 delivery or sale is outside of Rhode Island; and

9 (iv) Any sales of anesthesia or epidurals as defined in regulation by the department.

10 (v) Any in-state intracompany transfers of opioids between any division, affiliate,
11 subsidiary, parent, or other entity under complete and common ownership and control.

12 (4) The department shall provide to the licensee, in writing, on or before October 15, 2019,
13 the licensee's market share for the 2018 calendar year. Thereafter, the department shall notify the
14 licensee, in writing, on or before October 15 of each year, of its market share for the prior calendar
15 year based on the opioids sold or distributed for the prior calendar year.

16 **21-28.10-4. Reports and records.**

17 (a) Each manufacturer, distributor, and wholesaler licensed to manufacture or distribute
18 opioids in the state of Rhode Island shall provide to the director a report detailing all opioids sold
19 or distributed by such manufacturer or distributor in the state of Rhode Island. Such report shall
20 include:

21 (1) The manufacturer's, distributor's, or wholesaler's name, address, phone number, DEA
22 registration number, and controlled substance license number issued by the department;

23 (2) The name, address, and DEA registration number of the entity to whom the opioid was
24 sold or distributed;

25 (3) The date of the sale or distribution of the opioids;

26 (4) The gross receipt total, in dollars, of all opioids sold or distributed;

27 (5) The name and National Drug Code of the opioids sold or distributed;

28 (6) The number of containers and the strength and metric quantity of controlled substance
29 in each container of the opioids sold or distributed; and

30 (7) Any other elements as deemed necessary or advisable by the director.

31 (b) Initial and future reports.

32 Such information shall be reported annually to the department via ARCOS or in such other
33 form as defined or approved by the director; provided, however, that the initial report provided
34 pursuant to subsection (a) of this section shall consist of all opioids sold or distributed in the state

1 of Rhode Island for the 2018 calendar year, and shall be submitted by September 1, 2019.
2 Subsequent annual reports shall be submitted by April 15 of each year based on the actual opioid
3 sales and distributions of the prior calendar year.

4 **21-28.10-5. Payment of market share.**

5 The licensee shall make payments annually to the department with the first payment of its
6 market share due on December 31, 2019; provided, that the amount due on December 31, 2019
7 shall be for the full amount of the payment for the 2018 calendar year, with subsequent payments
8 to be due and owing on the last day of every year thereafter.

9 **21-28.10-6. Rebate of market share.**

10 In any year for which the director determines that a licensee failed to report information
11 required by this chapter, those licensees complying with this chapter shall receive a reduced
12 assessment of their market share in the following year equal to the amount in excess of any
13 overpayment in the prior payment period.

14 **21-28.10-7. Licensee opportunity to appeal.**

15 (a) A licensee shall be afforded an opportunity to submit information to the department
16 documenting or evidencing that the market share provided to the licensee (or amounts paid
17 thereunder), pursuant to § 21-28.10-3(4), is in error or otherwise not warranted. The department
18 may consider and examine such additional information that it determines to be reasonably related
19 to resolving the calculation of a licensee's market share, which may require the licensee to provide
20 additional materials to the department. If the department determines thereafter that all or a portion
21 of such market share, as determined by the director pursuant to § 21-28.10-3(4), is not warranted,
22 the department may:

23 (1) Adjust the market share;

24 (2) Adjust the assessment of the market share in the following year equal to the amount in
25 excess of any overpayment in the prior payment period; or

26 (3) Refund amounts paid in error.

27 (b) Any person aggrieved by a decision of the department relating to the calculation of
28 market share may appeal that decision to the superior court, which shall have power to review such
29 decision, and the process by which such decision was made, as prescribed in chapter 35 of title 42.

30 (c) A licensee shall also have the ability to appeal its assessed opioid registration fee if the
31 assessed fee amount exceeds the amount of profit the licensee obtains through sales in the state of
32 products described in § 21-28.10-3. The department may, exercising discretion as it deems
33 appropriate, waive or decrease fees as assessed pursuant to § 21-28.10-3 if a licensee can
34 demonstrate that the correctly assessed payment will pose undue hardship to the licensee's

1 continued activities in state. The department shall be allowed to request, and the licensee shall
2 furnish to the department, any information or supporting documentation validating the licensee's
3 request for waiver or reduction under this subsection. Fees waived under this section shall not be
4 reapportioned to other licensees which have payments due under this chapter.

5 **21-28.10-8. Departmental annual reporting.**

6 By January of each calendar year, the department of behavioral healthcare, developmental
7 disabilities and hospitals (BHDDH), the executive office of health and human services (EOHHS),
8 the department of children, youth and families (DCYF), the Rhode Island department of education
9 (RIDE), the Rhode Island office of veterans' affairs (RIOVA), the department of corrections
10 (DOC), and the department of labor and training (DLT) shall report annually to the governor, the
11 speaker of the house, and the senate president which programs in their respective departments were
12 funded using monies from the opioid stewardship fund and the total amount of funds spent on each
13 program.

14 **21-28.10-9. Penalties.**

15 (a) The department may assess a civil penalty in an amount not to exceed one thousand
16 dollars (\$1,000) per day against any licensee that fails to comply with this chapter.

17 (b)(1) In addition to any other civil penalty provided by law, where a licensee has failed to
18 pay its market share in accordance with § 21-28.10-5, the department may also assess a penalty of
19 no less than ten percent (10%) and no greater than three hundred percent (300%) of the market
20 share due from such licensee.

21 (2) In addition to any other criminal penalty provided by law, where a licensee has failed
22 to pay its market share in accordance with § 21-28.10-5, the department may also assess a penalty
23 of no less than ten percent (10%) and no greater than fifty percent (50%) of the market share due
24 from such licensee.

25 **21-28.10-10. Creation of opioid stewardship fund.**

26 (a) There is hereby established, in the custody of the department, a restricted receipt
27 account to be known as the "opioid stewardship fund."

28 (b) Monies in the opioid stewardship fund shall be kept separate and shall not be
29 commingled with any other monies in the custody of the department.

30 (c) The opioid stewardship fund shall consist of monies appropriated for the purpose of
31 such account, monies transferred to such account pursuant to law, contributions consisting of
32 promises or grants of any money or property of any kind or value, or any other thing of value,
33 including grants or other financial assistance from any agency of government and monies required
34 by the provisions of this chapter or any other law to be paid into or credited to this account.

1 (d) Monies of the opioid stewardship fund shall be available to provide opioid treatment,
2 recovery, prevention, education services, and other related programs, subject to appropriation by
3 the general assembly.

4 **21-28.10-11. Allocation.**

5 The monies, when allocated, shall be paid out of the opioid stewardship fund and subject
6 to the approval of the director and the approval of the director of the department of behavioral
7 healthcare, developmental disabilities and hospitals (BHDDH), pursuant to the provisions of this
8 chapter.

9 **21-28.10-12. Severability.**

10 If any clause, sentence, paragraph, subdivision, or section of this act shall be adjudged by
11 any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or
12 invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence,
13 paragraph, subdivision, or section directly involved in the controversy in which such judgment shall
14 have been rendered. It is hereby declared to be the intent of the legislature that this act would have
15 been enacted even if such invalid provisions had not been included herein.

16 **21-28.10-13. Rules and regulations.**

17 The director may prescribe rules and regulations, not inconsistent with law, to carry into
18 effect the provisions of chapter 28.10 of title 21, which rules and regulations, when reasonably
19 designed to carry out the intent and purpose of this chapter, are prima facie evidence of its proper
20 interpretation. Such rules and regulations may be amended, suspended, or revoked, from time to
21 time and in whole or in part, by the director. The director may prescribe, and may furnish, any
22 forms necessary or advisable for the administration of this chapter.

23 SECTION 18. This article shall take effect upon passage.

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ARTICLE 14

RELATING TO LEASE AGREEMENTS FOR LEASED OFFICE AND OPERATING SPACE

SECTION 1. This article consists of joint resolutions that are submitted pursuant to Rhode Island General Laws § 37-6-2 authorizing lease agreements for office space and operating space for the Department of Transportation, the Department of Corrections, the Department of Human Services, and the Rhode Island Board of Elections.

SECTION 2. *Transportation, 288 Allens Avenue, Providence.*

WHEREAS, The Department of Transportation currently holds a lease agreement with 288 Allens Avenue, LLC for 33,000 square feet of garage/highway maintenance facility space located at 288 Allens Avenue in the City of Providence; and

WHEREAS, The leased premises are occupied by a portion of the Department's Highway Maintenance Division staff and its heavy equipment fleet.

WHEREAS, The State of Rhode Island, acting by and through the Department of Transportation, attests to the fact that there are no clauses in the lease agreement with 288 Allens Avenue, LLC that would interfere with the Department of Transportation's lease agreement or use of the facility; and

WHEREAS, The existing lease expires on September 30, 2019 and the Department of Transportation wishes to renew the lease agreement with 288 Allens Avenue, LLC for a period of five (5) years; and

WHEREAS, The proposed leased premises will provide a central location from which the Department of Transportation can deploy highway maintenance crews to complete work on the state highway system and otherwise fulfill the mission of the Department; and

WHEREAS, The annual rent in the agreement in the current fiscal year, ending June 30, 2019 is \$525,714; and

WHEREAS, The aggregate rent for the five-year lease term is anticipated to be within the range of \$2,988,288-\$3,000,000; and

WHEREAS, The State Properties Committee now respectfully requests the approval of the House of Representatives and the Senate for the lease agreement between the Department of Transportation and 288 Allens Avenue, LLC, for the facility located at 288 Allens Avenue in the City of Providence; now therefore be it

1 RESOLVED, That this General Assembly hereby approves the lease agreement, for a term
2 not to exceed five (5) years and the aggregate rent in the range of \$2,988,288-\$3,000,000; and it be
3 further

4 RESOLVED, That this Joint Resolution shall take effect upon passage by the General
5 assembly; and it be further

6 RESOLVED, That the Secretary of State is hereby authorized and directed to transmit duly
7 certified copies of this resolution to the Governor, the Director of the Department of Transportation,
8 the Director of Administration, the State Budget Officer, and the Chair of the State Properties
9 Committee.

10 SECTION 3. *Corrections, 249 Roosevelt Avenue, Pawtucket.*

11 WHEREAS, The Department of Corrections holds a current lease agreement, in full force
12 and effect, with PUI O, Inc. for 4,200 square feet of space located at 249 Roosevelt Avenue in the
13 City of Pawtucket; and

14 WHEREAS, The current lease expires on June 30, 2019 and the Department of Corrections
15 wishes to renew the lease agreement with PUI O, Inc. for a period of five (5) years; and

16 WHEREAS, The State of Rhode Island, acting by and through the Department of
17 Corrections, attests to the fact that there are no clauses in the lease agreement with PUI O, Inc. that
18 would interfere with the Department of Corrections lease agreement or use of the facility; and

19 WHEREAS, The leased premises provide a regional Adult Probation and Parole location
20 from which the Department of Corrections can serve the needs of the City of Pawtucket and its
21 surrounding communities and otherwise further fulfill the mission of the Department; and

22 WHEREAS, The annual all-inclusive rent (base rent/utilities/janitorial services) in the
23 agreement in the current fiscal year, ending June 30, 2019 is \$99,734; and

24 WHEREAS, The aggregate all-inclusive rent for the five-year lease term is anticipated to
25 be within the range of \$515,000-\$520,000; and

26 WHEREAS, The State Properties Committee now respectfully requests the approval of the
27 House of Representatives and the Senate for the lease agreement between the Department of
28 Corrections and PUI O, Inc., for the facility located at 249 Roosevelt Avenue in the City of
29 Pawtucket; now therefore be it

30 RESOLVED, That this General Assembly hereby approves the lease agreement, for a term
31 not to exceed five (5) years at an aggregate all-inclusive rent for the five-year lease term in the
32 range of \$515,000-\$520,000; and it be further

33 RESOLVED, That this Joint Resolution shall take effect upon passage by the General
34 Assembly; and it be further

1 RESOLVED, That the Secretary of State is hereby authorized and directed to transmit duly
2 certified copies of this resolution to the Governor, the Director of the Department of Corrections,
3 the Director of Administration, the State Budget Officer, and the Chair of the State Properties
4 Committee.

5 SECTION 4. *Human Services, 249 Roosevelt Avenue, Pawtucket.*

6 WHEREAS, The Department of Human Services holds a current lease agreement, in full
7 force and effect, with PUI O, Inc. for 24,400 square feet of space located at 249 Roosevelt Avenue
8 in the City of Pawtucket; and

9 WHEREAS, The current lease expires on June 30, 2019 and the Department of Human
10 Services wishes to renew the lease agreement with PUI O, Inc. for a period of five (5) years; and

11 WHEREAS, The State of Rhode Island, acting by and through the Department of Human
12 Services, attests to the fact that there are no clauses in the lease agreement with PUI O, Inc. that
13 would interfere with the Department of Human Services lease agreement or use of the facility; and

14 WHEREAS, The leased premises provide a regional location from which the Department
15 of Human Services can serve the needs of the City of Pawtucket and its surrounding communities
16 and otherwise further fulfill the mission of the Department; and

17 WHEREAS, The annual rent (inclusive of janitorial services and systems furniture) in the
18 agreement in the current fiscal year, ending June 30, 2019 is \$453,598; and

19 WHEREAS, The aggregate rent (inclusive of janitorial services and systems furniture) for
20 the five-year lease term is anticipated to be within the range of \$2,375,000-\$2,700,000; and

21 WHEREAS, The State Properties Committee now respectfully requests the approval of the
22 House of Representatives and the Senate for the lease agreement between the Department of
23 Human Services and PUI O, Inc., for the facility located at 249 Roosevelt Avenue in the City of
24 Pawtucket; now therefore be it

25 RESOLVED, That this General Assembly hereby approves the lease agreement, for a term
26 not to exceed five (5) years at an aggregate rent (inclusive of janitorial services and systems
27 furniture) for the five-year lease term in the range of \$2,375,000-\$2,700,000; and it be further

28 RESOLVED, That this Joint Resolution shall take effect upon passage by the General
29 Assembly; and it be further

30 RESOLVED, That the Secretary of State is hereby authorized and directed to transmit duly
31 certified copies of this resolution to the Governor, the Director of the Department of Human
32 Services, the Director of Administration, the State Budget Officer, and the Chair of the State
33 Properties Committee.

34 SECTION 5. *Board of Elections, 2000 Plainfield Pike, Cranston.*

1 WHEREAS, The Board of Elections currently occupies space in a state-owned building
2 located at 50 Branch Avenue in the City of Providence; and

3 WHEREAS, The property located at 50 Branch Avenue will require a significant capital
4 investment over the course of the next five (5) years; and

5 WHEREAS, The Governor's Efficiency Commission has recommended the immediate sale
6 of the property located at 50 Branch Avenue and the relocation of the Board of Elections into leased
7 space; and

8 WHEREAS, The Board of Elections recently advertised a Request for Proposals to secure
9 a new location that will feature both office and warehouse space; and

10 WHEREAS, Upon completing an evaluation of the submitted lease proposals, the Rhode
11 Island Board of Elections wishes to enter into a ten-year lease agreement with Dean Warehouse
12 Services Inc. and Berkeley Acquisition Inc. for office and warehouse space located at 2000
13 Plainfield Pike in the City of Cranston. The leased premises provide an efficient and centralized
14 location from which the Board of Elections can serve the needs of all the municipalities located in
15 the State of Rhode Island and otherwise further and fulfill the mission of the Board; and

16 WHEREAS, The aggregate rent for the ten-year lease term is anticipated to be within the
17 range of \$6,000,000-\$6,500,000;

18 WHEREAS, The State Properties Committee now respectfully requests the approval of the
19 House of Representatives and the Senate for the lease agreement between the Rhode Island Board
20 of Elections and Dean Warehouse Services Inc. and Berkeley Acquisition Inc., for the facility
21 located at 2000 Plainfield Pike in the City of Cranston; now therefore be it

22 RESOLVED, That this General Assembly hereby approves the lease agreement, for a term
23 not to exceed ten (10) years and at an aggregate rent in the range of \$6,000,000-\$6,500,000; and it
24 be further

25 RESOLVED, That this Joint Resolution shall take effect upon passage by the General
26 Assembly; and it be further

27 RESOLVED, That the Secretary of State is hereby authorized and directed to transmit duly
28 certified copies of this resolution to the Governor, the Executive Director of the Rhode Island Board
29 of Elections, the Director of Administration, the State Budget Officer, and the Chair of the State
30 Properties Committee.

31 SECTION 6. This article shall take effect upon passage.

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ARTICLE 15 AS AMENDED

RELATING TO MARIJUANA

SECTION 1. Sections 2-26-1, 2-26-3, 2-26-4, 2-26-5, 2-26-6 and 2-26-7 of the General Laws in Chapter 2-26 entitled "Hemp Growth Act" are hereby amended to read as follows:

2-26-1. Short title.

This chapter shall be known and may be cited as the "Industrial Hemp Growth Act."

2-26-3. Definitions.

When used in this chapter, the following terms shall have the following meanings:

(1) "Applicant" means any person, firm, corporation, or other legal entity who or that, on his, her, or its own behalf, or on behalf of another, has applied for permission to engage in any act or activity that is regulated under the provisions of this chapter.

(2) "Cannabis" means all parts of the plant of the genus marijuana, also known as marijuana sativa L. whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin regardless of cannabinoid content or cannabinoid potency including "marijuana" and "industrial hemp" or "industrial hemp products" which satisfy the requirements of this chapter.

(3) "Cannabidiol" or "CBD" means cannabidiol (CBD) derived from a hemp plant as defined in § 2-26-3, not including products derived from exempt cannabis plant material as defined in 21 C.F.R. § 1308.35.

~~(2)~~(4) "Department" means the office of cannabis regulation within the department of business regulation.

~~(3)~~(5) "Division" means the division of agriculture in the department of environmental management.

~~(4)~~(6) "Grower" means a person or entity who or that produces hemp for commercial purposes.

~~(5)~~(7) "Handler" means a person or entity who or that produces or processes hemp or agricultural hemp seed for processing into commodities or who manufactures hemp; products; ~~or agricultural hemp seed.~~

~~(6)~~(8) "Hemp" or "industrial hemp" means ~~the plant of the genus cannabis and any part of such plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration that does not~~

1 ~~exceed three tenths percent (0.3%) on a dry weight basis of any part of the plant cannabis, or per~~
2 ~~volume or weight of marijuana product or the combined percent of delta-9 tetrahydrocannabinol~~
3 ~~and tetrahydrocannabinolic acid in any part of the plant cannabis regardless of the moisture content.~~
4 ~~Hemp is also commonly referred to in this context as "industrial hemp."~~ the plant Cannabis sativa
5 L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids,
6 isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9
7 tetrahydrocannabinol concentration of not more than three-tenths percent (0.3%) on a dry weight
8 or per volume basis regardless of moisture content, and which satisfies the requirements of this
9 chapter.

10 (9) "Hemp-derived consumable CBD product" means any product meant for ingestion,
11 including, but not limited to, concentrates, extracts, and cannabis-infused foods and products,
12 which contains cannabidiol derived from a hemp plant as defined in § 2-26-3, which shall only be
13 sold to persons age twenty-one (21) or older, and which shall not include products derived from
14 exempt cannabis plant material as defined in 21 C.F.R. § 1308.35.

15 ~~(7)~~(10) "Hemp products" or "industrial hemp products" means all products made from the
16 plants, including, but not limited to, concentrated oil, cloth, cordage, fiber, food, fuel, hemp-derived
17 consumable CBD products, paint, paper, construction materials, plastics, seed, seed meal, seed oil,
18 and seed certified for cultivation, which satisfy the requirements of this chapter.

19 (11) "Licensed CBD distributor" means a person licensed to distribute hemp-derived
20 consumable CBD products pursuant to this chapter.

21 (12) "Licensed CBD retailer" means a person licensed to sell hemp-derived consumable
22 CBD products pursuant to this chapter.

23 ~~(8)~~(13) "THC" means tetrahydrocannabinol, the principal psychoactive constituent of
24 cannabis.

25 ~~(9)~~(14) "THCA" means tetrahydrocannabinol acid.

26 **2-26-4. Hemp an agricultural product.**

27 Hemp is an agricultural product that may be grown as a crop, produced, possessed,
28 distributed, sold at retail, and commercially traded pursuant to the provisions of this chapter. Hemp
29 is subject to primary regulation by the department. The division may assist the department in the
30 regulation of hemp growth and production.

31 **2-26-5. Authority over licensing and sales.**

32 (a) The department shall ~~promulgate~~ prescribe rules and regulations for the licensing and
33 regulation of hemp growers, ~~and~~ handlers, licensed CBD distributors, and licensed CBD retailers
34 and or persons ~~otherwise~~ employed by the applicant not inconsistent with law, to carry into effect

1 the provision of this chapter and shall be responsible for the enforcement of such licensing ~~and~~
2 ~~regulation.~~

3 (b) All growers, ~~and~~ handlers, ~~and~~ licensed CBD distributors, and licensed CBD retailers
4 must have a hemp license issued by the department. All production, distribution and retail sale of
5 hemp-derived consumable CBD products must be consistent with any applicable state or local food
6 processing and safety regulations, and the applicant shall be responsible to ensure its compliance
7 with such regulations and any applicable food safety licensing requirements including but not
8 limited to those promulgated by the department of health.

9 (c) The application for a hemp license shall include, but not be limited to, the following:

10 (1)(i) The name and address of the applicant who will supervise, manage, or direct the
11 growing and handling of hemp and the names and addresses of any person or entity partnering or
12 providing consulting services regarding the growing or handling of hemp; and

13 (ii) The name and address of the applicant who will supervise, manage, or direct the
14 distribution or sale of hemp-derived consumable CBD products, and names and addresses of any
15 person or entity partnering or providing consulting services regarding the distribution or sale of
16 hemp-derived CBD products.

17 (2) A certificate of analysis that the seeds or plants obtained for cultivation are of a type
18 and variety that do not exceed the maximum concentration of delta-9 THC, as set forth in § 2-26-
19 3; any seeds that are obtained from a federal agency are presumed not to exceed the maximum
20 concentration and do not require a certificate of analysis.

21 (3)(i) The location of the facility, including the Global Positioning System location, and
22 other field reference information as may be required by the department with a tracking program
23 and security layout to ensure that all hemp grown is tracked and monitored from seed to distribution
24 outlets; and

25 (ii) The location of the facility and other information as may be required by the department
26 as to where the distribution or sale of hemp-derived consumable CBD products will occur.

27 (4) An explanation of the seed to sale tracking, cultivation method, extraction method, and
28 certificate of analysis or certificate of analysis for the standard hemp seeds or hemp product if
29 required by the department.

30 (5) Verification, prior to planting any seed, that the plant to be grown is of a type and
31 variety of hemp that will produce a delta-9 THC concentration of no more than three-tenths of one
32 percent (0.3%) on a dry-weight basis.

33 (6) Documentation that the licensee and/or its agents have entered into a purchase
34 agreement with a hemp handler, ~~or~~ processor, distributor or retailer.

1 (7) All applicants:

2 (i) Shall apply to the state police, [attorney general, or local law enforcement](#) for a National
3 Criminal Identification records check that shall include fingerprints submitted to the Federal
4 Bureau of Investigation. Upon the discovery of a disqualifying conviction defined in paragraph (iv)
5 and (v), and in accordance with the rules promulgated by the department, the state police shall
6 inform the applicant, in writing, of the nature of the conviction, and the state police shall notify the
7 department, in writing, without disclosing the nature of the conviction, that a conviction has been
8 found;

9 (ii) In those situations in which no conviction has been found, the state police shall inform
10 the applicant and the department, in writing, of this fact;

11 (iii) All applicants shall be responsible for any expense associated with the criminal
12 background check with fingerprints.

13 (iv) Any applicant who has been convicted of any felony offense under chapter 28 of title
14 21, or any person who has been convicted of murder, manslaughter, first-degree sexual assault,
15 second-degree sexual assault, first-degree child molestation, second-degree child molestation,
16 kidnapping, first-degree arson, second-degree arson, mayhem, robbery, burglary, breaking and
17 entering, assault with a dangerous weapon, or any assault and battery punishable as a felony or
18 assault with intent to commit any offense punishable as a felony, shall be disqualified from holding
19 any license or permit under this chapter. The department shall notify any applicant, in writing, [of](#)
20 ~~for~~ a denial of a license pursuant to this subsection.

21 (v) For purposes of this section, "conviction" means, in addition to judgments of conviction
22 entered by a court subsequent to a finding of guilty, or plea of guilty, those instances where the
23 defendant has entered a plea of nolo contendere and has received a jail sentence or a suspended jail
24 sentence, or those instances wherein the defendant has entered into a deferred sentence agreement
25 with the Rhode Island attorney general and the period of deferment has not been completed.

26 (8) Any other information as set forth in rules and regulations as required by the
27 department.

28 ~~(d) All employees of the applicant shall register with the Rhode Island state police.~~

29 ~~(e)~~(d) The department shall issue a hemp license to the [grower or handler](#) applicant if he,
30 she, or it meets the requirements of this chapter, upon the applicant paying a licensure fee of two
31 thousand five hundred dollars (\$2,500). Said license shall be renewed every two (2) years upon
32 payment of a two thousand five hundred dollar (\$2,500) renewal fee. Any licensee convicted of
33 any disqualifying offense described in subsection (c)(7)(iv) shall have his, her, or its license
34 revoked. The department shall collect a nonrefundable application fee of two hundred fifty dollars

1 (\$250) for each application to obtain a license.

2 (e) Any grower or handler license applicant or license holder may also apply for, and be
3 issued one (1) CBD distributor and/or one (1) CBD retailer license at no additional cost provided
4 their grower or handler license is issued or renewed. CBD distributor and CBD retailer licenses
5 shall be renewed each year at no additional fee provided the applicant also holds or renews a grower
6 and/or handler license.

7 (f) For applicants who do not hold, renew, or receive a grower or handler license, CBD
8 distributor and CBD retailer licenses shall have a licensure fee of five hundred dollars (\$500). Said
9 licenses shall be renewed each year upon approval by the department and payment of a five hundred
10 dollar (\$500) renewal fee.

11 **2-26-6. Rulemaking authority.**

12 (a) The department shall adopt rules to provide for the implementation of this chapter,
13 which shall include rules to require hemp to be tested during growth for THC levels and to require
14 inspection of hemp during sowing, growing season, harvest, storage, and processing. Included in
15 these rules should be a system requiring the licensee to submit crop samples to an approved testing
16 facility, as determined by the department, for testing and verification of compliance with the limits
17 on delta-9 THC concentration.

18 (b) The department shall prescribe rules and regulations for all operational requirements
19 for licensed growers, handlers, CBD distributors and retailers, and to ensure consistency in
20 manufactured products and appropriate packaging, labeling, and placement with respect to retail
21 sales not inconsistent with law, to carry in effect the provisions of this chapter.

22 ~~(b)~~(c) The department shall not adopt under this or any other section, a rule that would
23 prohibit a person or entity to grow, ~~or~~ distribute or sell hemp based solely on the legal status of
24 hemp under federal law.

25 (d) The department may adopt rules and regulations based on federal law provided those
26 rules and regulations are designed to comply with federal guidance and mitigate federal
27 enforcement against the licenses issued under this chapter.

28 (e) All new and revised rules and regulations promulgated by the department of business
29 regulation and/or the department of health pursuant to this chapter shall be subject to approval by
30 the general assembly prior to enactment.

31 **2-26-7. Registration Licensure.**

32 (a) Except as provided in this section, beginning sixty (60) days after the effective date of
33 this chapter, the department shall accept the application for licensure to cultivate hemp submitted
34 by the applicant.

1 (b) A person or entity ~~registered with~~ licensed by the department pursuant to this chapter
2 shall allow hemp crops or hemp products, throughout sowing, year-long growing seasons, harvest
3 storage, and processing, manufacturing, and retail facilities, to be inspected and tested by and at
4 the discretion of the department and as required pursuant to any applicable state or local food
5 processing and safety regulations including but not limited to those promulgated by the Rhode
6 Island department of health.

7 SECTION 2. Chapter 2-26 of the General Laws entitled "Hemp Growth Act" is hereby
8 amended by adding thereto the following sections:

9 **2-26-10. Enforcement of violations of chapter.**

10 (a)(1) Notwithstanding any other provision of this chapter, if the director of the department
11 or his or her designee has cause to believe that a violation of any provision of this chapter 26 of
12 title 2 or any regulations promulgated hereunder has occurred by a licensee that is under the
13 department's jurisdiction pursuant to this chapter, or that any person or entity is conducting any
14 activities requiring licensure by the department under this chapter or the regulations promulgated
15 hereunder without such licensure, the director or his or her designee may, in accordance with the
16 requirements of the administrative procedures act, chapter 35 of title 42:

17 (i) Revoke or suspend a license;

18 (ii) Levy an administrative penalty in an amount established pursuant to regulations
19 promulgated by the department;

20 (iii) Order the violator to cease and desist such actions;

21 (iv) Require a licensee or person or entity conducting any activities requiring licensure
22 under chapter 26 of title 2 to take such actions as are necessary to comply with such chapter and
23 the regulations promulgated thereunder; or

24 (v) Any combination of the above penalties.

25 (2) If the director of the department finds that public health, safety, or welfare requires
26 emergency action, and incorporates a finding to that effect in his or her order, summary suspension
27 of license and/or cease and desist may be ordered pending proceedings for revocation or other
28 action.

29 SECTION 3. Section 21-28-1.02 of Chapter 21-28 of the General Laws entitled "Uniform
30 Controlled Substances Act" is hereby amended to read as follows:

31 **21-28-1.02. Definitions. [Effective until January 1, 2023.]**

32 Unless the context otherwise requires, the words and phrases as defined in this section are
33 used in this chapter in the sense given them in the following definitions:

34 (1) "Administer" refers to the direct application of controlled substances to the body of a

1 patient or research subject by:

2 (i) A practitioner, or, in his or her presence by his or her authorized agent; or

3 (ii) The patient or research subject at the direction and in the presence of the practitioner
4 whether the application is by injection, inhalation, ingestion, or any other means.

5 (2) "Agent" means an authorized person who acts on behalf of, or at the direction of, a
6 manufacturer, wholesaler, distributor, or dispenser; except that these terms do not include a
7 common or contract carrier or warehouse operator, when acting in the usual and lawful course of
8 the carrier's or warehouse operator's business.

9 (3) "Apothecary" means a registered pharmacist as defined by the laws of this state and,
10 where the context requires, the owner of a licensed pharmacy or other place of business where
11 controlled substances are compounded or dispensed by a registered pharmacist; and includes
12 registered assistant pharmacists as defined by existing law, but nothing in this chapter shall be
13 construed as conferring on a person who is not registered as a pharmacist any authority, right, or
14 privilege that is not granted to him or her by the pharmacy laws of the state.

15 (4) "Automated data processing system" means a system utilizing computer software and
16 hardware for the purposes of record keeping.

17 (5) "Certified law enforcement prescription drug diversion investigator" means a certified
18 law enforcement officer assigned by his or her qualified law enforcement agency to investigate
19 prescription drug diversion.

20 (6) "Computer" means programmable electronic device capable of multi-functions,
21 including, but not limited to: storage, retrieval, and processing of information.

22 (7) "Control" means to add a drug or other substance or immediate precursor to a schedule
23 under this chapter, whether by transfer from another schedule or otherwise.

24 (8) "Controlled substance" means a drug, substance, immediate precursor, or synthetic drug
25 in schedules I – V of this chapter. The term shall not include distilled spirits, wine, or malt
26 beverages, as those terms are defined or used in chapter 1 of title 3, nor tobacco.

27 (9) "Co-prescribing" means issuing a prescription for an opioid antagonist along with a
28 prescription for an opioid analgesic.

29 (10) "Counterfeit substance" means a controlled substance that, or the container or labeling
30 of which, without authorization bears the trademark, trade name, or other identifying mark, imprint,
31 number, or device, or any likeness of them, of a manufacturer, distributor, or dispenser, other than
32 the person or persons who in fact manufactured, distributed, or dispensed the substance and that
33 thereby falsely purports or is represented to be the product of, or to have been distributed by, the
34 other manufacturer, distributor, or dispenser, or which substance is falsely purported to be or

1 represented to be one of the controlled substances by a manufacturer, distributor, or dispenser.

2 (11) "CRT" means cathode ray tube used to impose visual information on a screen.

3 (12) "Deliver" or "delivery" means the actual, constructive, or attempted transfer of a
4 controlled substance or imitation controlled substance, whether or not there exists an agency
5 relationship.

6 (13) "Department" means the department of health of this state.

7 (14) "Depressant or stimulant drug" means:

8 (i) A drug that contains any quantity of:

9 (A) Barbituric acid or derivatives, compounds, mixtures, or preparations of barbituric acid;

10 and

11 (B) "Barbiturate" or "barbiturates" includes all hypnotic and/or somnifacient drugs,
12 whether or not derivatives of barbituric acid, except that this definition shall not include bromides
13 and narcotics.

14 (ii) A drug that contains any quantity of:

15 (A) Amphetamine or any of its optical isomers;

16 (B) Any salt of amphetamine and/or desoxyephedrine or any salt of an optical isomer of
17 amphetamine and/or desoxyephedrine, or any compound, mixture, or preparation of them.

18 (iii) A drug that contains any quantity of coca leaves. "Coca leaves" includes cocaine, or
19 any compound, manufacture, salt, derivative, mixture, or preparation of coca leaves, except
20 derivatives of coca leaves, that do not contain cocaine, ecgonine, or substance from which cocaine
21 or ecgonine may be synthesized or made.

22 (iv) Any other drug or substance that contains any quantity of a substance that the attorney
23 general of the United States, or the director of health, after investigation, has found to have, or by
24 regulation designates as having, a potential for abuse because of its depressant or stimulant effect
25 on the central nervous system.

26 (15) "Director" means the director of health.

27 (16) "Dispense" means to deliver, distribute, leave with, give away, or dispose of a
28 controlled substance to the ultimate user or human research subject by or pursuant to the lawful
29 order of a practitioner, including the packaging, labeling, or compounding necessary to prepare the
30 substance for that delivery.

31 (17) "Dispenser" is a practitioner who delivers a controlled substance to the ultimate user
32 or human research subject.

33 (18) "Distribute" means to deliver (other than by administering or dispensing) a controlled
34 substance or an imitation controlled substance and includes actual constructive, or attempted

1 transfer. "Distributor" means a person who so delivers a controlled substance or an imitation
2 controlled substance.

3 (19) "Downtime" means that period of time when a computer is not operable.

4 (20) "Drug addicted person" means a person who exhibits a maladaptive pattern of
5 behavior resulting from drug use, including one or more of the following: impaired control over
6 drug use; compulsive use; and/or continued use despite harm, and craving.

7 (21) "Drug Enforcement Administration" means the Drug Enforcement Administration
8 United States Department of Justice or its successor.

9 (22) "Federal law" means the Comprehensive Drug Abuse Prevention and Control Act of
10 1970, (84 stat. 1236) (see generally 21 U.S.C. § 801 et seq.), and all regulations pertaining to that
11 federal act.

12 (23) "Hardware" means the fixed component parts of a computer.

13 (24) "Hospital" means an institution as defined in chapter 17 of title 23.

14 (25) "Imitation controlled substance" means a substance that is not a controlled substance,
15 that by dosage unit, appearance (including color, shape, size, and markings), or by representations
16 made, would lead a reasonable person to believe that the substance is a controlled substance and,
17 which imitation controlled substances contain substances that if ingested, could be injurious to the
18 health of a person. In those cases when the appearance of the dosage unit is not reasonably sufficient
19 to establish that the substance is an "imitation controlled substance" (for example in the case of
20 powder or liquid), the court or authority concerned should consider, in addition to all other logically
21 relevant factors, the following factors as related to "representations made" in determining whether
22 the substance is an "imitation controlled substance":

23 (i) Statement made by an owner, possessor, transferor, recipient, or by anyone else in
24 control of the substance concerning the nature of the substance, or its use or effect.

25 (ii) Statements made by the owner, possessor, or transferor, to the recipient that the
26 substance may be resold for substantial profit.

27 (iii) Whether the substance is packaged in a manner reasonably similar to packaging of
28 illicit controlled substances.

29 (iv) Whether the distribution or attempted distribution included an exchange of or demand
30 for money or other property as consideration, and whether the amount of the consideration was
31 substantially greater than the reasonable value of the non-controlled substance.

32 (26) "Immediate precursor" means a substance:

33 (i) That the director of health has found to be and by regulation designated as being the
34 principal compound used, or produced primarily for use, in the manufacture of a controlled

1 substance;

2 (ii) That is an immediate chemical intermediary used or likely to be used in the manufacture
3 of those controlled substances; and

4 (iii) The control of which is necessary to prevent, curtail, or limit the manufacture of that
5 controlled substance.

6 (27) "Laboratory" means a laboratory approved by the department of health as proper to be
7 entrusted with controlled substances and the use of controlled substances for scientific and medical
8 purposes and for the purposes of instruction.

9 (28) "Manufacture" means the production, preparation, propagation, cultivation,
10 compounding, or processing of a drug or other substance, including an imitation controlled
11 substance, either directly or indirectly or by extraction from substances of natural origin, or
12 independently by means of chemical synthesis or by a combination of extraction and chemical
13 synthesis and includes any packaging or repackaging of the substance or labeling or relabeling of
14 its container in conformity with the general laws of this state except by a practitioner as an incident
15 to his or her administration or dispensing of the drug or substance in the course of his or her
16 professional practice.

17 (29) "Manufacturer" means a person who manufactures but does not include an apothecary
18 who compounds controlled substances to be sold or dispensed on prescriptions.

19 (30) "Marijuana" means all parts of the plant cannabis sativa L., whether growing or not;
20 the seeds of the plant; the resin extracted from any part of the plant; and every compound,
21 manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, but shall not
22 include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the
23 seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of
24 mature stalks, (except the resin extracted from it), fiber, oil or cake, or the sterilized seed from the
25 plant which is incapable of germination. [Marijuana shall not include "industrial hemp" or
26 "industrial hemp products" which satisfy the requirements of chapter 26 of title 2.](#)

27 (31) "Narcotic drug" means any of the following, whether produced directly or indirectly
28 by extraction from substances of vegetable origin, or independently by means of chemical synthesis
29 or by a combination of extraction and chemical synthesis:

30 (i) Opium and opiates.

31 (ii) A compound, manufacture, salt, derivative, or preparation of opium or opiates.

32 (iii) A substance (and any compound, manufacture, salt, derivative, or preparation of it)
33 that is chemically identical with any of the substances referred to in paragraphs (i) and (ii) of this
34 subdivision.

1 (iv) Any other substance that the attorney general of the United States, or his or her
2 successor, or the director of health, after investigation, has found to have, and by regulation
3 designates as having, a potential for abuse similar to opium and opiates.

4 (32) "Official written order" means an order written on a form provided for that purpose
5 by the Drug Enforcement Administration under any laws of the United States making provision for
6 an official form, if order forms are authorized and required by federal law, and if no order form is
7 provided then on an official form provided for that purpose by the director of health.

8 (33) "Opiate" means any substance having an addiction-forming or addiction-sustaining
9 liability similar to morphine or being capable of conversion into a drug having addiction-forming
10 or addiction-sustaining liability.

11 (34) "Opioid analgesics" means and includes, but is not limited to, the medicines
12 buprenorphine, butorphanol, codeine, hydrocodone, hydromorphone, levorphanol, meperidine,
13 methadone, morphine, nalbuphine, oxycodone, oxymorphone, pentazocine, propoxyphene as well
14 as their brand names, isomers, and combinations, or other medications approved by the department.

15 (35) "Opioid antagonist" means naloxone hydrochloride and any other drug approved by
16 the United States Food and Drug Administration for the treatment of opioid overdose.

17 (36) "Opium poppy" means the plant of the species *papaver somniferum* L., except the
18 seeds of the plant.

19 (37) "Ounce" means an avoirdupois ounce as applied to solids and semi-solids, and a fluid
20 ounce as applied to liquids.

21 (38) "Person" means any corporation, association, partnership, or one or more individuals.

22 (39) "Physical dependence" means a state of adaptation that is manifested by a drug class
23 specific withdrawal syndrome that can be produced by abrupt cessation, rapid dose reduction,
24 decreasing blood level of the drug, and/or administration of an antagonist.

25 (40) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

26 (41) "Practitioner" means:

27 (i) A physician, osteopath, dentist, chiropodist, veterinarian, scientific investigator, or other
28 person licensed, registered or permitted to distribute, dispense, conduct research with respect to or
29 to administer a controlled substance in the course of professional practice or research in this state.

30 (ii) A pharmacy, hospital, or other institution licensed, registered or permitted to distribute,
31 dispense, conduct research with respect to, or to administer a controlled substance in the course of
32 professional practice or research in this state.

33 (42) "Printout" means a hard copy produced by computer that is readable without the aid
34 of any special device.

1 (43) "Production" includes the manufacture, planting, cultivation, growing, or harvesting
2 of a controlled substance.

3 (44) "Qualified law enforcement agency" means the U.S. Food and Drug Administration,
4 Drug Enforcement Administration, Federal Bureau of Investigation, Office of Inspector General of
5 the U.S. Department of Health & Human Services, or the Medicaid Fraud and Patient Abuse Unit
6 in the Office of the Attorney General.

7 (45) "Researcher" means a person authorized by the director of health to conduct a
8 laboratory as defined in this chapter.

9 (46) "Sell" includes sale, barter, gift, transfer, or delivery in any manner to another, or to
10 offer or agree to do the same.

11 (47) "Software" means programs, procedures and storage of required information data.

12 (48) "Synthetic drugs" means any synthetic cannabinoids or piperazines or any synthetic
13 cathinones as provided for in schedule I.

14 (49) "Ultimate user" means a person who lawfully possesses a controlled substance for his
15 or her own use or for the use of a member of his or her household, or for administering to an animal
16 owned by him or her or by a member of his or her household.

17 (50) "Wholesaler" means a person who sells, vends, or distributes at wholesale, or as a
18 jobber, broker agent, or distributor, or for resale in any manner in this state any controlled
19 substance.

20 **21-28-1.02. Definitions. [Effective January 1, 2023.]**

21 Unless the context otherwise requires, the words and phrases as defined in this section are
22 used in this chapter in the sense given them in the following definitions:

23 (1) "Administer" refers to the direct application of controlled substances to the body of a
24 patient or research subject by:

25 (i) A practitioner, or, in his or her presence by his or her authorized agent; or

26 (ii) The patient or research subject at the direction and in the presence of the practitioner
27 whether the application is by injection, inhalation, ingestion, or any other means.

28 (2) "Agent" means an authorized person who acts on behalf of, or at the direction of, a
29 manufacturer, wholesaler, distributor, or dispenser; except that these terms do not include a
30 common or contract carrier or warehouse operator, when acting in the usual and lawful course of
31 the carrier's or warehouse operator's business.

32 (3) "Apothecary" means a registered pharmacist as defined by the laws of this state and,
33 where the context requires, the owner of a licensed pharmacy or other place of business where
34 controlled substances are compounded or dispensed by a registered pharmacist; and includes

1 registered assistant pharmacists as defined by existing law, but nothing in this chapter shall be
2 construed as conferring on a person who is not registered as a pharmacist any authority, right, or
3 privilege that is not granted to him or her by the pharmacy laws of the state.

4 (4) "Automated data processing system" means a system utilizing computer software and
5 hardware for the purposes of record keeping.

6 (5) "Computer" means programmable electronic device capable of multi-functions,
7 including, but not limited to: storage, retrieval, and processing of information.

8 (6) "Control" means to add a drug or other substance or immediate precursor to a schedule
9 under this chapter, whether by transfer from another schedule or otherwise.

10 (7) "Controlled substance" means a drug, substance, immediate precursor, or synthetic drug
11 in schedules I – V of this chapter. The term shall not include distilled spirits, wine, or malt
12 beverages, as those terms are defined or used in chapter 1 of title 3, nor tobacco.

13 (8) "Co-prescribing" means issuing a prescription for an opioid antagonist along with a
14 prescription for an opioid analgesic.

15 (9) "Counterfeit substance" means a controlled substance that, or the container or labeling
16 of which, without authorization bears the trademark, trade name, or other identifying mark, imprint,
17 number, or device, or any likeness of them, of a manufacturer, distributor, or dispenser, other than
18 the person or persons who in fact manufactured, distributed, or dispensed the substance and that
19 thereby falsely purports or is represented to be the product of, or to have been distributed by, the
20 other manufacturer, distributor, or dispenser, or which substance is falsely purported to be or
21 represented to be one of the controlled substances by a manufacturer, distributor, or dispenser.

22 (10) "CRT" means cathode ray tube used to impose visual information on a screen.

23 (11) "Deliver" or "delivery" means the actual, constructive, or attempted transfer of a
24 controlled substance or imitation controlled substance, whether or not there exists an agency
25 relationship.

26 (12) "Department" means the department of health of this state.

27 (13) "Depressant or stimulant drug" means:

28 (i) A drug that contains any quantity of:

29 (A) Barbituric acid or derivatives, compounds, mixtures, or preparations of barbituric acid;
30 and

31 (B) "Barbiturate" or "barbiturates" includes all hypnotic and/or somnifacient drugs,
32 whether or not derivatives of barbituric acid, except that this definition shall not include bromides
33 and narcotics.

34 (ii) A drug that contains any quantity of:

- 1 (A) Amphetamine or any of its optical isomers;
- 2 (B) Any salt of amphetamine and/or desoxyephedrine or any salt of an optical isomer of
3 amphetamine and/or desoxyephedrine, or any compound, mixture, or preparation of them.
- 4 (iii) A drug that contains any quantity of coca leaves. "Coca leaves" includes cocaine, or
5 any compound, manufacture, salt, derivative, mixture, or preparation of coca leaves, except
6 derivatives of coca leaves, that do not contain cocaine, ecgonine, or substance from which cocaine
7 or ecgonine may be synthesized or made.
- 8 (iv) Any other drug or substance that contains any quantity of a substance that the attorney
9 general of the United States, or the director of health, after investigation, has found to have, or by
10 regulation designates as having, a potential for abuse because of its depressant or stimulant effect
11 on the central nervous system.
- 12 (14) "Director" means the director of health.
- 13 (15) "Dispense" means to deliver, distribute, leave with, give away, or dispose of a
14 controlled substance to the ultimate user or human research subject by or pursuant to the lawful
15 order of a practitioner, including the packaging, labeling, or compounding necessary to prepare the
16 substance for that delivery.
- 17 (16) "Dispenser" is a practitioner who delivers a controlled substance to the ultimate user
18 or human research subject.
- 19 (17) "Distribute" means to deliver (other than by administering or dispensing) a controlled
20 substance or an imitation controlled substance and includes actual constructive, or attempted
21 transfer. "Distributor" means a person who so delivers a controlled substance or an imitation
22 controlled substance.
- 23 (18) "Downtime" means that period of time when a computer is not operable.
- 24 (19) "Drug addicted person" means a person who exhibits a maladaptive pattern of
25 behavior resulting from drug use, including one or more of the following: impaired control over
26 drug use; compulsive use; and/or continued use despite harm, and craving.
- 27 (20) "Drug Enforcement Administration" means the Drug Enforcement Administration
28 United States Department of Justice or its successor.
- 29 (21) "Federal law" means the Comprehensive Drug Abuse Prevention and Control Act of
30 1970, (84 stat. 1236) (see generally 21 U.S.C. § 801 et seq.), and all regulations pertaining to that
31 federal act.
- 32 (22) "Hardware" means the fixed component parts of a computer.
- 33 (23) "Hospital" means an institution as defined in chapter 17 of title 23.
- 34 (24) "Imitation controlled substance" means a substance that is not a controlled substance,

1 that by dosage unit, appearance (including color, shape, size, and markings), or by representations
2 made, would lead a reasonable person to believe that the substance is a controlled substance and,
3 which imitation controlled substances contain substances that if ingested, could be injurious to the
4 health of a person. In those cases when the appearance of the dosage unit is not reasonably sufficient
5 to establish that the substance is an "imitation controlled substance" (for example in the case of
6 powder or liquid), the court or authority concerned should consider, in addition to all other logically
7 relevant factors, the following factors as related to "representations made" in determining whether
8 the substance is an "imitation controlled substance":

9 (i) Statement made by an owner, possessor, transferor, recipient, or by anyone else in
10 control of the substance concerning the nature of the substance, or its use or effect.

11 (ii) Statements made by the owner, possessor, or transferor, to the recipient that the
12 substance may be resold for substantial profit.

13 (iii) Whether the substance is packaged in a manner reasonably similar to packaging of
14 illicit controlled substances.

15 (iv) Whether the distribution or attempted distribution included an exchange of or demand
16 for money or other property as consideration, and whether the amount of the consideration was
17 substantially greater than the reasonable value of the non-controlled substance.

18 (25) "Immediate precursor" means a substance:

19 (i) That the director of health has found to be and by regulation designated as being the
20 principal compound used, or produced primarily for use, in the manufacture of a controlled
21 substance;

22 (ii) That is an immediate chemical intermediary used or likely to be used in the manufacture
23 of those controlled substances; and

24 (iii) The control of which is necessary to prevent, curtail, or limit the manufacture of that
25 controlled substance.

26 (26) "Laboratory" means a laboratory approved by the department of health as proper to be
27 entrusted with controlled substances and the use of controlled substances for scientific and medical
28 purposes and for the purposes of instruction.

29 (27) "Manufacture" means the production, preparation, propagation, cultivation,
30 compounding, or processing of a drug or other substance, including an imitation controlled
31 substance, either directly or indirectly or by extraction from substances of natural origin, or
32 independently by means of chemical synthesis or by a combination of extraction and chemical
33 synthesis and includes any packaging or repackaging of the substance or labeling or relabeling of
34 its container in conformity with the general laws of this state except by a practitioner as an incident

1 to his or her administration or dispensing of the drug or substance in the course of his or her
2 professional practice.

3 (28) "Manufacturer" means a person who manufactures but does not include an apothecary
4 who compounds controlled substances to be sold or dispensed on prescriptions.

5 (29) "Marijuana" means all parts of the plant *cannabis sativa* L., whether growing or not;
6 the seeds of the plant; the resin extracted from any part of the plant; and every compound,
7 manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, but shall not
8 include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the
9 seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of
10 mature stalks, (except the resin extracted from it), fiber, oil or cake, or the sterilized seed from the
11 plant which is incapable of germination. [Marijuana shall not include "industrial hemp" or
12 "industrial hemp products" which satisfy the requirements of chapter 26 of title 2.](#)

13 (30) "Narcotic drug" means any of the following, whether produced directly or indirectly
14 by extraction from substances of vegetable origin, or independently by means of chemical synthesis
15 or by a combination of extraction and chemical synthesis:

- 16 (i) Opium and opiates.
- 17 (ii) A compound, manufacture, salt, derivative, or preparation of opium or opiates.
- 18 (iii) A substance (and any compound, manufacture, salt, derivative, or preparation of it)
19 that is chemically identical with any of the substances referred to in paragraphs (i) and (ii) of this
20 subdivision.
- 21 (iv) Any other substance that the attorney general of the United States, or his or her
22 successor, or the director of health, after investigation, has found to have, and by regulation
23 designates as having, a potential for abuse similar to opium and opiates.

24 (31) "Official written order" means an order written on a form provided for that purpose
25 by the Drug Enforcement Administration under any laws of the United States making provision for
26 an official form, if order forms are authorized and required by federal law, and if no order form is
27 provided then on an official form provided for that purpose by the director of health.

28 (32) "Opiate" means any substance having an addiction-forming or addiction-sustaining
29 liability similar to morphine or being capable of conversion into a drug having addiction-forming
30 or addiction-sustaining liability.

31 (33) "Opioid analgesics" means and includes, but is not limited to, the medicines
32 buprenorphine, butorphanol, codeine, hydrocodone, hydromorphone, levorphanol, meperidine,
33 methadone, morphine, nalbuphine, oxycodone, oxymorphone, pentazocine, propoxyphene as well
34 as their brand names, isomers, and combinations, or other medications approved by the department.

1 (34) "Opioid antagonist" means naloxone hydrochloride and any other drug approved by
2 the United States Food and Drug Administration for the treatment of opioid overdose.

3 (35) "Opium poppy" means the plant of the species *papaver somniferum* L., except the
4 seeds of the plant.

5 (36) "Ounce" means an avoirdupois ounce as applied to solids and semi-solids, and a fluid
6 ounce as applied to liquids.

7 (37) "Person" means any corporation, association, partnership, or one or more individuals.

8 (38) "Physical dependence" means a state of adaptation that is manifested by a drug class
9 specific withdrawal syndrome that can be produced by abrupt cessation, rapid dose reduction,
10 decreasing blood level of the drug, and/or administration of an antagonist.

11 (39) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

12 (40) "Practitioner" means:

13 (i)(ii) A physician, osteopath, dentist, chiropract, veterinarian, scientific investigator, or
14 other person licensed, registered or permitted to distribute, dispense, conduct research with respect
15 to or to administer a controlled substance in the course of professional practice or research in this
16 state.

17 (41) "Printout" means a hard copy produced by computer that is readable without the aid
18 of any special device.

19 (42) "Production" includes the manufacture, planting, cultivation, growing, or harvesting
20 of a controlled substance.

21 (43) "Researcher" means a person authorized by the director of health to conduct a
22 laboratory as defined in this chapter.

23 (44) "Sell" includes sale, barter, gift, transfer, or delivery in any manner to another, or to
24 offer or agree to do the same.

25 (45) "Software" means programs, procedures and storage of required information data.

26 (46) "Synthetic drugs" means any synthetic cannabinoids or piperazines or any synthetic
27 cathinones as provided for in schedule I.

28 (47) "Ultimate user" means a person who lawfully possesses a controlled substance for his
29 or her own use or for the use of a member of his or her household, or for administering to an animal
30 owned by him or her or by a member of his or her household.

31 (48) "Wholesaler" means a person who sells, vends, or distributes at wholesale, or as a
32 jobber, broker agent, or distributor, or for resale in any manner in this state any controlled
33 substance.

34 SECTION 4. Section 21-28.5-2 of the General Laws in Chapter 21-28.5 entitled "Sale of

1 Drug Paraphernalia" is hereby amended to read as follows:

2 **21-28.5-2. Manufacture or delivery of drug paraphernalia – Penalty.**

3 It is unlawful for any person to deliver, sell, possess with intent to deliver, or sell, or
4 manufacture with intent to deliver, or sell drug paraphernalia, knowing that it will be used to plant,
5 propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare,
6 test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or introduce into the human
7 body a controlled substance in violation of chapter 28 of this title. A violation of this section shall
8 be punishable by a fine not exceeding five thousand dollars (\$5,000) or imprisonment not exceeding
9 two (2) years, or both.

10 Notwithstanding any other provision of the general laws, the sale, manufacture, or delivery
11 of drug paraphernalia to a person acting in accordance with chapter 28.6 of title 21 shall not be
12 considered a violation of this chapter.

13 SECTION 5. Sections 21-28.6-3, 21-28.6-4, 21-28.6-5, 21-28.6-6, 21-28.6-7, 21-28.6-8,
14 21-28.6-9, 21-28.6-12, 21-28.6-14, 21-28.6-15, 21-28.6-16, 21-28.6-16.2 and 21-28.6-17 of the
15 General Laws in Chapter 21-28.6 entitled "The Edward O. Hawkins and Thomas C. Slater Medical
16 Marijuana Act" are hereby amended to read as follows:

17 **21-28.6-3. Definitions.**

18 For the purposes of this chapter:

19 (1) "Authorized purchaser" means a natural person who is at least twenty-one (21) years
20 old and who is registered with the department of health for the purposes of assisting a qualifying
21 patient in purchasing marijuana from a compassion center. An authorized purchaser may assist no
22 more than one patient, and is prohibited from consuming marijuana obtained for the use of the
23 qualifying patient. An authorized purchaser shall be registered with the department of health and
24 shall possess a valid registry identification card.

25 (2) "Cannabis" means all parts of the plant of the genus marijuana, also known as marijuana
26 sativa L. whether growing or not; the seeds thereof; the resin extracted from any part of the plant;
27 and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds,
28 or resin regardless of cannabinoid content or cannabinoid potency including "marijuana", and
29 "industrial hemp" or "industrial hemp products" which satisfy the requirements of chapter 26 of
30 title 2.

31 (3) "Cannabis testing laboratory" means a third-party analytical testing laboratory licensed
32 by the department of health, in coordination with the department of business regulation, to collect
33 and test samples of cannabis.

34 ~~(2)~~(4) "Cardholder" means a person who has been registered or licensed with the

1 department of health or the department of business regulation pursuant to this chapter and possesses
2 a valid registry identification card or license.

3 ~~(3)~~(5) "Commercial unit" means a building, ~~office, suite,~~ or ~~room~~ other space within a
4 commercial or industrial building, for use by one business or person and is rented or owned by that
5 business or person.

6 ~~(4)~~(6)(i) "Compassion center" means a not-for-profit corporation, subject to the provisions
7 of chapter 6 of title 7, and ~~registered~~ is licensed under § 21-28.6-12, that acquires, possesses,
8 cultivates, manufactures, delivers, transfers, transports, supplies, or dispenses medical marijuana,
9 and/or related supplies and educational materials, to patient cardholders and/or their registered
10 caregiver, cardholder or authorized purchaser.

11 (ii) "Compassion center cardholder" means a principal officer, board member, employee,
12 volunteer, or agent of a compassion center who has registered with the ~~department of health or the~~
13 department of business regulation and has been issued and possesses a valid, registry identification
14 card.

15 ~~(5)~~(7) "Debilitating medical condition" means:

16 (i) Cancer, glaucoma, positive status for human immunodeficiency virus, acquired immune
17 deficiency syndrome, Hepatitis C, post-traumatic stress disorder, or the treatment of these
18 conditions;

19 (ii) A chronic or debilitating disease or medical condition, or its treatment, that produces
20 one or more of the following: cachexia or wasting syndrome; severe, debilitating, chronic pain;
21 severe nausea; seizures, including but not limited to, those characteristic of epilepsy; or severe and
22 persistent muscle spasms, including but not limited to, those characteristic of multiple sclerosis or
23 Crohn's disease; or agitation of Alzheimer's Disease; or

24 (iii) Any other medical condition or its treatment approved by the department of health, as
25 provided for in § 21-28.6-5.

26 ~~(6)~~(8) "Department of business regulation" means the office of cannabis regulation within
27 the Rhode Island department of business regulation or its successor agency.

28 ~~(7)~~(9) "Department of health" means the Rhode Island department of health or its successor
29 agency.

30 ~~(8)~~(10) "Department of public safety" means the Rhode Island department of public safety
31 or its successor agency.

32 ~~(9)~~(11) "Dried, ~~useable~~ marijuana" means the dried leaves and flowers of the marijuana
33 plant as defined by regulations promulgated by the department of business regulation ~~health~~.

34 ~~(10)~~(12) "Dwelling unit" means the room, or group of rooms, within a residential dwelling

1 used or intended for use by one family or household, or by no more than three (3) unrelated
2 individuals, with facilities for living, sleeping, sanitation, cooking, and eating.

3 ~~(11)~~(13) "Equivalent amount" means the portion of usable marijuana, be it in extracted,
4 edible, concentrated, or any other form, found to be equal to a portion of dried, ~~usable~~ marijuana,
5 as defined by regulations promulgated by the department of business regulation ~~health~~.

6 ~~(12)"Licensed cultivator" means a person, as identified in § 43-3-6, who has been licensed
7 by the department of business regulation to cultivate marijuana pursuant to § 21-28.6-16.~~

8 ~~(13) "Marijuana" has the meaning given that term in § 21-28-1.02(30).~~

9 ~~(14) "Mature marijuana plant" means a marijuana plant that has flowers or buds that are
10 readily observable by an unaided visual examination.~~

11 ~~(15)~~(14) ~~"Medical marijuana testing laboratory" means a third party analytical testing
12 laboratory licensed by the department of health to collect and test samples of medical marijuana
13 pursuant to regulations promulgated by the department.~~ "Immature marijuana plant" means a
14 marijuana plant, rooted or unrooted, with no observable flower or buds.

15 (15) "Licensed medical marijuana cultivator" means a person or entity, as identified in §
16 43-3-6, who has been licensed by the department of business regulation to cultivate medical
17 marijuana pursuant to § 21-28.6-16.

18 (16) "Marijuana" has the meaning given that term in § 21-28-1.02.

19 (17) "Marijuana establishment licensee" means any person or entity licensed by the
20 department of business regulation under chapter 28.6 of title 21 whose license permits it to engage
21 in or conduct activities in connection with the medical marijuana program. "Marijuana
22 establishment licensees" shall include compassion centers, medical marijuana cultivators, and
23 cannabis testing laboratories.

24 (18) "Mature marijuana plant" means a marijuana plant that has flowers or buds that are
25 readily observable by an unaided visual examination.

26 (19) "Medical marijuana emporium" means any establishment, facility or club, whether
27 operated for-profit or nonprofit, or any commercial unit, at which the sale, distribution, transfer or
28 use of medical marijuana or medical marijuana products is proposed and/or occurs to, by or among
29 registered patients, registered caregivers, authorized purchaser cardholders or any other person.
30 This shall not include a compassion center regulated and licensed by the department of business
31 regulation pursuant to the terms of this chapter.

32 (20) "Medical marijuana" means marijuana and marijuana products which satisfy the
33 requirements of this chapter and have been given the designation of "medical marijuana" due to
34 dose, potency, form. Medical marijuana products are only available for use by patient cardholders,

1 and may only be sold to or possessed by patient cardholders, or their registered caregiver, or
2 authorized purchaser in accordance with this chapter. Medical marijuana may not be sold to,
3 possessed by, manufactured by, or used except as permitted under this chapter.

4 (21) "Medical marijuana plant tag set" or "plant tag" means any tag, identifier, registration,
5 certificate, or inventory tracking system authorized or issued by the department or which the
6 department requires be used for the lawful possession and cultivation of medical marijuana plants
7 in accordance with this chapter.

8 ~~(16)~~(22) "Medical use" means the acquisition, possession, cultivation, manufacture, use,
9 delivery, transfer, or transportation of medical marijuana or paraphernalia relating to the
10 consumption of marijuana to alleviate a patient cardholder's debilitating medical condition or
11 symptoms associated with the medical condition in accordance with the provisions of this chapter.

12 ~~(17)~~(23) "Practitioner" means a person who is licensed with authority to prescribe drugs
13 pursuant to chapters 34, 37, and 54 of title 5, who may provide a qualifying patient with a written
14 certification in accordance with regulations promulgated by the department of health ~~or a physician~~
15 ~~licensed with authority to prescribe drugs in Massachusetts or Connecticut.~~

16 ~~(18)~~(24) "Primary caregiver" means a natural person who is at least twenty-one (21) years
17 old. ~~A primary caregiver who is registered under this chapter in order to, and who~~ may, assist one
18 qualifying patient, but no more than five (5) qualifying patients with their medical use of marijuana,
19 provided that a qualified patient may also serve as his or her own primary caregiver subject to the
20 registration and requirements set forth in § 21-28.6-4.

21 ~~(19)~~(25) "Qualifying patient" means a person who has been ~~diagnosed~~ certified by a
22 practitioner as having a debilitating medical condition and is a resident of Rhode Island.

23 ~~(20)~~(26) "Registry identification card" means a document issued by the department of
24 health or the department of business regulation, as applicable, that identifies a person as a registered
25 qualifying patient, a registered primary caregiver, or authorized purchaser, or a document issued
26 by the department of business regulation or department of health that identifies a person as a
27 registered principal officer, board member, employee, volunteer, or agent of a compassion center,
28 licensed medical marijuana cultivator, cannabis testing lab, or any other medical marijuana
29 licensee.

30 ~~(21) "Seedling" means a marijuana plant with no observable flowers or buds.~~

31 ~~(22)~~(27) "Unusable marijuana" means marijuana seeds, stalks, ~~seedlings~~ and unusable
32 roots and shall not count towards any weight-based possession limits established in the chapter.

33 ~~(23)~~(28) "Usable marijuana" means the ~~dried~~ leaves and flowers of the marijuana plant,
34 and any mixture or preparation thereof, but does not include the seeds, stalks, and roots of the plant.

1 ~~(24)~~(29) "Wet marijuana" means the harvested leaves and flowers of the marijuana plant
2 before they have reached a dry ~~useable~~ state, as defined by regulations promulgated by the
3 ~~departments~~ department of health and department of business regulation.

4 ~~(25)~~(30) "Written certification" means ~~the qualifying patient's medical records, and~~ a
5 statement signed by a practitioner, stating that, in the practitioner's professional opinion, the
6 potential benefits of the medical use of marijuana would likely outweigh the health risks for the
7 qualifying patient. A written certification shall be made only in the course of a bona fide,
8 practitioner-patient relationship after the practitioner has completed a full assessment of the
9 qualifying patient's medical history. The written certification shall specify the qualifying patient's
10 debilitating medical condition or conditions which may include the qualifying patient's relevant
11 medical records.

12 **21-28.6-4. Protections for the medical use of marijuana.**

13 (a) A qualifying patient cardholder who has in his or her possession a registry identification
14 card shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or
15 privilege, including, but not limited to, civil penalty or disciplinary action by a business or
16 occupational or professional licensing board or bureau, solely for the medical use of medical
17 marijuana; provided;

18 ~~(1) Before July 1, 2019, that~~ ~~The~~ qualifying patient cardholder possesses an amount of
19 medical marijuana that does not exceed twelve (12) mature marijuana plants and twelve (12)
20 immature marijuana plants that are accompanied by valid medical marijuana plant tags, two and
21 one-half ~~(2.5)~~ ounces (2.5 oz.) of dried usable medical marijuana, or its equivalent amount which
22 satisfies the requirements of this chapter, and an amount of wet medical marijuana to be set by
23 regulations promulgated by the ~~departments~~ department of ~~health and~~ business regulation. Said
24 plants shall be stored in an indoor facility. Marijuana plants and the marijuana they produce shall
25 only be grown, stored, manufactured, and processed in accordance with regulations promulgated
26 by the department of business regulation; and

27 (b) An authorized purchaser who has in his or her possession a registry identification card
28 shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege,
29 including, but not limited to, civil penalty or disciplinary action by a business or occupational or
30 professional licensing board or bureau, for the possession of medical marijuana; provided that the
31 authorized purchaser possesses an amount of medical marijuana that does not exceed two and one-
32 half (2.5) ounces of usable medical marijuana, or its equivalent amount, and this medical marijuana
33 was purchased legally from a compassion center for the use of their designated qualifying patient.

34 (c) A qualifying patient cardholder, who has in his or her possession a registry

1 identification card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied
2 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business
3 or occupational or professional licensing board or bureau, for selling, giving, or distributing, on or
4 before December 31, 2016 to a compassion center cardholder, medical marijuana of the type, and
5 in an amount not to exceed, that set forth in subsection (a), that he or she has cultivated or
6 manufactured pursuant to this chapter.

7 (d) No school, ~~employer,~~ or landlord may refuse to enroll, ~~employ,~~ or lease to, or otherwise
8 penalize, a person solely for his or her status as a cardholder. Provided, however, due to the safety
9 and welfare concern for other tenants, the property, and the public, as a whole, a landlord may have
10 the discretion not to lease, or continue to lease, to a cardholder who cultivates, manufactures,
11 processes, smokes, or vaporizes medical marijuana in the leased premises.

12 (e) No employer may refuse to employ, or otherwise penalize, a person solely for his or
13 her status as a cardholder, except:

14 (1) To the extent employer action is taken with respect to such person's:

15 (i) Use or possession of marijuana or being under the influence of marijuana in any
16 workplace;

17 (ii) Undertaking a task under the influence of marijuana when doing so would constitute
18 negligence or professional malpractice or jeopardize workplace safety;

19 (iii) Operation, navigation or actual physical control of any motor vehicle or other transport
20 vehicle, aircraft, motorboat, machinery or equipment, or firearms while under the influence of
21 marijuana; or

22 (iv) Violation of employment conditions pursuant to the terms of a collective bargaining
23 agreement; or

24 (2) Where the employer is a federal contractor or otherwise subject to federal law such that
25 failure of the employer to take such action against the employee would cause the employer to lose
26 a monetary or licensing related benefit.

27 ~~(e)~~(f) A primary caregiver cardholder, who has in his or her possession a registry
28 identification card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied
29 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business
30 or occupational or professional licensing board or bureau, for assisting a patient cardholder, to
31 whom he or she is connected through the department of health or department of business
32 regulation's registration process, with the medical use of medical marijuana; provided, that; the
33 primary caregiver cardholder possesses an amount of marijuana that does not exceed twelve (12)
34 mature marijuana plants that are accompanied by valid medical marijuana tags, two and one-half

1 (2.5) ounces of usable marijuana, or its equivalent amount, and an amount of wet marijuana set in
2 regulations promulgated by the departments of health and business regulation for each qualified
3 patient cardholder to whom he or she is connected through the department of health registration
4 process.

5 ~~(g)~~ A qualifying patient cardholder shall be allowed to possess a reasonable amount of
6 unusable marijuana, including up to twelve (12) ~~seedlings~~ immature marijuana plants that are
7 accompanied by valid medical marijuana tags. A primary caregiver cardholder shall be allowed to
8 possess a reasonable amount of unusable marijuana, including up to twenty-four (24) ~~seedlings~~
9 immature marijuana plants that are accompanied by valid medical marijuana tags and an amount
10 of wet marijuana set in regulations promulgated by the departments of health and business
11 regulation.

12 ~~(h)~~ There shall exist a presumption that a cardholder is engaged in the medical use of
13 marijuana if the cardholder:

- 14 (1) Is in possession of a registry identification card; and
15 (2) Is in possession of an amount of marijuana that does not exceed the amount permitted
16 under this chapter. Such presumption may be rebutted by evidence that conduct related to marijuana
17 was not for the purpose of alleviating the qualifying patient's debilitating medical condition or
18 symptoms associated with the medical condition.

19 ~~(i)~~ A primary caregiver cardholder may receive reimbursement for costs associated with
20 assisting a qualifying patient cardholder's medical use of marijuana. A primary caregiver
21 cardholder may only receive reimbursement for the actual costs of goods, materials, services or
22 utilities for which they have incurred expenses. A primary caregiver may not receive
23 reimbursement or compensation for his or her time, knowledge, or expertise. Compensation shall
24 not constitute sale of controlled substances under state law. The department of business regulation
25 may promulgate regulations for the documentation and tracking of reimbursements and the transfer
26 of medical marijuana between primary caregivers and their registered patients.

27 ~~(j)~~ A primary caregiver cardholder, who has in his or her possession a registry
28 identification card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied
29 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business
30 or occupational or professional licensing board or bureau, for selling, giving, or distributing, on or
31 before December 31, 2016 to a compassion center cardholder, marijuana, of the type, and in an
32 amount not to exceed that set forth in subsection ~~(f)~~, if:

- 33 (1) The primary caregiver cardholder cultivated the marijuana pursuant to this chapter, not
34 to exceed the limits of subsection ~~(f)~~; and

1 (2) Each qualifying patient cardholder the primary caregiver cardholder is connected with
2 through the department of health's registration process has been provided an adequate amount of
3 the marijuana to meet his or her medical needs, not to exceed the limits of subsection (a).

4 ~~(k)~~(k) A practitioner shall not be subject to arrest, prosecution, or penalty in any manner, or
5 denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by
6 the Rhode Island board of medical licensure and discipline, or ~~by any other business~~ an employer
7 or occupational or professional licensing board or bureau solely for providing written certifications
8 in accordance with this chapter and regulations promulgated by the department of health, or for
9 otherwise stating that, in the practitioner's professional opinion, the potential benefits of the medical
10 marijuana would likely outweigh the health risks for a patient.

11 ~~(l)~~(l) Any interest in, or right to, property that is possessed, owned, or used in connection
12 with the lawful medical use of marijuana, or acts incidental to such use, shall not be forfeited.

13 ~~(m)~~(m) No person shall be subject to arrest or prosecution for constructive possession,
14 conspiracy, aiding and abetting, being an accessory, or any other offense, for simply being in the
15 presence or vicinity of the medical use of marijuana as permitted under this chapter, or for assisting
16 a qualifying patient cardholder with using or administering marijuana.

17 ~~(n)~~(n) A practitioner licensed with authority to prescribe drugs pursuant to chapters 34,
18 37 and 54 of title 5, or pharmacist licensed under chapter 19.1 of title 5, or certified school nurse
19 teacher, shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right
20 or privilege, including, but not limited to, civil penalty or disciplinary action by an employer a
21 ~~business~~ or occupational or professional licensing board or bureau solely for ~~Discussing~~ discussing
22 the benefits or health risks of medical marijuana or its interaction with other substances with a
23 patient.

24 (2) Administering a non-smokable and non-vaporized form of medical marijuana in a
25 school setting to a qualified patient registered in accordance with chapter 28.6 of title 21.

26 ~~(o)~~(o) A qualifying patient or primary caregiver registry identification card, or its
27 equivalent, issued under the laws of another state, U.S. territory, or the District of Columbia, to
28 permit the medical use of marijuana by a patient with a debilitating medical condition, or to permit
29 a person to assist with the medical use of marijuana by a patient with a debilitating medical
30 condition, shall have the same force and effect as a registry identification card.

31 ~~(p)~~(p) Notwithstanding the provisions of subsection ~~(f)~~(f), no primary caregiver cardholder
32 shall ~~Possess~~ possess an amount of marijuana in excess of twenty-four (24) mature marijuana plants
33 that are accompanied by valid medical marijuana tags and five (5) ounces of usable marijuana, or
34 its equivalent, and an amount of wet medical marijuana set in regulations promulgated by the

1 departments of health and business regulation for patient cardholders to whom he or she is
2 connected through the department of health [and/or department of business regulation](#) registration
3 process.

4 ~~(q)~~(q) A qualifying patient or primary caregiver cardholder may give marijuana to another
5 qualifying patient or primary caregiver cardholder to whom they are not connected by the
6 department's registration process, provided that no consideration is paid for the marijuana, and that
7 the recipient does not exceed the limits specified in this section.

8 ~~(r)~~(r) Qualifying patient cardholders and primary caregiver cardholders who are authorized
9 to grow marijuana shall only grow at one premises, and this premises shall be registered with the
10 department of ~~health~~ [business regulation](#). Except for [licensed](#) compassion centers, [and licensed](#)
11 cooperative cultivations, and licensed cultivators, no more than twenty four (24) mature marijuana
12 plants that are accompanied by valid medical marijuana tags shall be grown or otherwise located
13 at any one dwelling unit or commercial unit. The number of qualifying patients or primary
14 caregivers residing, owning, renting, growing, or otherwise operating at a dwelling or commercial
15 unit does not affect this limit. The department of ~~health~~ [business regulation](#) shall promulgate
16 regulations to enforce this provision.

17 ~~(s)~~(s) For the purposes of medical care, including organ transplants, a patient cardholder's
18 authorized use of marijuana shall be considered the equivalent of the authorized use of any other
19 medication used at the direction of a physician, and shall not constitute the use of an illicit
20 substance.

21 ~~(t)~~(t) Notwithstanding any other provisions of the general laws, the manufacture of
22 marijuana using a solvent extraction process that includes the use of a compressed, flammable gas
23 as a solvent by a patient cardholder or primary caregiver cardholder shall not be subject to the
24 protections of this chapter.

25 ~~(u)~~(u) Notwithstanding any provisions to the contrary, nothing in this chapter or the general
26 laws shall restrict or otherwise affect the manufacturing, distribution, transportation, sale,
27 prescribing and dispensing of a product that has been approved for marketing as a prescription
28 medication by the U.S. Food and Drug Administration and legally prescribed, nor shall hemp, ~~as~~
29 ~~defined in~~ [in accordance with chapter 26 of title 2 § 2-26-3](#), be defined as marijuana or marihuana
30 pursuant to this chapter, chapter 28 of this title or elsewhere in the general laws.

31 **21-28.6-5. ~~Departments of health to issue regulations~~ Departments of health and**
32 **business regulation to issue regulations.**

33 (a) Not later than ninety (90) days after the effective date of this chapter, the department of
34 health shall promulgate regulations governing the manner in which it shall consider petitions from

1 the public to add debilitating medical conditions to those included in this chapter. In considering
2 such petitions, the department of health shall include public notice of, and an opportunity to
3 comment in a public hearing, upon such petitions. The department of health shall, after hearing,
4 approve or deny such petitions within one hundred eighty (180) days of submission. The approval
5 or denial of such a petition shall be considered a final department of health action, subject to judicial
6 review. Jurisdiction and venue for judicial review are vested in the superior court. The denial of a
7 petition shall not disqualify qualifying patients with that condition, if they have a debilitating
8 medical condition as defined in § 21-28.6-3~~(5)~~. The denial of a petition shall not prevent a person
9 with the denied condition from raising an affirmative defense.

10 (b) Not later than ninety (90) days after the effective date of this chapter, the department
11 of health shall promulgate regulations governing the manner in which it shall consider applications
12 for, and renewals of, registry identification cards for qualifying patients, ~~primary caregivers~~, and
13 authorized purchasers. The department of health's regulations shall establish application and
14 renewal fees that generate revenues sufficient to offset all expenses of implementing and
15 administering this chapter. The department of health may vary the application and renewal fees
16 along a sliding scale that accounts for a qualifying patient's or caregiver's income. The department
17 of health may accept donations from private sources in order to reduce the application and renewal
18 fees.

19 (c) Not later than October 1, 2019, the department of business regulation shall promulgate
20 regulations not inconsistent with law, to carry into effect the provisions of this section, governing
21 the manner in which it shall consider applications for, and renewals of, registry identification cards
22 for primary caregivers. The department of business regulation's regulations shall establish
23 application and renewal fees. The department of business regulation may vary the application and
24 renewal fees along a sliding scale that accounts for a qualifying patient's or caregiver's income. The
25 department of business regulation may accept donations from private sources in order to reduce the
26 application and renewal fees.

27 **21-28.6-6. Administration of departments of health and business regulation**
28 **regulations.**

29 (a) The department of health shall issue registry identification cards to qualifying patients
30 who submit the following, in accordance with the department's regulations. Applications shall
31 include but not be limited to:

32 (1) Written certification as defined in § 21-28.6-3~~(25)~~ of this chapter;

33 (2) Application fee, as applicable;

34 (3) Name, address, and date of birth of the qualifying patient; provided, however, that if

1 the patient is homeless, no address is required;

2 (4) Name, address, and telephone number of the qualifying patient's practitioner;

3 (5) Whether the patient elects to grow medical marijuana plants for himself or herself; and

4 (6) Name, address, and date of birth of one primary caregiver of the qualifying patient and

5 any authorized purchaser for the qualifying patient, if any [primary caregiver or authorized](#)

6 [purchaser](#) is chosen by the patient or allowed in accordance with regulations promulgated by the

7 ~~department~~ [departments](#) of health [or business regulation](#).

8 (b) The department of health shall not issue a registry identification card to a qualifying
9 patient under the age of eighteen (18) unless:

10 (1) The qualifying patient's practitioner has explained the potential risks and benefits of the
11 medical use of marijuana to the qualifying patient and to a parent, guardian, or person having legal
12 custody of the qualifying patient; and

13 (2) A parent, guardian, or person having legal custody consents in writing to:

14 (i) Allow the qualifying patient's medical use of marijuana;

15 (ii) Serve as the qualifying patient's primary caregiver or authorized purchaser; and

16 (iii) Control the acquisition of the marijuana, the dosage, and the frequency of the medical
17 use of marijuana by the qualifying patient.

18 (c) The department of health shall renew registry identification cards to qualifying patients
19 in accordance with regulations promulgated by the department of health [and subject to payment of](#)
20 [any applicable renewal fee](#).

21 (d) The department of health shall not issue a registry identification card to a qualifying
22 patient seeking treatment for post-traumatic stress disorder (PTSD) under the age of eighteen (18).

23 (e) The department of health shall verify the information contained in an application or
24 renewal submitted pursuant to this section, and shall approve or deny an application or renewal
25 within thirty-five (35) days of receiving it. The department may deny an application or renewal
26 only if the applicant did not provide the information required pursuant to this section, or if the
27 department determines that the information provided was falsified, [or that the renewing applicant](#)
28 [has violated this chapter under their previous registration](#). Rejection of an application or renewal is
29 considered a final department action, subject to judicial review. Jurisdiction and venue for judicial
30 review are vested in the superior court.

31 (f) If the qualifying patient's practitioner notifies the department [of health](#) in a written
32 statement that the qualifying patient is eligible for hospice care or chemotherapy, the department
33 of health [and department of business regulation, as applicable](#), shall give priority to these
34 applications when verifying the information in accordance with subsection (e) and issue a registry

1 identification card to these qualifying patients, primary caregivers and authorized purchasers within
2 seventy-two (72) hours of receipt of the completed application. The departments shall not charge a
3 registration fee to the patient, caregivers or authorized purchasers named in the application. The
4 department of health may identify through regulation a list of other conditions qualifying a patient
5 for expedited application processing.

6 (g) Following the promulgation of regulations pursuant to § 21-28.6-5(c), the ~~The~~
7 ~~department of health shall~~ department of business regulation may issue or renew a registry
8 identification card to the qualifying patient cardholder's primary caregiver, if any, who is named in
9 the qualifying patient's approved application The department of business regulation shall verify the
10 information contained in applications and renewal forms submitted pursuant to this chapter prior
11 to issuing any registry identification card. The department of business regulation may deny an
12 application or renewal if the applicant or appointing patient did not provide the information
13 required pursuant to this section, or if the department determines that the information provided was
14 falsified, or if the applicant or appointing patient has violated this chapter under his or her previous
15 registration or has otherwise failed to satisfy the application or renewal requirements.

16 (1) A primary caregiver applicant or an authorized purchaser applicant shall apply to the
17 bureau of criminal identification of the department of attorney general, department of public safety
18 division of state police, or local police department for a national criminal records check that shall
19 include fingerprints submitted to the Federal Bureau of Investigation. Upon the discovery of any
20 disqualifying information as defined in subdivision (g)~~(4)~~(5), and in accordance with the rules
21 promulgated by the director, the bureau of criminal identification of the department of attorney
22 general, department of public safety division of state police, or the local police department shall
23 inform the applicant, in writing, of the nature of the disqualifying information; and, without
24 disclosing the nature of the disqualifying information, shall notify the department of business
25 regulation or department of health, as applicable, in writing, that disqualifying information has been
26 discovered.

27 (2) In those situations in which no disqualifying information has been found, the bureau of
28 criminal identification of the department of attorney general, department of public safety division
29 of state police, or the local police shall inform the applicant and the department of business
30 regulation or department of health, as applicable, in writing, of this fact.

31 (3) The department of health or department of business regulation, as applicable, shall
32 maintain on file evidence that a criminal records check has been initiated on all applicants seeking
33 a primary caregiver registry identification card or an authorized purchaser registry identification
34 card and the results of the checks. The primary caregiver cardholder shall not be required to apply

1 for a national criminal records check for each patient he or she is connected to through the
2 department's registration process, provided that he or she has applied for a national criminal records
3 check within the previous two (2) years in accordance with this chapter. The department of health
4 and department of business regulation, as applicable, shall not require a primary caregiver
5 cardholder or an authorized purchaser cardholder to apply for a national criminal records check
6 more than once every two (2) years.

7 (4) Notwithstanding any other provision of this chapter, the department of business
8 regulation or department of health may revoke or refuse to issue any class or type of registry
9 identification card or license if it determines that failing to do so would conflict with any federal
10 law or guidance pertaining to regulatory, enforcement and other systems that states, businesses, or
11 other institutions may implement to mitigate the potential for federal intervention or enforcement.
12 This provision shall not be construed to prohibit the overall implementation and administration of
13 this chapter on account of the federal classification of marijuana as a schedule I substance or any
14 other federal prohibitions or restrictions.

15 ~~(4)~~(5) Information produced by a national criminal records check pertaining to a conviction
16 for any felony offense under chapter 28 of title 21 ("Rhode Island Controlled Substances Act"),
17 murder, manslaughter, rape, first-degree sexual assault, second-degree sexual assault, first-degree
18 child molestation, second-degree child molestation, kidnapping, first-degree arson, second-degree
19 arson, mayhem, robbery, burglary, breaking and entering, assault with a dangerous weapon, assault
20 or battery involving grave bodily injury, and/or assault with intent to commit any offense
21 punishable as a felony or a similar offense from any other jurisdiction shall result in a letter to the
22 applicant and the department of health or department of business regulation, as applicable,
23 disqualifying the applicant. If disqualifying information has been found, the department of health
24 or department of business regulation, as applicable may use its discretion to issue a primary
25 caregiver registry identification card or an authorized purchaser registry identification card if the
26 applicant's connected patient is an immediate family member and the card is restricted to that
27 patient only.

28 ~~(5)~~(6) The primary caregiver or authorized purchaser applicant shall be responsible for any
29 expense associated with the national criminal records check.

30 ~~(6)~~(7) For purposes of this section, "conviction" means, in addition to judgments of
31 conviction entered by a court subsequent to a finding of guilty or a plea of guilty, those instances
32 where the defendant has entered a plea of nolo contendere and has received a sentence of probation
33 and those instances where a defendant has entered into a deferred sentence agreement with the
34 attorney general.

1 (8) (i) The office of cannabis regulation may adopt rules and regulations based on federal
2 guidance provided those rules and regulations are designed to comply with federal guidance and
3 mitigate federal enforcement against the registrations and licenses issued under this chapter.

4 (ii) All new and revised rules and regulations promulgated by the department of business
5 regulation and/or the department of health pursuant to this chapter shall be subject to approval by
6 the general assembly prior to enactment.

7 (h)(1) On or before December 31, 2016, the department of health shall issue registry
8 identification cards within five (5) business days of approving an application or renewal that shall
9 expire two (2) years after the date of issuance.

10 ~~(h)(2)~~ Effective January 1, 2017, and thereafter, the department of health or the department
11 of business regulation, as applicable, shall issue registry identification cards within five (5) business
12 days of approving an application or renewal that shall expire one year after the date of issuance.

13 ~~(h)(3)~~ Registry identification cards shall contain:

14 ~~(i)~~ The date of issuance and expiration date of the registry identification card;

15 ~~(ii)~~ A random registry identification number;

16 ~~(iii)~~ A photograph; and

17 ~~(iv)~~ Any additional information as required by regulation or the department of health or
18 business regulation as applicable.

19 (i) Persons issued registry identification cards by the department of health or department
20 of business regulation shall be subject to the following:

21 (1) A qualifying patient cardholder shall notify the department of health of any change in
22 his or her name, address, primary caregiver, or authorized purchaser; or if he or she ceases to have
23 his or her debilitating medical condition, within ten (10) days of such change.

24 (2) A qualifying patient cardholder who fails to notify the department of health of any of
25 these changes is responsible for a civil infraction, punishable by a fine of no more than one hundred
26 fifty dollars (\$150). If the patient cardholder has ceased to suffer from a debilitating medical
27 condition, the card shall be deemed null and void and the person shall be liable for any other
28 penalties that may apply to the person's nonmedical use of marijuana.

29 (3) A primary caregiver cardholder or authorized purchaser shall notify the issuing
30 department ~~of health~~ of any change in his or her name or address within ten (10) days of such
31 change. A primary caregiver cardholder or authorized purchaser who fails to notify the issuing
32 department of any of these changes is responsible for a civil infraction, punishable by a fine of no
33 more than one hundred fifty dollars (\$150).

34 (4) When a qualifying patient cardholder or primary caregiver cardholder notifies the

1 department of health [or department of business regulation, as applicable](#), of any changes listed in
2 this subsection, the department of health [or department of business regulation, as applicable](#), shall
3 issue the qualifying patient cardholder and each primary caregiver cardholder a new registry
4 identification card within ten (10) days of receiving the updated information and a ten-dollar
5 (\$10.00) fee.

6 (5) When a qualifying patient cardholder changes his or her primary caregiver or authorized
7 purchaser, the department of health [or department of business regulation, as applicable](#) shall notify
8 the primary caregiver cardholder or authorized purchaser within ten (10) days. The primary
9 caregiver cardholder's protections as provided in this chapter as to that patient shall expire ten (10)
10 days after notification by the [issuing](#) department. If the primary caregiver cardholder or authorized
11 purchaser is connected to no other qualifying patient cardholders in the program, he or she must
12 return his or her registry identification card to the [issuing](#) department.

13 (6) If a cardholder or authorized purchaser loses his or her registry identification card, he
14 or she shall notify the department [that issued the card](#) and submit a ten-dollar (\$10.00) fee within
15 ten (10) days of losing the card. Within five (5) days, the department [of health or department of](#)
16 [business regulation](#) shall issue a new registry identification card with new random identification
17 number.

18 (7) Effective January 1, 2019, if a patient cardholder chooses to alter his or her registration
19 with regard to the growing of medical marijuana for himself or herself, he or she shall notify the
20 department prior to the purchase of medical marijuana tags or the growing of medical marijuana
21 plants.

22 (8) If a cardholder or authorized purchaser willfully violates any provision of this chapter
23 as determined by the department [of health or the department of business regulation](#), his or her
24 registry identification card may be revoked.

25 (j) Possession of, or application for, a registry identification card shall not constitute
26 probable cause or reasonable suspicion, nor shall it be used to support the search of the person or
27 property of the person possessing or applying for the registry identification card, or otherwise
28 subject the person or property of the person to inspection by any governmental agency.

29 (k)(1) Applications and supporting information submitted by qualifying patients, including
30 information regarding their primary caregivers, authorized purchaser, and practitioners, are
31 confidential and protected ~~under~~ [in accordance with](#) the federal Health Insurance Portability and
32 Accountability Act of 1996, [as amended](#), and shall be exempt from the provisions of chapter 2 of
33 title 38 et seq. (Rhode Island access to public records act) and not subject to disclosure, except to
34 authorized employees of the departments of health [and business regulation](#) as necessary to perform

1 official duties of the ~~department~~ departments, and pursuant to subsection (l) and (m).

2 (2) The application for qualifying patient's registry identification card shall include a
3 question asking whether the patient would like the department of health to notify him or her of any
4 clinical studies about marijuana's risk or efficacy. The department of health shall inform those
5 patients who answer in the affirmative of any such studies it is notified of, that will be conducted
6 in Rhode Island. The department of health may also notify those patients of medical studies
7 conducted outside of Rhode Island.

8 (3) The department of health and the department of business regulation, as applicable, shall
9 maintain a confidential list of the persons to whom the department of health or department of
10 business regulation has issued authorized patient, primary caregiver, and authorized purchaser
11 registry identification cards. Individual names and other identifying information on the list shall be
12 confidential, exempt from the provisions of Rhode Island access to public information, chapter 2
13 of title 38, and not subject to disclosure, except to authorized employees of the ~~department~~
14 departments of health and business regulation as necessary to perform official duties of the
15 ~~department~~ departments and pursuant to subsections (l) and (m) of this section.

16 (l) Notwithstanding ~~subsection~~ subsections (k) and (m) of this section, the departments of
17 health and business regulation, as applicable, shall verify to law enforcement personnel whether a
18 registry identification card is valid and may provide additional information to confirm whether a
19 cardholder is compliant with the provisions of this chapter and the regulations promulgated
20 hereunder. ~~solely by confirming the random registry identification number or name. The~~
21 department of business regulation shall verify to law enforcement personnel whether a registry
22 identification card is valid and may confirm whether the cardholder is compliant with the provisions
23 of this chapter and the regulations promulgated hereunder. This verification may occur through the
24 use of a shared database, provided that any medical records or confidential information in this
25 database related to a cardholder's specific medical condition is protected in accordance with
26 subdivision (k)(1).

27 (m) It shall be a crime, punishable by up to one hundred eighty (180) days in jail and a one
28 thousand dollar (\$1,000) fine, for any person, including an employee or official of the departments
29 of health, business regulation, public safety, or another state agency or local government, to breach
30 the confidentiality of information obtained pursuant to this chapter. Notwithstanding this provision,
31 the department of health and department of business regulation employees may notify law
32 enforcement about falsified or fraudulent information submitted to the department or violations of
33 this chapter. Nothing in this act shall be construed as to prohibit law enforcement, public safety,
34 fire, or building officials from investigating violations of, or enforcing state law.

1 (n) On or before the fifteenth day of the month following the end of each quarter of the
2 fiscal year, the department [of health and the department of business regulation](#) shall report to the
3 governor, the speaker of the House of Representatives, and the president of the senate on
4 applications for the use of marijuana for symptom relief. The report shall provide:

5 (1) The number of applications for registration as a qualifying patient, primary caregiver,
6 or authorized purchaser that have been made to the department of health [and the department of](#)
7 [business regulation](#) during the preceding quarter, the number of qualifying patients, primary
8 caregivers, and authorized purchasers approved, the nature of the debilitating medical conditions
9 of the qualifying patients, the number of registrations revoked, and the number and specializations,
10 if any, of practitioners providing written certification for qualifying patients.

11 (o) On or before September 30 of each year, the department of health [and the department](#)
12 [of business regulation, as applicable, shall](#) report to the governor, the speaker of the House of
13 Representatives, and the president of the senate on the use of marijuana for symptom relief. The
14 report shall provide:

15 (1) The total number of applications for registration as a qualifying patient, primary
16 caregiver, or authorized purchaser that have been made to the department of health [and the](#)
17 [department of business regulation](#), the number of qualifying patients, primary caregivers, and
18 authorized purchasers approved, the nature of the debilitating medical conditions of the qualifying
19 patients, the number of registrations revoked, and the number and specializations, if any, of
20 practitioners providing written certification for qualifying patients;

21 (2) The number of active qualifying patient, primary caregiver, and authorized purchaser
22 registrations as of June 30 of the preceding fiscal year;

23 (3) An evaluation of the costs permitting the use of marijuana for symptom relief, including
24 any costs to law enforcement agencies and costs of any litigation;

25 (4) Statistics regarding the number of marijuana-related prosecutions against registered
26 patients and caregivers, and an analysis of the facts underlying those prosecutions;

27 (5) Statistics regarding the number of prosecutions against physicians for violations of this
28 chapter; and

29 (6) Whether the United States Food and Drug Administration has altered its position
30 regarding the use of marijuana for medical purposes or has approved alternative delivery systems
31 for marijuana.

32 (p) After June 30, 2018, the department of business regulation shall report to the speaker
33 of the house, senate president, the respective fiscal committee chairpersons, and fiscal advisors
34 within 60 days of the close of the prior fiscal year. The report shall provide:

1 (1) The number of applications for registry identification cards to compassion center staff,
2 the number approved, denied and the number of registry identification cards revoked, and the
3 number of replacement cards issued;

4 (2) The number of applications for compassion centers and licensed cultivators;

5 (3) The number of marijuana plant tag sets ordered, delivered, and currently held within
6 the state;

7 (4) The total revenue collections of any monies related to its regulator activities for the
8 prior fiscal year, by the relevant category of collection, including enumerating specifically the total
9 amount of revenues foregone or fees paid at reduced rates pursuant to this chapter.

10 **21-28.6-7. Scope of chapter.**

11 (a) This chapter shall not permit:

12 (1) Any person to undertake any task under the influence of marijuana, when doing so
13 would constitute negligence or professional malpractice;

14 (2) The smoking of marijuana:

15 (i) In a school bus or other form of public transportation;

16 (ii) On any school grounds;

17 (iii) In any correctional facility;

18 (iv) In any public place;

19 (v) In any licensed drug treatment facility in this state; or

20 (vi) Where exposure to the marijuana smoke significantly adversely affects the health,
21 safety, or welfare of children.

22 (3) Any person to operate, navigate, or be in actual physical control of any motor vehicle,
23 aircraft, or motorboat while under the influence of marijuana. However, a registered qualifying
24 patient shall not be considered to be under the influence solely for having marijuana metabolites in
25 his or her system.

26 (4) The operation of a medical marijuana emporium, which is expressly prohibited.

27 (b) Nothing in this chapter shall be construed to require:

28 (1) A government medical assistance program or private health insurer or workers'
29 compensation insurer, workers' compensation group self-insurer or employer self-insured for
30 workers' compensation under § 28-36-1 to reimburse a person for costs associated with the medical
31 use of marijuana; or

32 (2) An employer to accommodate the medical use of marijuana in any workplace.

33 (c) Fraudulent representation to a law enforcement official of any fact or circumstance
34 relating to the medical use of marijuana to avoid arrest or prosecution shall be punishable by a fine

1 of five hundred dollars (\$500) which shall be in addition to any other penalties that may apply for
2 making a false statement for the nonmedical use of marijuana.

3 **21-28.6-8. Affirmative defense and dismissal.**

4 (a) Except as provided in § 21-28.6-7, a qualifying patient may assert the medical purpose
5 for using marijuana as a defense to any prosecution involving marijuana, and such defense shall be
6 presumed valid where the evidence shows that:

7 (1) The qualifying patient's practitioner has stated that, in the practitioner's professional
8 opinion, after having completed a full assessment of the person's medical history and current
9 medical condition made in the course of a bona fide practitioner-patient relationship, the potential
10 benefits of using marijuana for medical purposes would likely outweigh the health risks for the
11 qualifying patient; and

12 (2) The qualifying patient [was compliant with this chapter and all regulations promulgated](#)
13 [hereunder and](#) in possession of a quantity of marijuana that was not more than what is permitted
14 under this chapter to ensure the uninterrupted availability of marijuana for the purpose of alleviating
15 the person's medical condition or symptoms associated with the medical condition.

16 (b) A person may assert the medical purpose for using marijuana in a motion to dismiss,
17 and the charges shall be dismissed following an evidentiary hearing where the defendant shows the
18 elements listed in subsection (a) of this section.

19 (c) Any interest in, or right to, property that was possessed, owned, or used in connection
20 with a qualifying patient's use of marijuana for medical purposes shall not be forfeited if the
21 qualifying patient demonstrates the qualifying patient's medical purpose for using marijuana
22 pursuant to this section.

23 **21-28.6-9. Enforcement.**

24 (a) If the department of health fails to adopt regulations to implement this chapter within
25 one hundred twenty (120) days of the effective date of this act, a qualifying patient may commence
26 an action in a court of competent jurisdiction to compel the department to perform the actions
27 mandated pursuant to the provisions of this chapter.

28 (b) If the department of health or the department of business regulation fails to issue a valid
29 registry identification card in response to a valid application submitted pursuant to this chapter
30 within thirty-five (35) days of its submission, the registry identification card shall be deemed
31 granted and a copy of the registry identification application shall be deemed a valid registry
32 identification card.

33 (c) The department of health and the department of business regulation shall revoke and
34 shall not reissue, the registry identification card of any cardholder or licensee who is convicted of;

1 placed on probation; whose case is filed pursuant to § 12-10-12 where the defendant pleads nolo
2 contendere; or whose case is deferred pursuant to § 12-19-19 where the defendant pleads nolo
3 contendere for any felony offense under chapter 28 of title 21 ("Rhode Island Controlled Substances
4 Act") or a similar offense from any other jurisdiction.

5 (d) If a cardholder exceeds the possession limits set forth in §§ 21-28.6-4 or 21-28.6-14, or
6 is in violation of any other section of this chapter or the regulations promulgated hereunder, he or
7 she ~~shall~~ may be subject to arrest and prosecution under chapter 28 of title 21 ("Rhode Island
8 Controlled Substances Act").

9 (e)(1) Notwithstanding any other provision of this chapter, if the director of the department
10 of business regulation or his or her designee has cause to believe that a violation of any provision
11 of chapter 28.6 of title 21 or the regulations promulgated thereunder has occurred by a licensee or
12 registrant under the department's jurisdiction, or that any person or entity is conducting any
13 activities requiring licensure or registration by the department of business regulation under chapter
14 28.6 of title 21 or the regulations promulgated thereunder without such licensure or registration, or
15 is otherwise violating any provisions of said chapter, the director or his or her designee may, in
16 accordance with the requirements of the administrative procedures act, chapter 35 of title 42:

17 (i) With the exception of patient and authorized purchaser registrations, revoke or suspend
18 any license or registration issued under chapters 26 of title 2 or 28.6 of title 21;

19 (ii) Levy an administrative penalty in an amount established pursuant to regulations
20 promulgated by the department of business regulation;

21 (iii) Order the violator to cease and desist such actions;

22 (iv) Require a licensee or registrant or person or entity conducting any activities requiring
23 licensure or registration under chapter 28.6 of title 21 to take such actions as are necessary to
24 comply with such chapter and the regulations promulgated thereunder; or

25 (v) Any combination of the above penalties.

26 (2) If the director of the department of business regulation finds that public health, safety,
27 or welfare imperatively requires emergency action, and incorporates a finding to that effect in his
28 or her order, summary suspension of license or registration and/or cease and desist may be ordered
29 pending proceedings for revocation or other action. These proceedings shall be promptly instituted
30 and determined.

31 (f) All cannabis products that are held for sale or distribution within the borders of this state
32 in violation of the requirements of this chapter are declared to be contraband goods and may be
33 seized by the department of business regulation, the tax administrator or his or her agents, or
34 employees, or by any sheriff, or his or her deputy, or any police officer when requested by the tax

1 [administrator or the department of business regulation to do so, without a warrant. All contraband](#)
2 [goods seized by the state under this chapter may be destroyed.](#)

3 **21-28.6-12. Compassion centers.**

4 (a) A compassion center ~~registered~~ [licensed](#) under this section may acquire, possess,
5 cultivate, manufacture, deliver, transfer, transport, supply, or dispense [medical](#) marijuana, or
6 related supplies and educational materials, to registered qualifying patients and their registered
7 primary caregivers or authorized purchasers, [or out of state patient cardholders or other marijuana](#)
8 [establishment licensees](#). Except as specifically provided to the contrary, all provisions of [chapter](#)
9 [28.6 of title 21](#) (the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act), apply to a
10 compassion center unless ~~they~~ [the provision\(s\)](#) conflict with a provision contained in § 21-28.6-12.

11 (b) ~~Registration~~ [License](#) of compassion centers—authority of the departments of health and
12 business regulation:

13 (1) Not later than ninety (90) days after the effective date of this chapter, the department
14 of health shall promulgate regulations governing the manner in which it shall consider applications
15 for ~~registration certificates~~ [licenses](#) for compassion centers, including regulations governing:

16 (i) The form and content of ~~registration~~ [license](#) and renewal applications;

17 (ii) Minimum oversight requirements for compassion centers;

18 (iii) Minimum record-keeping requirements for compassion centers;

19 (iv) Minimum security requirements for compassion centers; and

20 (v) Procedures for suspending, revoking, or terminating the ~~registration~~ [license](#) of
21 compassion centers that violate the provisions of this section or the regulations promulgated
22 pursuant to this subsection.

23 (2) Within ninety (90) days of the effective date of this chapter, the department of health
24 shall begin accepting applications for the operation of a single compassion center.

25 (3) Within one hundred fifty (150) days of the effective date of this chapter, the department
26 of health shall provide for at least one public hearing on the granting of an application to a single
27 compassion center.

28 (4) Within one hundred ninety (190) days of the effective date of this chapter, the
29 department of health shall grant a single ~~registration certificate~~ [license](#) to a single compassion
30 center, providing at least one applicant has applied who meets the requirements of this chapter.

31 (5) If at any time after fifteen (15) months after the effective date of this chapter, there is
32 no operational compassion center in Rhode Island, the department of health shall accept
33 applications, provide for input from the public, and issue a ~~registration certificate~~ [license](#) for a
34 compassion center if a qualified applicant exists.

1 (6) Within two (2) years of the effective date of this chapter, the department of health shall
2 begin accepting applications to provide ~~registration-certificates~~ license for two (2) additional
3 compassion centers. The department shall solicit input from the public, and issue ~~registration~~
4 ~~certificates~~ licenses if qualified applicants exist.

5 (7) (i) Any time a compassion center ~~registration-certificate~~ license is revoked, is
6 relinquished, or expires on or before December 31, 2016, the department of health shall accept
7 applications for a new compassion center.

8 (ii) Any time a compassion center ~~registration-certificate~~ license is revoked, is relinquished,
9 or expires on or after January 1, 2017, the department of business regulation shall accept
10 applications for a new compassion center.

11 (8)(i) If at any time after three (3) years after the effective date of this chapter and on or
12 before December 31, 2016, fewer than three (3) compassion centers are holding valid ~~registration~~
13 ~~certificates~~ licenses in Rhode Island, the department of health shall accept applications for a new
14 compassion center. If at any time on or after January 1, 2017, fewer than three (3) compassion
15 centers are holding valid ~~registration-certificates~~ licenses in Rhode Island, the department of
16 business regulation shall accept applications for a new compassion center. ~~No more than three (3)~~
17 There shall be nine (9) compassion centers that may hold valid registration-certificates licenses at
18 one time. If at any time on or after July 1, 2019, fewer than nine (9) compassion centers are holding
19 valid licenses in Rhode Island, the department of business regulation shall accept applications for
20 new compassion centers and shall continue the process until nine (9) licenses have been issued by
21 the department of business regulation.

22 (9) Any compassion center application selected for approval by the department of health
23 on or before December 31, 2016, or selected for approval by the department of business regulation
24 on or after January 1, 2017, shall remain in full force and effect, notwithstanding any provisions of
25 this chapter to the contrary, and shall be subject to state law adopted herein and rules and regulations
26 adopted by the departments of health and business regulation subsequent to passage of this
27 legislation.

28 (10) A licensed cultivator may apply for, and be issued, an available compassion center
29 license provided that the licensed cultivation premises is disclosed on the compassion center
30 application as the permitted second location for growing medical marijuana in accordance with §
31 21-28.6-12(c)(1). If a licensed cultivator is issued an available compassion center license, their
32 cultivation facility license will merge with and into their compassion center license in accordance
33 with regulations promulgated by the department of business regulation. Once merged, the
34 cultivation of medical marijuana may then be conducted under the compassion center license in

1 [accordance with § 21-28.6-12 and the cultivation license will be considered null and void and of](#)
2 [no further force or effect.](#)

3 (c) Compassion center and agent applications and ~~registration~~ [license](#):

4 (1) Each application for a compassion center shall ~~include~~ [be submitted in accordance with](#)
5 [regulations promulgated by the department of business regulation and shall include, but not be](#)
6 [limited to:](#)

7 (i) A non-refundable application fee paid to the department in the amount of ~~two hundred~~
8 ~~fifty dollars (\$250)~~ [ten thousand dollars \(\\$10,000\)](#);

9 (ii) The proposed legal name and proposed articles of incorporation of the compassion
10 center;

11 (iii) The proposed physical address of the compassion center, if a precise address has been
12 determined, or, if not, the general location where it would be located. this may include a second
13 location-for the cultivation of medical marijuana;

14 (iv) A description of the enclosed, locked facility that would be used in the cultivation of
15 [medical](#) marijuana;

16 (v) The name, address, and date of birth of each principal officer and board member of the
17 compassion center;

18 (vi) Proposed security and safety measures that shall include at least one security alarm
19 system for each location, planned measures to deter and prevent the unauthorized entrance into
20 areas containing marijuana and the theft of marijuana, as well as a draft, employee-instruction
21 manual including security policies, safety and security procedures, personal safety, and crime-
22 prevention techniques; and

23 (vii) Proposed procedures to ensure accurate record keeping;

24 (2)(i) For applications submitted on or before December 31, 2016, any time one or more
25 compassion center ~~registration~~ [license](#) applications are being considered, the department of health
26 shall also allow for comment by the public and shall solicit input from registered qualifying
27 patients, registered primary caregivers; and the towns or cities where the applicants would be
28 located;

29 (ii) For applications submitted on or after January 1, 2017, any time one or more
30 compassion center ~~registration~~ [license](#) applications are being considered, the department of
31 business regulation shall also allow for comment by the public and shall solicit input from
32 registered qualifying patients, registered primary caregivers; and the towns or cities where the
33 applicants would be located.

34 (3) Each time a [new](#) compassion center ~~certificate~~ [license](#) is ~~granted~~ [issued](#), the decision

1 shall be based upon the overall health needs of qualified patients and the safety of the public,
2 including, but not limited to, the following factors:

3 (i) Convenience to patients from areas throughout the state of Rhode Island; ~~to the~~
4 ~~compassion centers if the applicant were approved;~~

5 (ii) The applicant's ability to provide a steady supply to the registered qualifying patients
6 in the state;

7 (iii) The applicant's experience running a non-profit or business;

8 (iv) The interests of qualifying patients regarding which applicant be granted a ~~registration~~
9 ~~certificate~~ license;

10 (v) The interests of the city or town where the dispensary would be located taking into
11 consideration need and population;

12 (vi) Nothing herein shall prohibit more than one compassion center being geographically
13 located in any city or town.

14 ~~(vi)~~(vii) The sufficiency of the applicant's plans for record keeping and security, which
15 records shall be considered confidential health-care information under Rhode Island law and are
16 intended to be deemed protected health-care information for purposes of the Federal Health
17 Insurance Portability and Accountability Act of 1996, as amended; and

18 ~~(vii)~~(viii) The sufficiency of the applicant's plans for safety and security, including
19 proposed location, security devices employed, and staffing;

20 (4) A compassion center approved by the department of health on or before December 31,
21 2016, shall submit the following to the department before it may begin operations:

22 (i) A fee paid to the department in the amount of five thousand dollars (\$5,000);

23 (ii) The legal name and articles of incorporation of the compassion center;

24 (iii) The physical address of the compassion center; this may include a second address for
25 the secure cultivation of marijuana;

26 (iv) The name, address, and date of birth of each principal officer and board member of the
27 compassion center; and

28 (v) The name, address, and date of birth of any person who will be an agent of, employee,
29 or volunteer of the compassion center at its inception.

30 (5)(i) A compassion center approved or renewed by the department of business regulation
31 on or after January 1, 2017 but before July 1, 2019, shall submit materials pursuant to regulations
32 promulgated by the department of business regulation ~~the following to the department~~ before it
33 may begin operations:

34 ~~(i)~~(A) A fee paid to the department in the amount of five thousand dollars (\$5,000);

1 ~~(ii)~~(B) The legal name and articles of incorporation of the compassion center;

2 ~~(iii)~~(C) The physical address of the compassion center; this may include a second address
3 for the secure cultivation of medical marijuana

4 ~~(iv)~~(D) The name, address, and date of birth of each principal officer and board member of
5 the compassion center;

6 ~~(v)~~(E) The name, address, and date of birth of any person who will be an agent of,
7 employee, or volunteer of the compassion center at its inception.

8 (ii) A compassion center approved or renewed by the department of business regulation on
9 or after July 1, 2019, shall submit materials pursuant to regulations promulgated by the department
10 of business regulation before it may begin operations which shall include but not be limited to:

11 (A) A fee paid to the department in the amount of five hundred thousand dollars
12 (\$500,000);

13 (B) The legal name and articles of incorporation of the compassion center;

14 (C) The physical address of the compassion center; this may include a second address for
15 the secure cultivation of medical marijuana;

16 (D) The name, address, and date of birth of each principal officer and board member of the
17 compassion center, and any person who has a direct or indirect ownership interest in any marijuana
18 establishment licensee, which ownership interest shall include, but not be limited to, any interests
19 arising pursuant to the use of shared management companies, management agreements or other
20 agreements that afford third party management or operational control, or other familial or business
21 relationships between compassion center or cultivator owners, members, officers, directors,
22 managers, investors, agents, or key persons which effect dual license interests as determined by the
23 department of business regulation;

24 (E) The name, address, and date of birth of any person who will be an agent of, employee,
25 or volunteer of the compassion center at its inception; and

26 (6) Except as provided in subdivision (7), the department of health or the department of
27 business regulation shall issue each principal officer, board member, agent, volunteer, and
28 employee of a compassion center a registry identification card or renewal card after receipt of the
29 person's name, address, date of birth; a fee in an amount established by the department of health or
30 the department of business regulation; and, except in the case of an employee, notification to the
31 department of health or the department of business regulation by the department of public safety
32 division of state police, attorney general's office, or local law enforcement that the registry
33 identification card applicant has not been convicted of a felony drug offense or has not entered a
34 plea of nolo contendere for a felony drug offense and received a sentence of probation. Each card

1 shall specify that the cardholder is a principal officer, board member, agent, volunteer, or employee
2 of a compassion center and shall contain the following:

3 (i) The name, address, and date of birth of the principal officer, board member, agent,
4 volunteer, or employee;

5 (ii) The legal name of the compassion center to which the principal officer, board member,
6 agent, volunteer, or employee is affiliated;

7 (iii) A random identification number that is unique to the cardholder;

8 (iv) The date of issuance and expiration date of the registry identification card; ~~and~~

9 (v) A photograph, if the department of health or the department of business regulation
10 decides to require one; ~~and~~

11 (7) Except as provided in this subsection, neither the department of health nor the
12 department of business regulation shall issue a registry identification card to any principal officer,
13 board member, ~~or~~ agent, ~~volunteer, or employee~~ of a compassion center who has been convicted
14 of a felony drug offense or has entered a plea of nolo contendere for a felony drug offense and
15 received a sentence of probation. If a registry identification card is denied, the compassion center
16 will be notified in writing of the purpose for denying the registry identification card. A registry
17 identification card may be granted if the offense was for conduct that occurred prior to the
18 enactment of the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act or that was
19 prosecuted by an authority other than the state of Rhode Island and for which the Edward O.
20 Hawkins and Thomas C. Slater Medical Marijuana Act would otherwise have prevented a
21 conviction.

22 (i) All registry identification card applicants shall apply to the department of public safety
23 division of state police, the attorney general's office, or local law enforcement for a national
24 criminal identification records check that shall include fingerprints submitted to the federal bureau
25 of investigation. Upon the discovery of a felony drug offense conviction or a plea of nolo
26 contendere for a felony drug offense with a sentence of probation, and in accordance with the rules
27 promulgated by the department of health and the department of business regulation, the department
28 of public safety division of state police, the attorney general's office, or local law enforcement shall
29 inform the applicant, in writing, of the nature of the felony and the department of public safety
30 division of state police shall notify the department of health or the department of business
31 regulation, in writing, without disclosing the nature of the felony, that a felony drug offense
32 conviction or a plea of nolo contendere for a felony drug offense with probation has been found.

33 (ii) In those situations in which no felony drug offense conviction or plea of nolo
34 contendere for a felony drug offense with probation has been found, the department of public safety

1 division of state police, the attorney general's office, or local law enforcement shall inform the
2 applicant and the department of health or the department of business regulation, in writing, of this
3 fact.

4 (iii) All registry identification card applicants except for employees with no ownership,
5 equity, financial interest, or managing control of a marijuana establishment license shall be
6 responsible for any expense associated with the criminal background check with fingerprints.

7 (8) A registry identification card of a principal officer, board member, agent, volunteer, ~~or~~
8 employee, or any other designation required by the department of business regulation shall expire
9 one year after its issuance, or upon the expiration of the ~~registered~~ licensed organization's
10 ~~registration certificate~~ license, or upon the termination of the principal officer, board member,
11 agent, volunteer or employee's relationship with the compassion center, whichever occurs first.

12 (9) A compassion center cardholder shall notify and request approval from the department
13 of business regulation of any change in his or her name or address within ten (10) days of such
14 change. A compassion center cardholder who fails to notify the department of business regulation
15 of any of these changes is responsible for a civil infraction, punishable by a fine of no more than
16 one hundred fifty dollars (\$150).

17 (10) When a compassion center cardholder notifies the department of health or the
18 department of business regulation of any changes listed in this subsection, the department shall
19 issue the cardholder a new registry identification card within ten (10) days of receiving the updated
20 information and a ten-dollar (\$10.00) fee.

21 (11) If a compassion center cardholder loses his or her registry identification card, he or
22 she shall notify the department of health or the department of business regulation and submit a ten
23 dollar (\$10.00) fee within ten (10) days of losing the card. Within five (5) days, the department
24 shall issue a new registry identification card with new random identification number.

25 (12) On or before December 31, 2016, a compassion center cardholder shall notify the
26 department of health of any disqualifying criminal convictions as defined in subdivision (c)(7). The
27 department of health may choose to suspend and/or revoke his or her registry identification card
28 after such notification.

29 (13) On or after January 1, 2017, a compassion center cardholder shall notify the
30 department of business regulation of any disqualifying criminal convictions as defined in
31 subdivision (c)(7). The department of business regulation may choose to suspend and/or revoke his
32 or her registry identification card after such notification.

33 (14) If a compassion center cardholder violates any provision of this chapter or regulations
34 promulgated hereunder as determined by the departments of health and business regulation, his or

1 her registry identification card may be suspended and/or revoked.

2 (d) *Expiration or termination of compassion center:*

3 (1) On or before December 31, 2016, a compassion center's ~~registration~~ license shall expire
4 two (2) years after its ~~registration-certificate~~ license is issued. On or after January 1, 2017, a
5 compassion center's ~~registration~~ license shall expire one year after its ~~registration-certificate~~ license
6 is issued. The compassion center may submit a renewal application beginning sixty (60) days prior
7 to the expiration of its ~~registration-certificate~~ license;

8 (2) The department of health or the department of business regulation shall grant a
9 compassion center's renewal application within thirty (30) days of its submission if the following
10 conditions are all satisfied:

11 (i) The compassion center submits the materials required under subdivisions (c)(4) and
12 (c)(5), including ~~a two hundred fifty thousand dollar (\$250,000) fee~~ a five hundred thousand dollar
13 (\$500,000) fee;

14 (ii) The compassion center's ~~registration~~ license has never been suspended for violations
15 of this chapter or regulations issued pursuant to this chapter; and

16 (iii) The ~~department of health and the~~ department of business regulation find that the
17 compassion center is adequately providing patients with access to medical marijuana at reasonable
18 rates;

19 (3) If the department of health or the department of business regulation determines that any
20 of the conditions listed in paragraphs (d)(2)(i) – (iii) have not been met, the department ~~shall~~ may
21 begin an open application process for the operation of a compassion center. In granting a new
22 ~~registration-certificate~~ license, the department of health or the department of business regulation
23 shall consider factors listed in subdivision (c)(3);

24 (4) The ~~department of health or the~~ department of business regulation shall issue a
25 compassion center one or more thirty-day (30) temporary ~~registration-certificates~~ licenses after that
26 compassion center's ~~registration~~ license would otherwise expire if the following conditions are all
27 satisfied:

28 (i) The compassion center previously applied for a renewal, but the department had not yet
29 come to a decision;

30 (ii) The compassion center requested a temporary ~~registration-certificate~~ license; and

31 (iii) The compassion center has not had its ~~registration-certificate~~ license suspended or
32 revoked due to violations of this chapter or regulations issued pursuant to this chapter.

33 (5) A compassion center's ~~registry identification card~~ license shall be denied, suspended,
34 or subject to revocation if the compassion center:

- 1 (i) Possesses an amount of marijuana exceeding the limits established by this chapter;
2 (ii) Is in violation of the laws of this state;
3 (iii) Is in violation of other departmental regulations; or
4 (iv) Employs or enters into a business relationship with a medical practitioner who provides
5 written certification of a qualifying patient's medical condition.

6 (v) If any compassion center owner, member, officer, director, manager, investor, agent,
7 or key person as defined in regulations promulgated by the department of business regulation, has
8 any interest, direct or indirect, in another compassion center or another licensed cultivator, except
9 as permitted in § 21-28.6-12(b)(10). Prohibited interests shall also include interests arising pursuant
10 to the use of shared management companies, management agreements or other agreements that
11 afford third party management or operational control, or other familial or business relationships
12 between compassion center or cultivator owners, members, officers, directors, managers, investors,
13 agents, or key persons which effect dual license interests as determined by the department of
14 business regulation.

15 (e) *Inspection.* Compassion centers are subject to reasonable inspection by the department
16 of health, division of facilities regulation and the department of business regulation. During an
17 inspection, the departments may review the compassion center's confidential records, including its
18 dispensing records, which shall track transactions according to qualifying patients' registry
19 identification numbers to protect their confidentiality.

20 (f) Compassion center requirements:

21 (1) A compassion center shall be operated on a not-for-profit basis for the mutual benefit
22 of its patients. A compassion center need not be recognized as a tax-exempt organization by the
23 Internal Revenue Service. A compassion center shall be subject to regulations promulgated by the
24 department of business regulation for general operations and record keeping which shall include,
25 but not be limited to:

26 (i) Minimum security and surveillance requirements;

27 (ii) Minimum requirements for workplace safety and sanitation;

28 (iii) Minimum requirements for product safety and testing;

29 (iv) Minimum requirements for inventory tracking and monitoring;

30 (v) Minimum requirements for the secure transport and transfer of medical marijuana;

31 (vi) Minimum requirements to address odor mitigation;

32 (vii) Minimum requirements for product packaging and labeling;

33 (viii) Minimum requirements and prohibitions for advertising;

34 (ix) Minimum requirements for the testing and destruction of marijuana. Wherever

1 destruction of medical marijuana and medical marijuana product is required to bring a person or
2 entity into compliance with any provision of chapter 28.6 of title 21, any rule or regulation
3 promulgated thereunder, or any administrative order issued in accordance therewith, the director of
4 the department of business regulation may designate his or her employees or agents to facilitate
5 said destruction;

6 (x) A requirement that if a compassion center violates this chapter, or any regulation
7 thereunder, and the department of business regulation determines that violation does not pose an
8 immediate threat to public health or public safety, the compassion center shall pay to the department
9 of business regulation a fine of no less than five-hundred dollars (\$500); and

10 (xi) A requirement that if a compassion center violates this chapter, or any regulation
11 promulgated hereunder, and the department of business regulation determines that the violation
12 poses an immediate threat to public health or public safety, the compassion center shall pay to the
13 department of business regulation a fine of no less than two-thousand dollars (\$2,000) and the
14 department shall be entitled to pursue any other enforcement action provided for under this chapter
15 and the regulations.

16 (2) A compassion center may not be located within one thousand feet (1000') of the
17 property line of a preexisting public or private school;

18 (3) On or before December 31, 2016, a compassion center shall notify the department of
19 health within ten (10) days of when a principal officer, board member, agent, volunteer, or
20 employee ceases to work at the compassion center. On or after January 1, 2017, a compassion
21 center shall notify the department of business regulation within ten (10) days of when a principal
22 officer, board member, agent, volunteer, or employee ceases to work at the compassion center. His
23 or her card shall be deemed null and void and the person shall be liable for any penalties that may
24 apply to any nonmedical possession or use of marijuana by the person;

25 (4)(i) On or before December 31, 2016, a compassion center shall notify the department of
26 health in writing of the name, address, and date of birth of any new principal officer, board member,
27 agent, volunteer or employee and shall submit a fee in an amount established by the department for
28 a new registry identification card before that person begins his or her relationship with the
29 compassion center;

30 (ii) On or after January 1, 2017, a compassion center shall notify the department of business
31 regulation, in writing, of the name, address, and date of birth of any new principal officer, board
32 member, agent, volunteer, or employee and shall submit a fee in an amount established by the
33 department of business regulation for a new registry identification card before that person begins
34 his or her relationship with the compassion center;

1 (5) A compassion center shall implement appropriate security measures to deter and
2 prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana and
3 shall insure that each location has an operational security alarm system. Each compassion center
4 shall request that the department of public safety division of state police visit the compassion center
5 to inspect the security of the facility and make any recommendations regarding the security of the
6 facility and its personnel within ten (10) days prior to the initial opening of each compassion center.
7 Said recommendations shall not be binding upon any compassion center, nor shall the lack of
8 implementation of said recommendations delay or prevent the opening or operation of any center.
9 If the department of public safety division of state police does not inspect the compassion center
10 within the ten-day (10) period, there shall be no delay in the compassion center's opening.

11 (6) The operating documents of a compassion center shall include procedures for the
12 oversight of the compassion center and procedures to ensure accurate record keeping.

13 (7) A compassion center is prohibited from acquiring, possessing, cultivating,
14 manufacturing, delivering, transferring, transporting, supplying, or dispensing marijuana for any
15 purpose except to assist ~~registered qualifying patients~~ patient cardholders with the medical use of
16 marijuana directly or through the qualifying patient's primary caregiver or authorized purchaser.

17 (8) All principal officers and board members of a compassion center must be residents of
18 the state of Rhode Island.

19 (9) Each time a new, registered, qualifying patient visits a compassion center, it shall
20 provide the patient with a frequently asked questions sheet, designed by the department, that
21 explains the limitations on the right to use medical marijuana under state law.

22 (10) Effective July 1, ~~2016~~ 2017, each compassion center shall be subject to any regulations
23 promulgated by the ~~departments~~ department of health and business regulation that specify how
24 ~~usable~~ marijuana must be tested for items included but not limited to cannabinoid profile and
25 contaminants.

26 (11) Effective January 1, 2017, each compassion center shall be subject to any product
27 labeling requirements promulgated by the department of business regulation.

28 (12) Each compassion center shall develop, implement, and maintain on the premises
29 employee, volunteer, and agent policies and procedures to address the following requirements:

30 (i) A job description or employment contract developed for all employees and agents, and
31 a volunteer agreement for all volunteers, that includes duties, authority, responsibilities,
32 qualifications, and supervision; and

33 (ii) Training in, and adherence to, state confidentiality laws.

34 (13) Each compassion center shall maintain a personnel record for each employee, agent,

1 and volunteer that includes an application and a record of any disciplinary action taken.

2 (14) Each compassion center shall develop, implement, and maintain on the premises an
3 on-site training curriculum, or enter into contractual relationships with outside resources capable
4 of meeting employee training needs, that includes, but is not limited to, the following topics:

- 5 (i) Professional conduct, ethics, and patient confidentiality; and
- 6 (ii) Informational developments in the field of medical use of marijuana.

7 (15) Each compassion center entity shall provide each employee, agent, and volunteer, at
8 the time of his or her initial appointment, training in the following:

- 9 (i) The proper use of security measures and controls that have been adopted; and
- 10 (ii) Specific procedural instructions on how to respond to an emergency, including robbery
11 or violent accident.

12 (16) All compassion centers shall prepare training documentation for each employee and
13 volunteer and have employees and volunteers sign a statement indicating the date, time, and place
14 the employee and volunteer received said training and topics discussed, to include name and title
15 of presenters. The compassion center shall maintain documentation of an employee's and a
16 volunteer's training for a period of at least six (6) months after termination of an employee's
17 employment or the volunteer's volunteering.

18 (g) Maximum amount of usable marijuana to be dispensed:

19 (1) A compassion center or principal officer, board member, agent, volunteer, or employee
20 of a compassion center may not dispense more than two and one-half ~~(2.5)~~ ounces (2.5 oz.) of
21 usable marijuana, or its equivalent, to a qualifying patient directly or through a qualifying patient's
22 primary caregiver or authorized purchaser during a fifteen-day (15) period;

23 (2) A compassion center or principal officer, board member, agent, volunteer, or employee
24 of a compassion center may not dispense an amount of usable marijuana, or its equivalent,
25 ~~seedlings, or mature marijuana plants~~, to a patient cardholder, qualifying patient, a qualifying
26 patient's primary caregiver, or a qualifying patient's authorized purchaser that the compassion
27 center, principal officer, board member, agent, volunteer, or employee knows would cause the
28 recipient to possess more marijuana than is permitted under the Edward O. Hawkins and Thomas
29 C. Slater Medical Marijuana Act.

30 (3) Compassion centers shall utilize a database administered by the departments of health
31 and business regulation. The database shall ~~contains~~ contain all compassion centers' transactions
32 according to qualifying patients, authorized purchasers', and primary caregivers', registry
33 identification numbers to protect the confidentiality of patient personal and medical information.
34 Compassion centers will not have access to any applications or supporting information submitted

1 by qualifying patients, authorized purchasers or primary caregivers. Before dispensing marijuana
2 to any patient, or authorized purchaser, the compassion center must utilize the database to ensure
3 that a qualifying patient is not dispensed more than two and one-half ~~(2.5)~~ ounces (2.5 oz.) of usable
4 marijuana or its equivalent directly or through the qualifying patient's primary caregiver or
5 authorized purchaser during a fifteen-day (15) period.

6 (h) Immunity:

7 (1) No ~~registered~~ licensed compassion center shall be subject to prosecution; search, except
8 by the departments pursuant to subsection (e); seizure; or penalty in any manner, or denied any
9 right or privilege, including, but not limited to, civil penalty or disciplinary action by a business,
10 occupational, or professional licensing board or entity, solely for acting in accordance with this
11 section to assist registered qualifying patients.

12 (2) No ~~registered~~ licensed compassion center shall be subject to prosecution, seizure, or
13 penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty
14 or disciplinary action, by a business, occupational, or professional licensing board or entity, for
15 selling, giving, or distributing marijuana in whatever form, and within the limits established by, the
16 department of health or the department of business regulation to another registered compassion
17 center.

18 (3) No principal officers, board members, agents, volunteers, or employees of a registered
19 compassion center shall be subject to arrest, prosecution, search, seizure, or penalty in any manner,
20 or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by
21 a business, occupational, or professional licensing board or entity, solely for working for or with a
22 compassion center to engage in acts permitted by this section.

23 (4) No state employee shall be subject to arrest, prosecution or penalty in any manner, or
24 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
25 termination, or loss of employee or pension benefits, for any and all conduct that occurs within the
26 scope of his or her employment regarding the administration, execution and/or enforcement of this
27 act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

28 (i) Prohibitions:

29 (1) A compassion center must limit its inventory of seedlings, plants, and ~~usable~~ marijuana
30 to reflect the projected needs of qualifying patients;

31 (2) A compassion center may not dispense, deliver, or otherwise transfer marijuana to a
32 person other than a patient cardholder or to ~~such~~ a qualified patient's primary caregiver or
33 authorized purchaser;

34 (3) A compassion center may not procure, purchase, transfer or sell marijuana to or from

1 [any entity other than a marijuana establishment licensee in accordance with the provisions of this](#)
2 [chapter;](#)

3 (4) A person found to have violated paragraph (2) [or \(3\)](#) of this subsection may not be an
4 employee, agent, volunteer, principal officer, or board member of any compassion center;

5 (5) An employee, agent, volunteer, principal officer or board member of any compassion
6 center found in violation of paragraph (2) or (3) shall have his or her registry identification revoked
7 immediately; and

8 (6) No person who has been convicted of a felony drug offense or has entered a plea of
9 nolo contendere for a felony drug offense with a sentence or probation may be the principal officer,
10 board member, [or agent](#), ~~volunteer, or employee~~ of a compassion center unless the department has
11 determined that the person's conviction was for the medical use of marijuana or assisting with the
12 medical use of marijuana in accordance with the terms and conditions of this chapter. A person
13 who is employed by or is an agent, volunteer, principal officer, or board member of a compassion
14 center in violation of this section is guilty of a civil violation punishable by a fine of up to one
15 thousand dollars (\$1,000). A subsequent violation of this section is a misdemeanor.

16 (j) Legislative oversight committee:

17 (1) The general assembly shall appoint a nine-member (9) oversight committee comprised
18 of: one member of the house of representatives; one member of the senate; one physician to be
19 selected from a list provided by the Rhode Island medical society; one nurse to be selected from a
20 list provided by the Rhode Island state nurses association; two (2) registered qualifying patients;
21 one registered primary caregiver; one patient advocate to be selected from a list provided by the
22 Rhode Island patient advocacy coalition; and the superintendent of the department of public safety,
23 or his/her designee.

24 (2) The oversight committee shall meet at least six (6) times per year for the purpose of
25 evaluating and making recommendations to the general assembly regarding:

26 (i) Patients' access to medical marijuana;

27 (ii) Efficacy of compassion centers;

28 (iii) Physician participation in the Medical Marijuana Program;

29 (iv) The definition of qualifying medical condition; and

30 (v) Research studies regarding health effects of medical marijuana for patients.

31 (3) On or before January 1 of every even numbered year, the oversight committee shall
32 report to the general assembly on its findings.

33 [\(k\) License required. No person or entity shall engage in activities described in § 21-28.6-](#)
34 [12 without a compassion center license issued by the department of business regulation.](#)

1 **21-28.6-14. Cooperative cultivations.**

2 (a) Two (2) or more qualifying cardholders may cooperatively cultivate marijuana in
3 residential or non-residential locations subject to the following restrictions:

4 (1) Effective January 1, 2017, cooperative cultivations shall apply to the department of
5 business regulation for a license to operate;

6 (2) A registered patient or primary caregiver cardholder can only cultivate in one location,
7 including participation in a cooperative cultivation;

8 (3) No single location may have more than one cooperative cultivation. For the purposes
9 of this section, location means one structural building, not units within a structural building;

10 (4) The cooperative cultivation shall not be visible from the street or other public areas;

11 (5) A written acknowledgement of the limitations of the right to use and possess marijuana
12 for medical purposes in Rhode Island that is signed by each cardholder and is displayed prominently
13 in the premises cooperative cultivation;

14 (6) Cooperative cultivations are restricted to the following possession limits:

15 (i) A non-residential, cooperative cultivation may have no more than ten (10) ounces of
16 ~~dried usable~~ marijuana, or its equivalent [which satisfies the requirements of this chapter](#), and an
17 amount of wet marijuana set in regulations promulgated by the department of business regulation,
18 forty-eight (48) mature marijuana plants, and forty-eight (48) seedlings;

19 (ii) A residential, cooperative cultivation may have no more than ten (10) ounces of ~~dried~~
20 ~~usable~~ marijuana, or its equivalent [which satisfies the requirements of this chapter](#), and an amount
21 of wet marijuana set in regulations promulgated by the department of business regulation, twenty-
22 four (24) mature marijuana plants, and twenty-four (24) seedlings;

23 (iii) A non-residential or residential, cooperative cultivation must have displayed
24 prominently on the premises its license issued by the department of business regulation;

25 (iv) Every marijuana plant possessed by a cooperative cultivation must be accompanied by
26 a valid medical marijuana tag issued by the department of business regulation pursuant to § 21-
27 28.6-15. Each cooperative cultivation must purchase at least one medical marijuana tag in order to
28 remain a licensed cooperative cultivation; and

29 (v) Cooperative cultivations are subject to reasonable inspection by the department of
30 business regulation for the purposes of enforcing regulations promulgated pursuant to this chapter
31 and all applicable Rhode Island general laws.

32 (7) Cooperative cultivations must be inspected as follows:

33 (i) A non-residential, cooperative cultivation must have displayed prominently on the
34 premises documentation from the municipality where the single location is located that the location

1 and the cultivation has been inspected by the municipal building and/or zoning official and the
2 municipal fire department and is in compliance with any applicable state or municipal housing and
3 zoning codes; and

4 (ii) A residential, cooperative cultivation must have displayed prominently on the premises
5 an affidavit by a licensed electrician that the cultivation has been inspected and is in compliance
6 with any applicable state or municipal housing and zoning codes for the municipality where the
7 cooperative cultivation is located.

8 (8) Cooperative cultivations must report the location of the cooperative cultivation to the
9 department of public safety.

10 (9) The reports provided to the department of public safety in subsection (8) of this section
11 shall be confidential, but locations may be confirmed for law enforcement purposes. The report of
12 the location of the cooperative cultivation alone shall not constitute probable cause for a search of
13 the cooperative cultivation.

14 (10) The department of business regulation shall promulgate regulations governing the
15 licensing and operation of cooperative cultivations, and may promulgate regulations that set a fee
16 for a cooperative cultivation license.

17 (b) Any violation of any provision of this chapter or regulations promulgated hereunder as
18 determined by the department of business regulation may result in the revocation/suspension of the
19 cooperative cultivation license.

20 (c) License required. No person or entity shall engage in activities described in § 21-28.6-
21 14 without a cooperative cultivation license issued by the department of business regulation.

22 (d) Effective July 1, 2019, except as to cooperative cultivator licenses issued by the
23 department of business regulation before July 1, 2019, the department of business regulation shall
24 no longer accept applications or renewals for licensed cooperative cultivations and cooperative
25 cultivations shall no longer be permitted.

26 (e) Effective July 1, 2019, not more than one registered cardholder shall be permitted to
27 grow marijuana in a dwelling unit or commercial unit, except for two (2) or more qualifying patient
28 or primary caregiver cardholder(s) who are primary residents of the same dwelling unit where the
29 medical marijuana plants are grown and in all instances subject to the plant limits provided in § 21-
30 28.6-4(r).

31 **21-28.6-15. Medical Marijuana Plant Tags.**

32 (a) Effective January 1, 2017, the department of business regulation shall make medical
33 marijuana tag sets available for purchase. Effective April 1, 2017, every marijuana plant, either
34 mature or **seedling** immature, grown by a registered patient or primary caregiver must be

1 accompanied by a physical medical marijuana tag purchased through the department of business
2 regulation and issued by the ~~department of health~~ department of business regulation to qualifying
3 patients and primary caregivers ~~or by the department of business regulation to licensed cultivators.~~

4 (1) The department of business regulation shall charge an annual fee for each medical
5 marijuana tag set which shall include one tag for a mature medical marijuana plant and one tag for
6 ~~a seedling~~ an immature plant. If the required fee has not been paid, those medical marijuana tags
7 shall be considered expired and invalid. The fee established by the department of business
8 regulation shall be in accordance with the following requirements:

9 (i) For patient cardholders authorized to grow medical marijuana by the ~~department of~~
10 ~~health~~ department of business regulation, the fee per tag set shall not exceed twenty-five dollars
11 (\$25);

12 (ii) For primary caregivers, the fee per tag set shall not exceed twenty-five dollars (\$25);

13 (iii) For patients that qualify for reduced-registration due to income or disability status,
14 there shall be no fee per tag set;

15 (iv) For caregivers who provide care for a patient cardholder who qualifies for reduced-
16 registration due to income or disability status, there shall be no fee per tag set for such qualifying
17 patient; and

18 (v) For licensed medical marijuana cultivators, the fee per tag set shall be established in
19 regulations promulgated by the department of business regulation.

20 (2) Effective January 1, 2017, the department of business regulation shall verify with the
21 department of health that all medical marijuana tag purchases are made by qualifying patient
22 cardholders or primary caregiver cardholders. The department of health shall provide this
23 verification according to qualifying patients' and primary caregivers' registry identification
24 numbers and without providing access to any applications or supporting information submitted by
25 qualifying patients to protect patient confidentiality;

26 (3) Effective January 1, 2017 and thereafter, the department of business regulation shall
27 verify with the department of health that all medical marijuana tag purchases are made by registered
28 patient cardholders who have notified the department of health of their election to grow medical
29 marijuana or primary caregiver cardholders. The department of health shall provide this verification
30 according to qualifying patients' and primary caregivers' registry identification numbers and
31 without providing access to any applications or supporting information submitted by qualifying
32 patients to protect patient confidentiality;

33 (4) The department of business regulation shall maintain information pertaining to medical
34 marijuana tags ~~and shall share that information with the department of health.~~

1 (5) All primary caregivers shall purchase at least one medical marijuana tag set for each
2 patient under their care and all patients growing medical marijuana for themselves shall purchase
3 at least one medical marijuana tag set.

4 (6) All licensed medical marijuana cultivators shall purchase at least one medical marijuana
5 tag set or utilize a seed to sale tracking system.

6 (7) The ~~departments~~ department of business regulation ~~and health~~ shall jointly promulgate
7 regulations to establish a process by which medical marijuana tags may be returned ~~to either~~
8 ~~department~~. The department of business regulation may choose to reimburse a portion or the entire
9 amount of any fees paid for medical marijuana tags that are subsequently returned.

10 (b) Enforcement:

11 (1) If a patient cardholder, primary caregiver cardholder, licensed compassion center, or
12 licensed medical marijuana cultivator violates any provision of this chapter or the regulations
13 promulgated hereunder as determined by the departments of business regulation ~~and or~~ health, his
14 or her medical marijuana tags may be revoked. In addition, the department that issued the
15 cardholder's registration or the license may revoke the cardholder's registration or license ~~pursuant~~
16 ~~to §21-28.6-9~~.

17 (2) The department of business regulation may revoke and not reissue, pursuant to
18 regulations, medical marijuana tags to any cardholder or licensee who is convicted of; placed on
19 probation; whose case is filed pursuant to §12-10-12 where the defendant pleads nolo contendere;
20 or whose case is deferred pursuant to §12-19-19 where the defendant pleads nolo contendere for
21 any felony offense under chapter 28 of title 21 ("Rhode Island Controlled Substances Act") or a
22 similar offense from any other jurisdiction.

23 (3) If a patient cardholder, primary caregiver cardholder, licensed cooperative cultivation,
24 compassion center, licensed medical marijuana cultivator or any other person or entity is found to
25 have ~~mature~~ marijuana plants, or marijuana material without valid medical marijuana tags sets or
26 which are not tracked in accordance with regulation, the ~~department or health or~~ department of
27 business regulation shall impose an administrative penalty in accordance with regulations
28 promulgated by the department on such patient cardholder, primary caregiver cardholder, licensed
29 cooperative cultivation, compassion center, licensed medical marijuana cultivator or other person
30 or entity for each untagged ~~mature~~ marijuana plant or unit of untracked marijuana material ~~not in~~
31 ~~excess of the limits set forth in §21-28.6-4, §21-28.6-14 and §21-28.6-16 of no more than the total~~
32 ~~fee that would be paid by a cardholder or licensee who purchased medical marijuana tags for such~~
33 ~~plants in compliance with this chapter.~~

34 ~~(4) If a patient cardholder, primary caregiver cardholder, or licensed cooperative~~

~~cultivation is found to have mature marijuana plants exceeding the limits set forth in §21-28.6-4, §21-28.6-14, and §21-28.6-16 in addition to any penalties that may be imposed pursuant to §21-28.6-9, the department of health or department of business regulation may impose an administrative penalty on that cardholder or license holder for each mature marijuana plant in excess of the applicable statutory limit of no less than the total fee that would be paid by a cardholder who purchased medical marijuana tags for such plants in compliance with this chapter.~~

21-28.6-16. Licensed medical marijuana cultivators.

(a) A licensed [medical marijuana](#) cultivator licensed under this section may acquire, possess, [manufacture](#), cultivate, deliver, or transfer medical marijuana to licensed compassion centers, [to another licensed medical marijuana cultivator](#). A licensed medical marijuana cultivator shall not be a primary caregiver cardholder [registered with any qualifying patient\(s\)](#) and shall not hold a cooperative cultivation license. Except as specifically provided to the contrary, all provisions of chapter 28.6 of title 21 (the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act), apply to a licensed [medical marijuana](#) cultivator unless they conflict with a provision contained in § 21-28.6-16.

(b) Licensing of [medical marijuana](#) cultivators – Department of business regulation authority. The department of business regulation shall promulgate regulations governing the manner in which it shall consider applications for the licensing of [medical marijuana](#) cultivators, including regulations governing:

- (1) The form and content of licensing and renewal applications;
- (2) Minimum oversight requirements for licensed [medical marijuana](#) cultivators;
- (3) Minimum record-keeping requirements for cultivators;
- (4) Minimum security requirements for cultivators; and
- (5) Procedures for suspending, revoking, or terminating the license of cultivators that violate the provisions of this section or the regulations promulgated pursuant to this subsection.

(c) A licensed [medical marijuana](#) cultivator license issued by the department of business regulation shall expire one year after it was issued and the licensed [medical marijuana](#) cultivator may apply for renewal with the department in accordance with its regulations pertaining to licensed [medical marijuana](#) cultivators.

(d) The department of business regulation shall promulgate regulations that govern how many marijuana plants, ~~how many marijuana seedlings~~ [mature and immature](#), how much wet marijuana, and how much usable marijuana a licensed [medical marijuana](#) cultivator may possess. Every marijuana plant possessed by a licensed [medical marijuana](#) cultivator must be accompanied by valid medical marijuana tag issued by the department of business regulation pursuant to § 21-

1 28.6-15 or catalogued in a seed to sale inventory tracking system in accordance with regulations
2 promulgated by the department of business regulation. ~~Each cultivator must purchase at least one~~
3 ~~medical marijuana tag or in order to remain a licensed cultivator.~~

4 (e) Medical marijuana cultivators shall only sell marijuana to compassion centers, another
5 licensed medical marijuana cultivator. All marijuana possessed by a cultivator in excess of the
6 possession limit established pursuant to subsection (d) shall be under formal agreement to be
7 purchased by a marijuana establishment ~~compassion center~~. If such excess marijuana is not under
8 formal agreement to be purchased, the cultivator will have a period of time, specified in regulations
9 promulgated by the department of business regulation, to sell or destroy that excess marijuana. The
10 department may suspend and/or revoke the cultivator's license and the license of any officer,
11 director, employee, or agent of such cultivator and/or impose an administrative penalty in
12 accordance with such regulations promulgated by the department for any violation of this section
13 or the regulations. In addition, any violation of this section or the regulations promulgated pursuant
14 to this subsection and subsection (d) shall cause a licensed medical marijuana cultivator to lose the
15 protections described in subsection (m) and may subject the licensed medical marijuana cultivator
16 to arrest and prosecution under Chapter 28 of title 21 (the Rhode Island Controlled Substances Act).

17 (f) Medical marijuana cultivators shall be subject to any regulations promulgated by the
18 department of health or department of business regulation that specify how marijuana must be
19 tested for items, including, but not limited to, potency, cannabinoid profile, and contaminants;

20 (g) Medical marijuana cultivators shall be subject to any product labeling requirements
21 promulgated by the department of business regulation and the department of health;

22 (h) Notwithstanding any other provisions of the general laws, the manufacture or
23 processing of marijuana using a solvent extraction process that includes the use of a compressed,
24 flammable gas as a solvent by a licensed medical marijuana cultivator shall not be subject to the
25 protections of this chapter.

26 (i) Medical marijuana cultivators shall only be licensed to grow, medical marijuana at a
27 single location, registered with the department of business regulation and the department of public
28 safety. The department of business regulation may promulgate regulations governing where
29 cultivators are allowed to grow. Medical marijuana cultivators must abide by all local ordinances,
30 including zoning ordinances.

31 (j) Inspection. Medical marijuana cultivators shall be subject to reasonable inspection by
32 the department of business regulation or the department of health for the purposes of enforcing
33 regulations promulgated pursuant to this chapter and all applicable Rhode Island general laws.

34 (k) The cultivator applicant, unless he or she are an employee with no equity, ownership,

1 [financial interest, or managing control](#), shall apply to the bureau of criminal identification of the
2 department of attorney general, department of public safety division of state police, or local police
3 department for a national criminal records check that shall include fingerprints submitted to the
4 Federal Bureau of Investigation. Upon the discovery of any disqualifying information as defined
5 in subdivision (k)(2), and in accordance with the rules promulgated by the director of the
6 department of business regulation, the bureau of criminal identification of the department of
7 attorney general, department of public safety division of state police, or the local police department
8 shall inform the applicant, in writing, of the nature of the disqualifying information; and, without
9 disclosing the nature of the disqualifying information, shall notify the department of business
10 regulation, in writing, that disqualifying information has been discovered.

11 (1) In those situations in which no disqualifying information has been found, the bureau of
12 criminal identification of the department of attorney general, department of public safety division
13 of state police, or the local police department shall inform the applicant and the department of
14 business regulation, in writing, of this fact.

15 (2) Information produced by a national criminal records check pertaining to a conviction
16 for a felony drug offense or a plea of nolo contendere for a felony drug offense and received a
17 sentence of probation shall result in a letter to the applicant and the department of business
18 regulation disqualifying the applicant.

19 (3) ~~The~~ [Except for employees with no ownership, equity, financial interest, or managing](#)
20 [control of a marijuana establishment license; the](#) cultivator applicant shall be responsible for any
21 expense associated with the national criminal records check.

22 (1) Persons issued [medical marijuana](#) cultivator licenses shall be subject to the following:

23 (1) A licensed [medical marijuana](#) cultivator [cardholder](#) shall notify and request approval
24 from the department of business regulation of any change in his or her name or address within ten
25 (10) days of such change. A cultivator [cardholder](#) who fails to notify the department of business
26 regulation of any of these changes is responsible for a civil infraction, punishable by a fine of no
27 more than one hundred fifty dollars (\$150).

28 (2) When a licensed [medical marijuana](#) cultivator [cardholder](#) notifies the department of
29 business regulation of any changes listed in this subsection, the department of business regulation
30 shall issue the cultivator [cardholder](#) a new ~~license~~ [registry identification card](#) after the department
31 approves the changes and receives from the licensee payment of a fee specified in regulation.

32 (3) If a licensed [medical marijuana](#) cultivator [cardholder](#) loses his or her ~~license~~ [card](#), he or
33 she shall notify the department of business regulation and submit a fee specified in regulation within
34 ten (10) days of losing the ~~license~~ [card](#). The department of business regulation shall issue a new

1 ~~License~~ card with a new random identification number.

2 (4) A licensed medical marijuana cultivator cardholder shall notify the department of
3 business regulation of any disqualifying criminal convictions as defined in subdivision (k)(2). The
4 department of business regulation may choose to suspend and/or revoke his or her ~~license~~ card after
5 such notification.

6 (5) If a licensed medical marijuana cultivator or cultivator cardholder violates any
7 provision of this chapter or regulations promulgated hereunder as determined by the department of
8 business regulation, his or her card and the issued license may be suspended and/or revoked.

9 (m) Immunity:

10 (1) No licensed medical marijuana cultivator shall be subject to prosecution; search, except
11 by the departments pursuant to subsection (j); seizure; or penalty in any manner, or denied any right
12 or privilege, including, but not limited to, civil penalty or disciplinary action by a business,
13 occupational, or professional licensing board or entity, solely for acting in accordance with this
14 section ~~to assist registered-qualifying~~;

15 (2) No licensed medical marijuana cultivator shall be subject to prosecution, seizure, or
16 penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty
17 or disciplinary action by a business, occupational, or professional licensing board or entity, for
18 selling, giving, or distributing marijuana in whatever form and within the limits established by the
19 department of business regulation to a licensed compassion center;

20 (3) No principal officers, board members, agents, volunteers, or employees of a licensed
21 medical marijuana cultivator shall be subject to arrest, prosecution, search, seizure, or penalty in
22 any manner, or denied any right or privilege, including, but not limited to, civil penalty or
23 disciplinary action by a business, occupational, or professional licensing board or entity, solely for
24 working for or with a licensed medical marijuana cultivator to engage in acts permitted by this
25 section.

26 (4) No state employee shall be subject to arrest, prosecution, or penalty in any manner, or
27 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
28 termination, or loss of employee or pension benefits, for any and all conduct that occurs within the
29 scope of his or her employment regarding the administration, execution, and/or enforcement of this
30 act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

31 (n) License required. No person or entity shall engage in activities described in § 21-28.6-
32 16 without a medical marijuana cultivator license issued by the department of business regulation.

33 (o) Effective July 1, 2019, the department of business regulation will not reopen the
34 application period for new medical marijuana cultivator licenses.

1 **21-28.6-16.2. ~~Medical marijuana testing laboratories -- Immunity.~~ Cannabis testing**
2 **laboratories -- Immunity.**

3 (a) No ~~medical marijuana~~ cannabis testing laboratory shall be subject to prosecution; search
4 (except by the departments pursuant to regulations); seizure; or penalty in any manner, or denied
5 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business,
6 occupational, or professional licensing board or entity, solely for acting in accordance with the act
7 and regulations promulgated hereunder to assist licensees.

8 (b) No ~~medical marijuana~~ cannabis testing laboratory shall be subject to prosecution, search
9 (except by the departments pursuant to regulations), seizure, or penalty in any manner, or denied
10 any right or privilege, including, but not limited to, civil penalty or disciplinary action, by a
11 business, occupational, or professional licensing board or entity, for selling, giving, or distributing
12 marijuana in whatever form, and within the limits established by, the department of health to
13 another ~~medical marijuana~~ cannabis testing laboratory.

14 (c) No principal officers, board members, agents, volunteers, or employees of a ~~medical~~
15 ~~marijuana~~ cannabis testing laboratory shall be subject to arrest, prosecution, search, seizure, or
16 penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty
17 or disciplinary action by a business, occupational, or professional licensing board or entity, solely
18 for working for or with a ~~medical marijuana~~ cannabis testing laboratory to engage in acts permitted
19 by the act and the regulations promulgated hereunder.

20 (d) No state employee shall be subject to arrest, prosecution or penalty in any manner, or
21 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
22 termination, or loss of employee or pension benefits, for any and all conduct that occurs within the
23 scope of his or her employment regarding the administration, execution and/or enforcement of this
24 act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

25 **21-28.6-17. Revenue.**

26 (a) Effective July 1, 2016, all fees collected by the departments of health and business
27 regulation from applicants, registered patients, primary caregivers, authorized purchasers, licensed
28 medical marijuana cultivators, cooperative cultivations, compassion centers, other licensees
29 licensed pursuant to this chapter, and compassion-center and other registry identification
30 cardholders shall be placed in restricted-receipt accounts to support the state's medical marijuana
31 program, including but not limited to, payment of expenses incurred by the departments of health
32 and business regulation for the administration of the program. The restricted receipt account will
33 be known as the "medical marijuana licensing account" and will be housed within the budgets of
34 the department of business regulation, and health.

1 (b) All revenues remaining in the restricted-receipt accounts after payments specified in
2 subsection (a) of this section shall first be paid to cover any existing deficit in the department of
3 health's restricted-receipt account or the department of business regulation's restricted-receipt
4 account. These transfers shall be made annually on the last business day of the fiscal year.

5 (c) All revenues remaining in the restricted-receipt accounts after payments specified in
6 subsections (a) and (b) shall be paid into the state's general fund. These payments shall be made
7 annually on the last business day of the fiscal year.

8 SECTION 6. Chapter 21-28.6 of the General Laws entitled "The Edward O. Hawkins and
9 Thomas C. Slater Medical Marijuana Act" is hereby amended by adding thereto the following
10 section:

11 **21-28.6-18. Activities not exempt.**

12 The provisions of this chapter do not exempt any person from arrest, civil or criminal
13 penalty, seizure or forfeiture of assets, discipline by any state or local licensing board or authority,
14 and state prosecution for, nor may they establish an affirmative defense based on this chapter to
15 charges arising from, any of the following acts:

16 (1) Driving, operating, or being in actual physical control of a vehicle or a vessel under
17 power or sail while impaired by marijuana or marijuana products;

18 (2) Possessing or using marijuana or marijuana products if the person is a prisoner;

19 (3) Possessing or using marijuana or marijuana products in any local detention facility,
20 county jail, state prison, reformatory, or other correctional facility, including, without limitation,
21 any facility for the detention of juvenile offenders; or

22 (4) Manufacturing or processing of marijuana products with the use of prohibited solvents,
23 in violation of chapter 28.6 of title 21; or.

24 (5) Possessing, using, distributing, cultivating, processing or manufacturing marijuana or
25 marijuana products which do not satisfy the requirements of this chapter.

26 SECTION 7. This act shall take effect upon passage.

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ARTICLE 16 AS AMENDED

ARTICLE _____

AN ACT RELATING TO CENTRAL FALLS RETIREES' BENEFICIARIES

SECTION 1. Section 45-21-67 of the General Laws in Chapter 45-21 entitled "Retirement of Municipal Employees" is hereby amended to read as follows:

45-21-67. Central Falls retirees -- Settlement agreement.

(a) Definitions. As used in this section:

(1) "Base pension benefit" is the amount listed on Appendix A, Appendix D-A, and Appendix E-A, attached to the settlement agreement, under the column labeled "amount prior to reduction", which is the amount each Central Falls retiree was receiving as of July 31, 2011.

(2) "Central Falls retirees" are the retirees, or the beneficiaries of retirees, of the city of Central Falls, listed on Appendix A to the settlement agreement, as amended from time to time, when a retiree or beneficiary dies.

(3) "Settlement agreement" shall mean that settlement and release agreement, as set forth in P.L. 2012, Ch. 241, Art. 22, signed by and between the receiver of the city of Central Falls, the director of revenue and the participating retirees, approved by the bankruptcy court by order dated January 9, 2012.

(b) Legislative findings and purpose.

(1) Pursuant to P.L. 2012, Ch. 241, Art. 22, which defined the terms of the initial appropriation, the state made an appropriation of two million six hundred thirty-six thousand nine hundred thirty-two dollars (\$2,636,932), which was deposited into a restricted account held by the city of Central Falls, for the purpose of supplementing the reduced pensions of the Central Falls retirees, to enable the city to pay the Central Falls retirees seventy-five percent (75%) of their base pension benefit as of July 31, 2011, for a five-year (5) period, with the last supplemental appropriation to be paid on or within thirty (30) days of July 1, 2015.

(2) The drastic pension reductions experienced by the Central Falls retirees provided a harsh example of the risks of unfunded-pension liabilities, which, in turn, provided the primary incentive toward successful pension negotiations with other municipal, police, and fire retirees, saving the state more than sixty million dollars (\$60,000,000).

(3) If said appropriation is not made prior to July 1, 2016, the Central Falls retirees, many of whom sustained serious and permanent injuries in service to the city, will have their pensions reduced yet again, in some instances to less than sixty percent (60%) of the pension they were

1 receiving on July 11, 2011.

2 (4) It is fair and just that the state appropriate sufficient funds to the city to supplement the
3 city's funding of the pension benefits to the Central Falls retirees to ensure that the Central Falls
4 retirees continue to receive no less than seventy-five percent (75%) of the base pension benefit,
5 after taking into account all applicable cost-of-living adjustments, for their lifetime, and to the
6 extent applicable, for the life of their beneficiaries.

7 (c) Appropriation payment.

8 (1) Appropriation payment and restrictions on use. In accordance with the terms set forth
9 in Article 22 and the settlement agreement, the state shall annually appropriate sufficient funds to
10 the restricted account for the city of Central Falls to supplement the city's funding for payments to
11 Central Falls retirees in order that they continue to receive no less than seventy-five percent (75%)
12 of their base pension benefit as of July 31, 2011, after taking into account all applicable cost-of-
13 living adjustments, for their lifetime, and to the extent applicable, for the life of their beneficiaries.
14 Such appropriation shall be determined annually by an actuarial valuation ("appropriation
15 amount"), and it is expected over the life of the existing retirees to total four million eight hundred
16 seventeen thousand seven hundred eight dollars (\$4,817,708).

17 (2) Deposit of appropriation payment and payments to Central Falls retirees. The
18 appropriation payment shall be immediately deposited by the city into the previously established
19 "participating retirees restricted five-year (5) account", which shall be redesignated as the
20 "participating retirees' restricted account." The participating retirees' account shall be administered
21 by the city and not by any third-party pension-fund manager.

22 (d) Any and all withdrawals, transfers, and payments from the participating retirees'
23 account shall be made as set forth in the settlement agreement and accompanying appendices and
24 said Article 22 (c) until the payments are made on July 1, 2015.

25 (e) Beginning on or within thirty (30) days of July 1, 2016, and annually thereafter, with
26 payments to be paid each retiree or beneficiary as applicable on or within thirty (30) days of July
27 1 of each year they are eligible for benefits under the Central Falls pension plan, the city shall
28 distribute to each participating retiree or beneficiary the annual amount listed on the actuarial
29 spreadsheets prepared by Sherman Actuarial Services, which shall supplement the pension
30 payments paid by the city in order that each retiree will receive no less than seventy-five percent
31 (75%) of his or her base pension benefit, after taking into account all applicable cost-of-living
32 adjustments, for his or her lifetime, and to the extent applicable, sixty-seven and one-half percent
33 (67.5%) of the base pension benefit, after taking into account all applicable cost-of-living
34 adjustments, to his or her beneficiaries for his or her lifetime. Such supplemental distributions shall

1 be made by the city when the funds appropriated by the state are made available to the city, which
2 shall be as close to July 1 as practicable.

3 (f) Relationship to base pension payments. The supplemental payments to the Central Falls
4 retirees from the participating retirees' restricted account shall not be included in the calculation of
5 base pension benefits for the purposes of determining a retiree's or beneficiary's cost-of-living
6 adjustment.

7 (g) The cost-of-living adjustments as set forth in the settlement agreement are to be paid
8 by the city of Central Falls to the Central Falls retirees, and to the extent applicable, their
9 beneficiaries.

10 (h) The following provision shall amend and supersede P.L. 2012, Ch. 241, Art. 22 (c)(4)
11 regarding the balance in the participating retirees' restricted account as of August 1, 2015:

12 (1) Distribution of balance. As of August 1, 2015, no further supplemental payments shall
13 be distributed to the Central Falls retirees under the terms of the settlement agreement. The balance
14 of monies in the participating retirees' restricted account shall be distributed in accordance with this
15 Article, in the amounts and to those retirees and beneficiaries listed on the actuarial spreadsheets
16 prepared by Sherman Actuarial Services, LLC and maintained and administered by the city. The
17 amounts set forth on the actuarial spreadsheets will supplement the pension payments being made
18 by the city in order that each retiree will receive no less than seventy-five percent (75%) of their
19 base pension benefit, after taking into account all applicable cost-of-living adjustments, for his or
20 her lifetime, and to the extent applicable, sixty-seven and one-half percent (67.5%) of the base
21 pension benefit, after taking into account all applicable cost-of-living adjustments, to their
22 beneficiaries for his or her lifetime.

23 (2) Any monies remaining in the participating retirees' restricted account after the last-
24 living retiree attains seventy-five percent (75%) of the base pension benefit, after taking into
25 account all applicable cost-of-living adjustments, or last-living beneficiary attains sixty-seven and
26 one-half percent (67.5%) of the base pension benefit, after taking into account all applicable cost-
27 of-living adjustments, shall be returned to the state under state law.

28 (i) Access to account information and records. The city shall maintain appropriate account
29 information and records relating to all receipts into, maintenance of, and distributions from, the
30 participating retirees' restricted account, and shall allow, at all reasonable times, for the full
31 inspection and copying and sharing of information about such account and any and all payments
32 therefrom with any participating retiree and the state.

33 (j) Unclaimed payments. Any monies distributed to a participating retiree or beneficiary
34 from the participating retirees' restricted account and not claimed by a participating retiree or

1 beneficiary after the city has exercised good faith attempts over a six-month (6) period to deliver it
2 to the best, last-known address of such participating retiree or beneficiary, shall not escheat under
3 state law, but shall remain in the participating retirees' restricted account until the conditions of
4 subsection (h) herein have been satisfied.

5 (k) Liabilities and penalties for inappropriate use of appropriation payment. Any person,
6 whether in his/her individual capacity, who uses, appropriates, or takes or instructs another to use,
7 appropriate, or take, the appropriation payment, or any portion thereof, that is not specifically used
8 for making payments to participating retirees or their beneficiaries as required hereunder and under
9 the terms of the settlement agreement, shall be personally liable for repayment of said funds and
10 further shall be subject to any and all applicable civil and criminal sanctions and/or penalties for
11 such act(s).

12 (l) Retirees' beneficiaries. Upon the death of any retiree covered by this section, their
13 beneficiary shall receive sixty-seven percent (67%) of the retiree's base pension benefit, as defined
14 in § 45-21-67(a)(1)."

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ARTICLE 17 AS AMENDED

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RELATING TO EFFECTIVE DATE

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SECTION 1. This act shall take effect as of July 1, 2019, except as otherwise provided

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herein.

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SECTION 2. This article shall take effect upon passage.