

1 SECTION 3. Section 42-63.1-3 of the General Laws in Chapter 42-63.1 entitled "Tourism
2 and Development" is hereby amended to read as follows:

3 **42-63.1-3. Distribution of tax.**

4 (a) For returns and tax payments received on or before December 31, 2015, except as
5 provided in § 42-63.1-12, the proceeds of the hotel tax, excluding the portion of the hotel tax
6 collected from residential units offered for tourist or transient use through a hosting platform, shall
7 be distributed as follows by the division of taxation and the city of Newport:

8 (1) Forty-seven percent (47%) of the tax generated by the hotels in the district, except as
9 otherwise provided in this chapter, shall be given to the regional tourism district wherein the hotel
10 is located; provided, however, that from the tax generated by the hotels in the city of Warwick,
11 thirty-one percent (31%) of the tax shall be given to the Warwick regional tourism district
12 established in § 42-63.1-5(a)(5) and sixteen percent (16%) of the tax shall be given to the Greater
13 Providence-Warwick Convention and Visitors' Bureau established in § 42-63.1-11; and provided
14 further, that from the tax generated by the hotels in the city of Providence, sixteen percent (16%)
15 of that tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau
16 established by § 42-63.1-11, and thirty-one percent (31%) of that tax shall be given to the
17 Convention Authority of the city of Providence established pursuant to the provisions of chapter
18 84 of the public laws of January, 1980; provided, however, that the receipts attributable to the
19 district as defined in § 42-63.1-5(a)(7) shall be deposited as general revenues, and that the receipts
20 attributable to the district as defined in § 42-63.1-5(a)(8) shall be given to the Rhode Island
21 commerce corporation as established in chapter 64 of this title.

22 (2) Twenty-five percent (25%) of the hotel tax shall be given to the city or town where the
23 hotel that generated the tax is physically located, to be used for whatever purpose the city or town
24 decides.

25 (3) Twenty-one (21%) of the hotel tax shall be given to the Rhode Island commerce
26 corporation established in chapter 64 of this title, and seven percent (7%) to the Greater Providence-
27 Warwick Convention and Visitors' Bureau.

28 (b) For returns and tax payments received after December 31, 2015, except as provided in
29 § 42-63.1-12, the proceeds of the hotel tax, excluding the portion of the hotel tax collected from
30 residential units offered for tourist or transient use through a hosting platform, shall be distributed
31 as follows by the division of taxation and the city of Newport:

32 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-
33 63.1-5, forty-two percent (42%) of the tax shall be given to the Aquidneck Island district, twenty-
34 five (25%) of the tax shall be given to the city or town where the hotel that generated the tax is

1 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick
2 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight percent (28%) of
3 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this
4 title.

5 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-5,
6 twenty eight percent (28%) of the tax shall be given to the Providence district, twenty-five percent
7 (25%) of the tax shall be given to the city or town where the hotel that generated the tax is physically
8 located, twenty-three (23%) of the tax shall be given to the Greater Providence-Warwick
9 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four (24%) of the tax shall
10 be given to the Rhode Island commerce corporation established in chapter 64 of this title.

11 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,
12 twenty-eight percent (28%) of the tax shall be given to the Warwick District, twenty-five percent
13 (25%) of the tax shall be given to the city or town where the hotel that generated the tax is physically
14 located, twenty-three percent (23%) of the tax shall be given to the Greater Providence-Warwick
15 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four (24%) of the tax shall
16 be given to the Rhode Island commerce corporation established in chapter 64 of this title.

17 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,
18 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel that generated
19 the tax is physically located, five percent (5%) of the tax shall be given to the Greater Providence-
20 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy percent (70%)
21 of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this
22 title.

23 (5) With respect to the tax generated by hotels in districts other than those set forth in
24 subsections (b)(1) through (b)(4) of this section, forty-two percent (42%) of the tax shall be given
25 to the regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five
26 percent (25%) of the tax shall be given to the city or town where the hotel that generated the tax is
27 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick
28 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight (28%) of the tax
29 shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

30 (c) For returns and tax payments received before July 1, 2019, the proceeds of the hotel tax
31 collected from residential units offered for tourist or transient use through a hosting platform shall
32 be distributed as follows by the division of taxation and the city of Newport: twenty-five percent
33 (25%) of the tax shall be given to the city or town where the residential unit that generated the tax
34 is physically located, and seventy-five percent (75%) of the tax shall be given to the Rhode Island

1 commerce corporation established in chapter 64 of this title.

2 (d) The Rhode Island commerce corporation shall be required in each fiscal year to spend
3 on the promotion and marketing of Rhode Island as a destination for tourists or businesses an
4 amount of money of no less than the total proceeds of the hotel tax it receives pursuant to this
5 chapter for the fiscal year.

6 (e) Notwithstanding the foregoing provisions of this section, for returns and tax payments
7 received on or after July 1, 2016, and on or before June 30, 2017, except as provided in § 42-63.1-
8 12, the proceeds of the hotel tax, excluding the portion of the hotel tax collected from residential
9 units offered for tourist or transient use through a hosting platform, shall be distributed in
10 accordance with the distribution percentages established in subsections (a)(1) through (a)(3) of this
11 section by the division of taxation and the city of Newport.

12 (f) For returns and tax payments received on or after July 1, 2018, except as provided in §
13 42-63.1-12, the proceeds of the hotel tax, excluding the portion of the hotel tax collected from
14 residential units offered for tourist or transient use through a hosting platform, shall be distributed
15 as follows by the division of taxation and the city of Newport:

16 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-
17 63.1-5, forty-five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-
18 five (25%) of the tax shall be given to the city or town where the hotel that generated the tax is
19 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick
20 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five percent (25%) of the
21 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

22 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-5,
23 thirty percent (30%) of the tax shall be given to the Providence district, twenty-five percent (25%)
24 of the tax shall be given to the city or town where the hotel that generated the tax is physically
25 located, twenty-four (24%) of the tax shall be given to the Greater Providence-Warwick
26 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of the tax shall
27 be given to the Rhode Island commerce corporation established in chapter 64 of this title.

28 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,
29 thirty percent (30%) of the tax shall be given to the Warwick District, twenty-five percent (25%)
30 of the tax shall be given to the city or town where the hotel that generated the tax is physically
31 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick
32 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one (21%) of the tax shall
33 be given to the Rhode Island commerce corporation established in chapter 64 of this title.

34 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5,

1 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel that generated
2 the tax is physically located, five percent (5%) of the tax shall be given to the Greater Providence-
3 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy percent (70%)
4 of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this
5 title.

6 (5) With respect to the tax generated by hotels in districts other than those set forth in
7 subsections ~~(b)(1)~~ (f)(1) through ~~(b)(4)~~ (f)(4) of this section, forty-five percent (45%) of the tax
8 shall be given to the regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located,
9 twenty-five percent (25%) of the tax shall be given to the city or town where the hotel that generated
10 the tax is physically located, five percent (5%) of the tax shall be given to the Greater Providence-
11 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five (25%) of
12 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this
13 title.

14 (g) For returns and tax payments received on or after July 1, 2019, except as provided in §
15 42-63.1-12, the proceeds of the hotel tax, including the portion of the hotel tax collected from
16 residential units offered for tourist or transient use through a hosting platform, shall be distributed
17 as follows by the division of taxation and the city of Newport:

18 (1) For the tax generated in the Aquidneck Island district, as defined in § 42-63.1-5, forty-
19 five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-five percent
20 (25%) of the tax shall be given to the city or town where the hotel or residential unit that generated
21 the tax is physically located, five percent (5%) of the tax shall be given to the Greater Providence-
22 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five percent
23 (25%) of the tax shall be given to the Rhode Island commerce corporation established in chapter
24 64 of this title.

25 (2) For the tax generated in the Providence district as defined in § 42-63.1-5, thirty percent
26 (30%) of the tax shall be given to the Providence district, twenty-five percent (25%) of the tax shall
27 be given to the city or town where the hotel or residential unit that 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 percent (21%) of the
30 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

31 (3) For the tax generated in the Warwick district as defined in § 42-63.1-5, thirty percent
32 (30%) of the tax shall be given to the Warwick District, twenty-five percent (25%) of the tax shall
33 be given to the city or town where the hotel or residential unit that generated the tax is physically
34 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick

1 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one percent (21%) of the
2 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

3 (4) For the tax generated in the Statewide district, as defined in § 42-63.1-5, twenty-five
4 percent (25%) of the tax shall be given to the city or town where the hotel or residential unit that
5 generated the tax is physically located, five percent (5%) of the tax shall be given to the Greater
6 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy
7 percent (70%) of the tax shall be given to the Rhode Island commerce corporation established in
8 chapter 64 of this title.

9 (5) With respect to the tax generated in districts other than those set forth in subsections
10 (g)(1) through (g)(4) of this section, forty-five percent (45%) of the tax shall be given to the regional
11 tourism district, as defined in § 42-63.1-5, wherein the hotel or residential unit is located, twenty-
12 five percent (25%) of the tax shall be given to the city or town where the hotel or residential unit
13 that generated the tax is physically located, five percent (5%) of the tax shall be given to the Greater
14 Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five
15 percent (25%) of the tax shall be given to the Rhode Island commerce corporation established in
16 chapter 64 of this title.

17 SECTION 4. Section 42-63.1-14 of the General Laws in Chapter 42-63.1 entitled "Tourism
18 and Development" is hereby amended to read as follows:

19 **42-63.1-14. Offering residential units through a hosting platform.**

20 (a) For any rental property offered for tourist or transient use on a hosting platform that
21 collects and remits applicable sales and hotel taxes in compliance with §§ 44-18-7.3(b)(4)(i), 44-
22 18-18, and 44-18-36.1, cities, towns, or municipalities shall not prohibit the owner from offering
23 the unit for tourist or transient use through such hosting platform, or prohibit such hosting platform
24 from providing a person or entity the means to rent, pay for, or otherwise reserve a residential unit
25 for tourist or transient use. A hosting platform shall comply with the requirement imposed upon
26 room resellers in §§ 44-18-7.3(b)(4)(i) and 44-18-36.1 in order for the prohibition of this section to
27 apply. The division of taxation shall at the request of a city, town, or municipality confirm whether
28 a hosting platform is registered in compliance with § 44-18-7.3(b)(4)(i).

29 (b) Any short-term rental property listed for rent on the website of any third-party hosting
30 platform that conducts business in Rhode Island shall be registered with the department of business
31 regulation. The registration shall provide the information necessary to identify the property
32 pursuant to subsection (d) of this section. For purposes of this section, the term "short-term rental"
33 means a person, firm, or corporation's utilization, for transient lodging accommodations, not to
34 exceed thirty (30) nights at a time.

1 (c) The department of business regulation shall contact all hosting platforms that list
2 property in Rhode Island on their website for rent and that submit hotel taxes to the division of
3 taxation and shall provide notice of the registration requirement, pursuant to this section, instructing
4 the hosting platforms to notify their listed properties to register with the department of business
5 regulation by December 31, 2021, or be subject to fines pursuant to ~~§ 42-63.1-14.1~~ [subsection \(i\)](#)
6 [of this section](#).

7 (d) The state registration pursuant to this section shall include:

8 (1) The principal place of business of the owner, or if outside the state, the agent for service
9 of process or property manager for the owner;

10 (2) The phone number of the owner of the property and/or property manager;

11 (3) The email address of the property owner and/or property manager;

12 (4) The address of the rental property;

13 (5) The number of rooms for rent at the property;

14 (6) Whether the registrant rents or owns; and

15 (7) Intended use (entire space, private room, or shared space).

16 (e) The assigned registration number shall consist of numeric and alpha characters, the
17 alpha characters shall correspond to the city/town where the property is located and shall be uniform
18 for the remaining properties in said city/town.

19 (f) The department of business regulation shall notify all hosting platforms to contact all
20 listed properties by December 31, 2021, to ensure compliance with this section and if the listed
21 properties are not duly registered after six (6) months, the hosting platform shall remove the
22 property listing from its website.

23 (g) The department of business regulation shall promulgate rules and regulations to
24 correspond with and enforce this section and § 42-63.1-14.1 and may charge a registration fee to
25 property owners registering with the department pursuant to this section.

26 (h) The department of business regulation shall create an online database to store all
27 registered short-term rental units, and each unit shall have an online identification number in said
28 database to correspond with subsection (e) of this section.

29 (i) Any owner of the property who or that fails to register with the department of business
30 regulation as prescribed herein and lists the property as a short-term rental on a hosting platform
31 website shall be subject to a civil fine as follows:

32 (1) Two hundred fifty dollars (\$250) for the first thirty (30) days of non-compliance;

33 (2) Five hundred dollars (\$500) for between thirty-one (31) and sixty (60) days of non-
34 compliance; and

1 (3) One thousand dollars (\$1,000) for more than sixty (60) days of non-compliance.

2 SECTION 5. Section 42-64.10-4 of the General Laws in Chapter 42-64.10 entitled
3 "Quonset Development Corporation" is hereby amended to read as follows:

4 **42-64.10-4. Definitions.**

5 (a) As used in this chapter, words and terms, shall have the meaning set forth in § ~~42-64-4~~
6 [42-64-3](#) unless this chapter provides a different meaning or unless the context indicates a different
7 meaning or intent.

8 (b) Within this chapter, the following words and terms shall have the following meanings
9 unless the context indicates a different meaning or intent:

10 (1) "Board" means the board of directors of the corporation.

11 (2) "Chairperson" means the chairperson of the board of directors of the corporation.

12 (3) "Corporation" means the Quonset Development Corporation.

13 (4) "Quonset Business Park" means former Navy lands in the town of North Kingstown,
14 and lands related thereto, and personal property thereon, which are or have been owned, leased,
15 managed and/or under the control of the economic development corporation.

16 SECTION 6. Section 42-64.10-7 of the General Laws in Chapter 42-64.10 entitled
17 "Quonset Development Corporation" is hereby amended to read as follows:

18 **42-64.10-7. Directors, officers and employees.**

19 (a) Directors.

20 (1) The powers of the corporation shall be vested in a board of directors consisting of eleven
21 (11) members. The membership of the board shall consist of the executive director of the Rhode
22 Island economic development corporation as chairperson, (who shall vote only in the event of a
23 tie), six (6) members appointed by the governor, with the advice and consent of the senate, two (2)
24 members appointed by the town council of the town of North Kingstown, one member appointed
25 by the town council of the town of Jamestown, and one member appointed by the town council of
26 the town of East Greenwich. The initial members of the board shall be divided into three (3) classes
27 and shall serve initial terms on the board of directors as follows: two (2) of the directors appointed
28 by the governor; ~~and~~ [and](#) one of the directors appointed by the town council of the town of North
29 Kingstown shall be appointed for an initial term of one year; two (2) of the directors appointed by
30 the governor, one director appointed by the town council of the town of North Kingstown and the
31 director appointed by the town of East Greenwich shall be appointed for an initial term of two (2)
32 years; and two (2) of the directors appointed by the governor and one director appointed by the
33 town of Jamestown shall be appointed for an initial term of three (3) years. Upon expiration of each
34 initial term and upon the expiration of each term thereafter, a successor shall be appointed by the

1 same authority that made the initial appointment, and in the case of appointments by the governor
2 with the advice and consent of the senate, to serve for a term of three (3) years so that members of
3 the board of directors shall serve for staggered terms of three (3) years each. A vacancy on the
4 board, other than by expiration, shall be filled in the same manner as an original appointment, but
5 only for the unexpired portion of the term. If a vacancy occurs with respect to one of the directors
6 appointed by the governor when the senate is not in session, the governor shall appoint a person to
7 fill the vacancy, but only until the senate shall next convene and give its advice and consent to a
8 new appointment. A member shall be eligible to succeed himself or herself. Appointed directors
9 shall not serve more than two (2) successive three (3) year terms but may be reappointed after not
10 being a director for a period of at least twelve (12) months. Each appointed director shall hold office
11 for the term for which the director is appointed and until the director's successor shall have been
12 appointed and qualified, or until the director's earlier death, resignation or removal. Except for
13 members of the town council of the town of North Kingstown, who may serve as members of the
14 board of directors, no director shall be an elected official of any governmental entity.

15 (2) The directors shall receive no compensation for the performance of their duties under
16 this chapter, but each director shall be reimbursed for his or her reasonable expenses incurred in
17 carrying out those duties. A director may engage in private employment, or in a profession or
18 business.

19 (3) Meetings. An annual meeting of the directors shall be held during the month of October
20 of each year for the purposes of electing and appointing officers and reviewing and considering for
21 approval the budget of the corporation. Regular meetings of the directors shall be held at least once
22 in each calendar quarter, at the call of the chairperson or secretary, or in accordance with an annual
23 schedule of meetings adopted by the board. Special meetings may be called for any purposes by
24 the chairperson or the secretary and as provided for in the bylaws of the corporation.

25 (4) A majority of the directors then in office, but not less than five (5) directors, shall
26 constitute a quorum, and any action to be taken by the corporation under the provisions of this
27 chapter, may be authorized by resolution approved by a majority of the directors present and
28 entitled to a vote at any regular or special meeting at which a quorum is present. A vacancy in the
29 membership of the board of directors shall not impair the right of a quorum to exercise all of the
30 rights and perform all of the duties of the corporation.

31 (5) Any action taken by the corporation under the provisions of this chapter may be
32 authorized by a vote at any regular or special meeting, and each vote shall take effect immediately.

33 (6) The board of directors shall establish an audit committee and a governance committee,
34 which shall advise: (i) the board with the respect to the best practices of governance; and (ii) the

1 board, members of the board, and officers with respect to conflicts of interest, corporate ethics and
2 responsibilities, and the maintenance of the public trust; the members of the audit committee and
3 the governance committee shall be appointed by the chairperson with the advice of the board of
4 directors. In addition to the audit and the governance committee, the board may establish bylaw or
5 with the approval of the chairperson such other committees as it deems appropriate.

6 (7) The board shall prescribe the application of the cash flow of the corporation, in the
7 following order of priority:

8 (i) To debt service, including without limitation, sinking funds established in connection
9 with any financing;

10 (ii) To operating expenses;

11 (iii) To capital expenses;

12 (iv) To reserve funds as may be established by the board, from time to time; and

13 (v) To the economic development corporation for application to statewide economic
14 development.

15 (8) The board shall establish by bylaw limits on the expenditure of corporation funds
16 without approval of the board.

17 (9) The approval of the board shall be required for any recommendation to the economic
18 development corporation board of directors for the issuance of bonds or notes or borrowing money
19 on behalf of the corporation or for the exercise of eminent domain on behalf of the corporation.

20 (b) Officers. The officers of the corporation shall include a chairperson, a managing
21 director who shall be the chief executive officer of the corporation, a vice-chairperson, a secretary,
22 and a finance director, as herein provided, and such other officers as the board may from time to
23 time establish.

24 (1) Chairperson. The executive director of the economic development corporation shall be
25 the chairperson of the board and shall appoint the managing director with the concurrence of the
26 board, appoint committee members, approve the corporation's annual operating and capital budget,
27 approve land sale prices, lease rents, and economic development incentives, and approve numbers
28 and types of employees and staff of the corporation, and preside at meetings of the board.

29 (2) Managing director. The chief executive officer of the corporation shall be managing
30 director of the corporation, who shall be appointed by the chairperson with the concurrence of the
31 board. The managing director of the corporation shall be entitled to receive for his or her services
32 any reasonable compensation as the board of directors may determine. The board of directors may
33 vest in the managing director the authority to appoint staff members and to determine the amount
34 of compensation each individual shall receive.

1 (3) Vice-chairperson. The board of directors shall from among its members elect a vice-
2 chairperson who shall preside at meetings in the absence of the chairperson and have such other
3 duties and powers as the directors may from time to time prescribe.

4 (4) Other officers. The board shall appoint a secretary, a director of finance, the duties of
5 whom shall be prescribed in the bylaws of the corporation, and such additional officers and staff
6 members as they shall deem appropriate and shall determine the amount of reasonable
7 compensation, if any, each shall receive.

8 (5) With the exception of the chairperson, any number of offices may be held by the same
9 person, unless the bylaws provide otherwise.

10 (c) Employees.

11 (1) The corporation may have such numbers and types of employees as the board, with the
12 approval of the chairperson, shall determine upon the recommendation of the managing director.
13 The board, upon the recommendation of the managing director, may authorize entering into
14 agreements with the economic development corporation for any duties or functions to be performed
15 by employees, staff, or agents of the corporation.

16 (2) No full-time employee of the corporation shall, during the period of his or her
17 employment by the corporation, engage in any other private employment, profession or business,
18 except with the approval of the board of directors.

19 (3) Employees of the corporation shall not, by reason of their employment, be deemed to
20 be employees of the state for any purpose, any other provision of the general laws to the contrary
21 notwithstanding, including, without limiting, the generality of the foregoing, chapters 29, 39, and
22 42 of title 28 and chapters 4, 8, 9, and 10 of title 36.

23 SECTION 7. Section 42-64.13-8 of the General Laws in Chapter 42-64.13 entitled "Rhode
24 Island Regulatory Reform Act" is hereby amended to read as follows:

25 **42-64.13-8. Regulatory analysis responsibilities.**

26 The office of regulatory reform shall have the following regulatory analysis and reporting
27 responsibilities:

28 (1) The office of regulatory reform shall, upon the conclusion of each fiscal year, prepare
29 and publish a report on the regulatory processes of state and municipal agencies and permitting
30 authorities through a review and an analysis of proposed and existing rules and regulations to: (i)
31 Encourage agencies to eliminate, consolidate, simplify, expedite, or otherwise improve permits,
32 permitting procedures, and paperwork burdens affecting businesses, municipal government
33 undertakings, industries, and other matters of economic development impact in the state; (ii)
34 Analyze the impact of proposed and existing rules and regulations on matters such as public health,

1 safety and welfare, including job creation, and make recommendations for simplifying regulations
2 and regulatory processes of state and municipal agencies and permitting authorities; (iii) Propose
3 to any state or municipal agency consideration for amendment or repeal of any existing rules or
4 procedures that may be obsolete, harmful to the economy or job growth in the state, or excessively
5 burdensome with respect to any state or federal statutes or regulations; and (iv) Assist and
6 coordinate with all agencies during the periodic review of rules required by § 42-35-3.4 of the
7 administrative procedures act.

8 (2) The ombudsman of the department of business regulation shall implement the
9 provisions of ~~§ 42-35.1-1~~ chapter 35.1 of title 42, entitled small business regulatory fairness ~~and~~
10 in administrative procedures, and shall be the small business regulatory enforcement ~~office~~ officer
11 pursuant to § 42-35.1-5.

12 SECTION 8. Section 42-64.14-13 of the General Laws in Chapter 42-64.14 entitled "The
13 I-195 Redevelopment Act of 2011" is hereby amended to read as follows:

14 **42-64.14-13. Planning, permitting, appeals and development.**

15 (a) The commission shall exercise its powers in a manner consistent with development
16 plans approved for the I-195 redevelopment district by the commission. Such plans may be
17 prepared without limitation by the commission in order to achieve the purposes of this chapter.
18 Development in the district, whether by the commission or otherwise shall be subject to the plans
19 prepared by the commission and the commission plans shall be consistent with the city of
20 Providence comprehensive plan adopted by the city pursuant to ~~45-22-2.1~~ 45-22.2-1 et seq. and the
21 city of Providence zoning ordinances pursuant to § 45-24-27 et seq. as previously enacted by the
22 city of Providence, and as may be enacted be enacted and/or amended from time to time through
23 July 1, 2012, or enacted thereafter with the consent of the commission. Approved plans for the I-
24 195 redevelopment district may be considered, in whole or part as appropriate, for adoption as an
25 element of the state guide plan by the state planning council, but shall not be subject to the state
26 guide plan or any other approval provisions related thereto.

27 (b) The commission shall serve as the sole permitting authority for all development within
28 the district, as defined in § ~~37-5-7~~ 37-5-8, pursuant to the powers granted to the commission by §§
29 42-64.14-7 and 42-64.14-8 of this chapter. The state fire marshal and the state building code
30 commissioner shall issue any necessary permits related to fire safety and building code compliance
31 respectively. The commission shall seek the cooperation of the state building code commissioner
32 and the state fire marshal to expedite all necessary permits and approvals for development within
33 the district.

34 (c) The commission shall have authority to approve and/or mandate an accelerated plan

1 review process, which may include the implementation of phased and/or fast-track development,
2 which is defined as the initiation of development prior to final issuance of all permits and approvals
3 and/or the completion of final project design and construction plans.

4 (d) The commission shall create for the redevelopment of its properties and parcels sold by
5 its design guidelines in consultation with the state historic preservation officer.

6 (e) All appeals timely filed pursuant to chapter ~~42-35 of the general laws~~ 35 of title 42
7 entitled the Administrative Procedures Act with the Rhode Island superior court relative to permits
8 and approvals shall be accelerated and given priority and advanced on the calendar of the Rhode
9 Island superior court.

10 (f) Under no circumstances shall the commission establish, authorize, zone, plan, or permit
11 in the district a so-called "casino" or any form of gambling, including but not limited to those
12 activities governed by title 41 of the Rhode Island general laws, so-called "video-gambling" or any
13 lotteries whatsoever except for the sale of lottery tickets pursuant to ~~title 42, section 61 of the~~
14 ~~general laws~~ chapter 61 of title 42. Furthermore, upon conveyance, but in any event before
15 approving any project, development, or redevelopment, the commission shall ensure that a deed
16 restriction, running to the benefit of the city of Providence and the state, is recorded against the
17 subject property effectuating and memorializing such restriction. The aforementioned restriction
18 shall run with the land and be binding upon all successors and ~~assign~~ assigns. Any deed restriction
19 conveyed to the state pursuant to this subsection may be waived only by statute, resolution or other
20 action by the general assembly which complies with the constitutional requirements for the
21 expansion of gambling.

22 SECTION 9. Sections 42-64.19-3 and 42-64.19-7 of the General Laws in Chapter 42-64.19
23 entitled "Executive Office of Commerce" are hereby amended to read as follows:

24 **42-64.19-3. Executive office of commerce. [Effective January 1, 2024.]**

25 (a) There is hereby established within the executive branch of state government an
26 executive office of commerce effective February 1, 2015, to serve as the principal agency of the
27 executive branch of state government for managing the promotion of commerce and the economy
28 within the state and shall have the following powers and duties in accordance with the following
29 schedule:

30 (1) On or about February 1, 2015, to operate functions from the department of business
31 regulation;

32 (2) On or about April 1, 2015, to operate various divisions and functions from the
33 department of administration;

34 (3) On or before September 1, 2015, to provide to the Senate and the House of

1 Representatives a comprehensive study and review of the roles, functions, and programs of the
2 department of administration and the department of labor and training to devise recommendations
3 and a business plan for the integration of these entities with the office of the secretary of commerce.
4 The governor may include such recommendations in the Fiscal Year 2017 budget proposal; and

5 (4) On or before July 1, 2021, to provide for the hiring of a deputy secretary of commerce
6 and housing who shall report directly to the secretary of commerce. On July 1, 2022, the deputy
7 secretary of commerce and housing shall succeed to the position of secretary of housing, and the
8 position of deputy secretary of commerce and housing shall cease to exist under this chapter. All
9 references in the general laws to the deputy secretary of commerce and housing shall be construed
10 to mean the secretary of housing. The secretary of housing shall be appointed by and report directly
11 to the governor and shall assume all powers, duties, and responsibilities formerly held by the deputy
12 secretary of commerce and housing. Until the formation of the new department of housing pursuant
13 to chapter 64.34 of this title, the secretary of housing shall reside within the executive office of
14 commerce for administrative purposes only. The secretary of housing shall:

15 (i) Prior to hiring, have completed and earned a minimum of a master's graduate degree in
16 the field of urban planning, economics, or a related field of study or possess a juris doctor law
17 degree. Preference shall be provided to candidates having earned an advanced degree consisting of
18 an L.L.M. law degree or Ph.D. in urban planning or economics. Qualified candidates must have
19 documented five (5) years' full-time experience employed in the administration of housing policy
20 and/or development;

21 (ii) Be responsible for overseeing all housing initiatives in the state of Rhode Island and
22 developing a housing plan, including, but not limited to, the development of affordable housing
23 opportunities to assist in building strong community efforts and revitalizing neighborhoods;

24 (iii) Coordinate with all agencies directly related to any housing initiatives and participate
25 in the promulgation of any regulation having an impact on housing including, but not limited to,
26 the Rhode Island housing and mortgage finance corporation, the coastal resources management
27 council (CRMC), and state departments including, but not limited to: the department of
28 environmental management (DEM), the department of business regulation (DBR), the department
29 of transportation (DOT) and statewide planning, and the Rhode Island housing resources
30 commission;

31 (iv) Coordinate with the housing resources commission to formulate an integrated housing
32 report to include findings and recommendations to the governor, speaker of the house, senate
33 president, each chamber's finance committee, and any committee whose purview is reasonably
34 related to, including, but not limited to, issues of housing, municipal government, and health on or

1 before December 31, 2021, and annually thereafter which report shall include, but not be limited
2 to, the following:

3 (A) The total number of housing units in the state with per community counts, including
4 the number of Americans with Disabilities Act compliant special needs units;

5 (B) The occupancy and vacancy rate of the units referenced in subsection (a)(4)(iv)(A);

6 (C) The change in the number of units referenced in subsection (a)(4)(iv)(A), for each of
7 the prior three (3) years in figures and as a percentage;

8 (D) The number of net new units in development and number of units completed since the
9 prior report;

10 (E) For each municipality the number of single-family, two-family (2), and three-family
11 (3) units, and multi-unit housing delineated sufficiently to provide the lay reader a useful
12 description of current conditions, including a statewide sum of each unit type;

13 (F) The total number of units by income type;

14 (G) A projection of the number of status quo units;

15 (H) A projection of the number of units required to meet housing formation trends;

16 (I) A comparison of regional and other similarly situated state funding sources that support
17 housing development including a percentage of private, federal, and public support;

18 (J) A reporting of unit types by number of bedrooms for rental properties including an
19 accounting of all:

20 (I) Single-family units;

21 (II) Accessory dwelling units;

22 (III) Two-family (2) units;

23 (IV) Three-family (3) units;

24 (V) Multi-unit sufficiently delineated units;

25 (VI) Mixed use sufficiently delineated units; and

26 (VII) Occupancy and vacancy rates for the prior three (3) years;

27 (K) A reporting of unit types by ownership including an accounting of all:

28 (I) Single-family units;

29 (II) Accessory dwelling units;

30 (III) Two-family (2) units;

31 (IV) Three-family (3) units;

32 (V) Multi-unit sufficiently delineated units;

33 (VI) Mixed use sufficiently delineated units; and

34 (VII) Occupancy and vacancy rates for the prior three (3) years;

1 (L) A reporting of the number of applications submitted or filed for each community
2 according to unit type and an accounting of action taken with respect to each application to include,
3 approved, denied, appealed, approved upon appeal, and if approved, the justification for each
4 approval;

5 (M) A reporting of permits for each community according to affordability level that were
6 sought, approved, denied, appealed, approved upon appeal, and if approved, the justification for
7 each approval;

8 (N) A reporting of affordability by municipality that shall include the following:

9 (I) The percent and number of units of extremely low-, very low-, low-, moderate-, fair-
10 market rate, and above-market-rate units; including the average and median costs of those units;

11 (II) The percent and number of units of extremely low-, very low-, low-, and moderate-
12 income housing units required to satisfy the ten percent (10%) requirement pursuant to chapter 24
13 of title 45; including the average and median costs of those units;

14 (III) The percent and number of units for the affordability levels above moderate-income
15 housing, including a comparison to fair-market rent and fair-market homeownership; including the
16 average and median costs of those units;

17 (IV) The percentage of cost burden by municipality with population equivalent;

18 (V) The percentage and number of home financing sources, including all private, federal,
19 state, or other public support; and

20 (VI) The cost growth for each of the previous five (5) years by unit type at each
21 affordability level, by unit type;

22 (O) A reporting of municipal healthy housing stock by unit type and number of bedrooms
23 and providing an assessment of the state's existing housing stock and enumerating any risks to the
24 public health from that housing stock, including, but not limited to: the presence of lead, mold, safe
25 drinking water, disease vectors (insects and vermin), and other conditions that are an identifiable
26 health detriment. Additionally, the report shall provide the percentage of the prevalence of health
27 risks by age of the stock for each community by unit type and number of bedrooms; and

28 (P) A recommendation shall be included with the report required under this section that
29 shall provide consideration to any and all populations, ethnicities, income levels, and other relevant
30 demographic criteria determined by the secretary, and with regard to any and all of the criteria
31 enumerated elsewhere in the report separately or in combination, provide recommendations to
32 resolve any issues that provide an impediment to the development of housing, including specific
33 data and evidence in support of the recommendation. All data and methodologies used to present
34 evidence are subject to review and approval of the chief of revenue analysis, and that approval shall

1 include an attestation of approval by the chief to be included in the report;

2 (v) Have direct oversight over the office of housing and community development (OHCD)
3 and shall be responsible for coordinating with the secretary of commerce a shared staffing
4 arrangement until June 30, 2023, to carry out the provisions of this chapter;

5 (vi) On or before November 1, 2022, develop a housing organizational plan to be provided
6 to the general assembly that includes a review, analysis, and assessment of functions related to
7 housing of all state departments, quasi-public agencies, boards, and commissions. Provided,
8 further, the secretary, with the input from each department, agency, board, and commission, shall
9 include in the plan comprehensive options, including the advantages and disadvantages of each
10 option and recommendations relating to the functions and structure of the new department of
11 housing;

12 (vii) Establish rules and regulations as set forth in § 45-24-77.

13 (b) In this capacity, the office shall:

14 (1) Lead or assist state departments and coordinate business permitting processes in order
15 to:

16 (i) Improve the economy, efficiency, coordination, and quality of the business climate in
17 the state;

18 (ii) Design strategies and implement best practices that foster economic development and
19 growth of the state's economy;

20 (iii) Maximize and leverage funds from all available public and private sources, including
21 federal financial participation, grants, and awards;

22 (iv) Increase public confidence by conducting customer centric operations whereby
23 commercial enterprises are supported and provided programs and services that will grow and
24 nurture the Rhode Island economy; and

25 (v) Be the state's lead agency for economic development.

26 (2) [Deleted by P.L. 2022, ch. 388, § 1 and P.L. 2022, ch. 442, § 1.]

27 ~~(e) The office shall include the office of regulatory reform and other administration~~
28 ~~functions that promote, enhance, or regulate various service and functions in order to~~
29 ~~promote the reform and improvement of the regulatory function of the state.~~

30 **42-64.19-7. Departments/divisions assigned to the executive office — Powers and**
31 **duties.**

32 (a) The departments and/or divisions assigned to the secretary shall:

33 (1) Exercise their respective powers and duties in accordance with their statutory authority
34 and the general policy established by the governor or by the secretary acting on behalf of the

1 governor or in accordance with the powers and authorities conferred upon the secretary by this
2 chapter;

3 (2) Provide such assistance or resources as may be requested or required by the governor
4 and/or the secretary; and

5 (3) Provide such records and information as may be requested or required by the governor
6 and/or the secretary to the extent allowed under the provisions of any applicable general or public
7 law, regulation, or agreement relating to the confidentiality, privacy or disclosure of such records
8 or information.

9 (4) Forward to the secretary copies of all reports to the governor.

10 (b) Except as provided herein, no provision of this chapter or application thereof shall be
11 construed to limit or otherwise restrict the departments, offices, or divisions assigned to the
12 secretary from fulfilling any statutory requirement or complying with any valid rule or regulation.

13 (c) The secretary shall determine in collaboration with the department directors whether
14 the officers, employees, agencies, advisory councils, committees, commissions, and task forces of
15 the departments who were performing such functions shall be transferred to the office.

16 (d) In the transference of such functions, the secretary shall be responsible for ensuring:

17 (1) Minimal disruption of services to consumers;

18 (2) Elimination of duplication of functions and operations;

19 (3) Services are coordinated and functions are consolidated where appropriate;

20 (4) Clear lines of authority are delineated and followed;

21 (5) Cost savings are achieved whenever feasible;

22 (6) Program application and eligibility determination processes are coordinated and, where
23 feasible, integrated; and

24 (7) State and federal funds available to the office and the entities therein are allocated and
25 utilized for service delivery to the fullest extent possible.

26 (e) Except as provided herein, no provision of this chapter or application thereof shall be
27 construed to limit or otherwise restrict the departments under this section from fulfilling any
28 statutory requirement or complying with any regulation deemed otherwise valid.

29 (f) To ensure an orderly transfer of functions to the office of commerce the following
30 transition shall occur at the direction of the governor, secretary of commerce and the respective
31 directors of the department affected.

32 (g) On or about February 1, 2015, the office shall commence to operate all functions
33 currently assigned to the department of business regulation (DBR).

34 ~~(h) On or about April 1, 2015, the office shall commence to operate the regulatory~~

~~1 reform and housing/community development functions currently assigned to the department
2 of administration.~~

3 (i) In addition to the requirements of § 35-3-7, budgets submitted by the impacted state
4 departments for state fiscal years 2015 and 2016 shall include provisions to implement this section.

5 SECTION 10. Sections 42-64.20-5, 42-64.20-6 and 42-64.20-8 of the General Laws in
6 Chapter 42-64.20 entitled "Rebuild Rhode Island Tax Credit" are hereby amended to read as
7 follows:

8 **42-64.20-5. Tax credits.**

9 (a) An applicant meeting the requirements of this chapter may be allowed a credit as set
10 forth hereinafter against taxes imposed upon such person under applicable provisions of title 44 of
11 the general laws for a qualified development project.

12 (b) To be eligible as a qualified development project entitled to tax credits, an applicant's
13 chief executive officer or equivalent officer shall demonstrate to the commerce corporation, at the
14 time of application, that:

15 (1) The applicant has committed a capital investment or owner equity of not less than
16 twenty percent (20%) of the total project cost;

17 (2) There is a project financing gap in which after taking into account all available private
18 and public funding sources, the project is not likely to be accomplished by private enterprise
19 without the tax credits described in this chapter; and

20 (3) The project fulfills the state's policy and planning objectives and priorities in that:

21 (i) The applicant will, at the discretion of the commerce corporation, obtain a tax
22 stabilization agreement from the municipality in which the real estate project is located on such
23 terms as the commerce corporation deems acceptable;

24 (ii) It (A) Is a commercial development consisting of at least 25,000 square feet occupied
25 by at least one business employing at least 25 full-time employees after construction or such
26 additional full-time employees as the commerce corporation may determine; (B) Is a multi-family
27 residential development in a new, adaptive reuse, certified historic structure, or recognized
28 historical structure consisting of at least 20,000 square feet and having at least 20 residential units
29 in a hope community; or (C) Is a mixed-use development in a new, adaptive reuse, certified historic
30 structure, or recognized historical structure consisting of at least 25,000 square feet occupied by at
31 least one business, subject to further definition through rules and regulations promulgated by the
32 commerce corporation; and

33 (iii) Involves a total project cost of not less than \$5,000,000, except for a qualified
34 development project located in a hope community or redevelopment area designated under § 45-

1 32-4 in which event the commerce corporation shall have the discretion to modify the minimum
2 project cost requirement.

3 (c) The commerce corporation shall develop separate, streamlined application processes
4 for the issuance of rebuild RI tax credits for each of the following:

- 5 (1) Qualified development projects that involve certified historic structures;
- 6 (2) Qualified development projects that involve recognized historical structures;
- 7 (3) Qualified development projects that involve at least one manufacturer; and
- 8 (4) Qualified development projects that include affordable housing or workforce housing.

9 (d) Applications made for a historic structure or recognized historic structure tax credit
10 under chapter 33.6 of title 44 shall be considered for tax credits under this chapter. The division of
11 taxation, at the expense of the commerce corporation, shall provide communications from the
12 commerce corporation to those who have applied for and are in the queue awaiting the offer of tax
13 credits pursuant to chapter 33.6 of title 44 regarding their potential eligibility for the rebuild RI tax
14 credit program.

15 (e) Applicants (1) Who have received the notice referenced in subsection (d) above and
16 who may be eligible for a tax credit pursuant to chapter 33.6 of title 44; (2) Whose application
17 involves a certified historic structure or recognized historical structure; or (3) Whose project is
18 occupied by at least one manufacturer shall be exempt from the requirements of subsections
19 (b)(3)(ii) and (b)(3)(iii). The following procedure shall apply to such applicants:

20 (i) The division of taxation shall remain responsible for determining the eligibility of an
21 applicant for tax credits awarded under chapter 33.6 of title 44;

22 (ii) The commerce corporation shall retain sole authority for determining the eligibility of
23 an applicant for tax credits awarded under this chapter; and

24 (iii) The commerce corporation shall not award in excess of fifteen percent (15%) of the
25 annual amount authorized in any fiscal year to applicants seeking tax credits pursuant to this
26 subsection (e).

27 **(f) Maximum project credit.**

28 (1) For qualified development projects, the maximum tax credit allowed under this chapter
29 shall be the lesser of (i) Thirty percent (30%) of the total project cost; or (ii) The amount needed to
30 close a project financing gap (after taking into account all other private and public funding sources
31 available to the project), as determined by the commerce corporation.

32 (2) The credit allowed pursuant to this chapter, inclusive of any sales and use tax
33 exemptions allowed pursuant to this chapter, shall not exceed fifteen million dollars (\$15,000,000)
34 for any qualified development project under this chapter; except as provided in subsection (f)(3) of

1 this section; provided however, any qualified development project that exceeds the project cap upon
2 passage of this act shall be deemed not to exceed the cap, shall not be reduced, nor shall it be further
3 increased. No building or qualified development project to be completed in phases or in multiple
4 projects shall exceed the maximum project credit of fifteen million dollars (\$15,000,000) for all
5 phases or projects involved in the rehabilitation of the building. Provided, however, that for
6 purposes of this subsection and no more than once in a given fiscal year, the commerce corporation
7 may consider the development of land and buildings by a developer on the “I-195 land” as defined
8 in § 42-64.24-3(6) as a separate, qualified development project from a qualified development
9 project by a tenant or owner of a commercial condominium or similar legal interest including
10 leasehold improvement, fit out, and capital investment. Such qualified development project by a
11 tenant or owner of a commercial condominium or similar legal interest on the I-195 land may be
12 exempted from subsection (f)(1)(i) of this section.

13 (3) The credit allowed pursuant to this chapter, inclusive of any sales and use tax
14 exemptions allowed pursuant to this chapter, shall not exceed twenty-five million dollars
15 (\$25,000,000) for the project for which the I-195 redevelopment district was authorized to enter
16 into a purchase and sale agreement for parcels 42 and P4 on December 19, 2018, provided that
17 project is approved for credits pursuant to this chapter by the commerce corporation.

18 (g) Credits available under this chapter shall not exceed twenty percent (20%) of the project
19 cost, provided, however, that the applicant shall be eligible for additional tax credits of not more
20 than ten percent (10%) of the project cost, if the qualified development project meets any of the
21 following criteria or other additional criteria determined by the commerce corporation from time
22 to time in response to evolving economic or market conditions:

23 (1) The project includes adaptive reuse or development of a recognized historical structure;

24 (2) The project is undertaken by or for a targeted industry;

25 (3) The project is located in a transit-oriented development area;

26 (4) The project includes residential development of which at least twenty percent (20%) of
27 the residential units are designated as affordable housing or workforce housing;

28 (5) The project includes the adaptive reuse of property subject to the requirements of the
29 industrial property remediation and reuse act, § 23-19.14-1 et seq.; or

30 (6) The project includes commercial facilities constructed in accordance with the minimum
31 environmental and sustainability standards, as certified by the commerce corporation pursuant to
32 Leadership in Energy and Environmental Design or other equivalent standards.

33 (h) **Maximum aggregate credits.** The aggregate sum authorized pursuant to this chapter,
34 inclusive of any sales and use tax exemptions allowed pursuant to this chapter, shall not exceed

1 two hundred twenty-five million dollars (\$225,000,000), excluding any tax credits allowed
2 pursuant to subsection (f)(3) of this section.

3 (i) Tax credits shall not be allowed under this chapter prior to the taxable year in which the
4 project is placed in service.

5 (j) The amount of a tax credit allowed under this chapter shall be allowable to the taxpayer
6 in up to five, annual increments; no more than thirty percent (30%) and no less than fifteen percent
7 (15%) of the total credits allowed to a taxpayer under this chapter may be allowable for any taxable
8 year.

9 (k) If the portion of the tax credit allowed under this chapter exceeds the taxpayer's total
10 tax liability for the year in which the relevant portion of the credit is allowed, the amount that
11 exceeds the taxpayer's tax liability may be carried forward for credit against the taxes imposed for
12 the succeeding four (4) years, or until the full credit is used, whichever occurs first. Credits allowed
13 to a partnership, a limited liability company taxed as a partnership, or multiple owners of property
14 shall be passed through to the persons designated as partners, members, or owners respectively pro
15 rata or pursuant to an executed agreement among persons designated as partners, members, or
16 owners documenting an alternate distribution method without regard to their sharing of other tax
17 or economic attributes of such entity.

18 (l) The commerce corporation, in consultation with the division of taxation, shall establish,
19 by regulation, the process for the assignment, transfer, or conveyance of tax credits.

20 (m) For purposes of this chapter, any assignment or sales proceeds received by the taxpayer
21 for its assignment or sale of the tax credits allowed pursuant to this section shall be exempt from
22 taxation under title 44. If a tax credit is subsequently revoked or adjusted, the seller's tax calculation
23 for the year of revocation or adjustment shall be increased by the total amount of the sales proceeds,
24 without proration, as a modification under chapter 30 of title 44. In the event that the seller is not a
25 natural person, the seller's tax calculation under chapter 11, 13, 14, or 17 of title 44, as applicable,
26 for the year of revocation, or adjustment, shall be increased by including the total amount of the
27 sales proceeds without proration.

28 (n) The tax credit allowed under this chapter may be used as a credit against corporate
29 income taxes imposed under chapter 11, 13, 14, or 17 of title 44, or may be used as a credit against
30 personal income taxes imposed under chapter 30 of title 44 for owners of pass-through entities such
31 as a partnership, a limited liability company taxed as a partnership, or multiple owners of property.

32 (o) In the case of a corporation, this credit is only allowed against the tax of a corporation
33 included in a consolidated return that qualifies for the credit and not against the tax of other
34 corporations that may join in the filing of a consolidated tax return.

1 (p) Upon request of a taxpayer and subject to annual appropriation, the state shall redeem
2 this credit, in whole or in part, for ninety percent (90%) of the value of the tax credit. The division
3 of taxation, in consultation with the commerce corporation, shall establish by regulation a
4 redemption process for tax credits.

5 (q) Projects eligible to receive a tax credit under this chapter may, at the discretion of the
6 commerce corporation, be exempt from sales and use taxes imposed on the purchase of the
7 following classes of personal property only to the extent utilized directly and exclusively in the
8 project: (1) Furniture, fixtures, and equipment, except automobiles, trucks, or other motor vehicles;
9 or (2) Other materials, including construction materials and supplies, that are depreciable and have
10 a useful life of one year or more and are essential to the project.

11 (r) The commerce corporation shall promulgate rules and regulations for the administration
12 and certification of additional tax credit under subsection ~~(e)~~ (g), including criteria for the
13 eligibility, evaluation, prioritization, and approval of projects that qualify for such additional tax
14 credit.

15 (s) The commerce corporation shall not have any obligation to make any award or grant
16 any benefits under this chapter.

17 **42-64.20-6. Administration.**

18 (a) To obtain the tax credit authorized in this chapter, applicants shall apply to the
19 commerce corporation board for approval of a qualified development project for credits under this
20 chapter. Such approval shall at a minimum require:

21 (1) That the applicant has submitted a completed application as developed by the commerce
22 corporation in consultation with the division of taxation;

23 (2) That the chief executive of the commerce corporation provide written confirmation to
24 the commerce corporation board (i) That the commerce corporation has reviewed the application
25 and any determination regarding the potential impact on the project's ability to stimulate business
26 development; retain and attract new business and industry to the state; create jobs, including good-
27 paying jobs, for its residents; assist with business, commercial, and industrial real estate
28 development; and generate revenues for necessary state and local governmental services; and (ii)
29 The total credits to be awarded to the applicant.

30 (3) That the secretary of commerce provide written confirmation to the commerce
31 corporation board that the recommendation of the commerce corporation is consistent with the
32 purposes of this chapter; and

33 (4) That the director of the office of management and budget provide ~~(h)~~ written
34 confirmation to the commerce corporation board that the aggregate credits recommended by the

1 commerce corporation pursuant to this chapter do not exceed the maximum aggregate credits
2 allowed under this chapter in accordance with § ~~42-64.20-5(f)~~ 42-64.20-5(h).

3 (b) As the commerce corporation board determines whether to grant credits under this
4 chapter, it shall consider the purposes for which this chapter is established, which include (but are
5 not necessarily limited to) the following: (i) To create jobs with an emphasis on jobs that pay at
6 least the most recent state median wage as defined by the department of labor and training; and (ii)
7 To spur economic growth and new development in Rhode Island.

8 (c) To claim a tax credit authorized by the board of the commerce corporation, applicants
9 shall apply to the commerce corporation for a certification that the project has met all requirements
10 of this chapter and any additional requirements set by the commerce corporation subsequent to the
11 time the qualified development project is placed in service. The commerce corporation shall issue
12 to the applicant a certification or a written response detailing any deficiencies precluding
13 certification. The commerce corporation may deny certification, or may revoke the delivery of tax
14 credits if the project does not meet all requirements of this chapter and any additional requirements
15 set by the commerce corporation.

16 (d) Upon issuance of a certification by the commerce corporation under subsection (c), the
17 division of taxation shall, on behalf of the State of Rhode Island, issue tax credit certificates
18 equaling one hundred percent (100%) of the tax credits approved by the commerce corporation.

19 (e) In the event that tax credits, or a portion of tax credits, are revoked by the commerce
20 corporation and such tax credits have been transferred or assigned, the commerce corporation will
21 pursue its recapture rights and remedies against the applicant of the tax credits who shall be liable
22 to repay to the commerce corporation the face value of all tax credits assigned or transferred and
23 all fees paid by the applicant shall be deemed forfeited. No redress shall be sought against assignees
24 or transferees of such tax credits provided the tax credits were acquired by way of an arms-length
25 transaction, for value, and without notice of violation, fraud, or misrepresentation.

26 (f) The commerce corporation and division of taxation shall promulgate such rules and
27 regulations as are necessary to carry out the intent and purpose and implementation of the
28 responsibilities of each under this chapter.

29 **42-64.20-8. Program integrity.**

30 (a) Program integrity being of paramount importance, the commerce corporation shall
31 establish procedures to ensure ongoing compliance with the terms and conditions of the program
32 established herein, including procedures to safeguard the expenditure of public funds and to ensure
33 that the funds further the objectives of the program.

34 (b) The commerce corporation shall adopt implementation guidelines, directives, criteria,

1 and rules and regulations pursuant to ~~§ 42-35-3 of the general laws~~ [chapter 35 of this title](#)
2 [\(Administrative Procedures\)](#), as are necessary to implement this chapter, including, but not
3 limited to: examples of the enumeration of specific targeted industries; specific delineation of
4 incentive areas; the determination of additional limits; the promulgation of procedures and forms
5 necessary to apply for a tax credit, including the enumeration of the certification procedures; the
6 allocation of new tax credits in consultation with the executive office of commerce, division of
7 taxation and department of administration; and provisions for tax credit applicants to be charged
8 an initial application fee, and ongoing service fees, to cover the administrative costs related to the
9 tax credit.

10 SECTION 11. Section 42-64.22-12 of the General Laws in Chapter 42-64.22 entitled "Tax
11 Stabilization Incentive" is hereby amended to read as follows:

12 **42-64.22-12. Implementation guidelines, directives, criteria, rules, regulations.**

13 (a) The commerce corporation shall establish further guidelines, directives, criteria, rules
14 and regulations in regards to the implementation of this chapter.

15 (b) The adoption and implementation of rules and regulations shall be made pursuant to ~~§~~
16 ~~42-35-3 of the general laws~~ [chapter 35 of this title \(Administrative Procedures\)](#) as are necessary
17 for the implementation of the commerce corporation's responsibilities under this chapter.

18 SECTION 12. Section 42-64.23-6 of the General Laws in Chapter 42-64.23 entitled "First
19 Wave Closing Fund" is hereby amended to read as follows:

20 **42-64.23-6. Implementation guidelines, directives, criteria, rules, regulations.**

21 The commerce corporation may adopt implementation guidelines, directives, criteria, rules
22 and regulations pursuant to ~~§ 42-35-3 of the General Laws~~ [chapter 35 of this title](#)
23 [\(Administrative Procedures\)](#) as are necessary for the implementation and administration of the
24 fund.

25 SECTION 13. Section 42-64.24-6 of the General Laws in Chapter 42-64.24 entitled "I-195
26 Redevelopment Project Fund" is hereby amended to read as follows:

27 **42-64.24-6. Implementation guidelines, directives, criteria, rules, regulations.**

28 The commission shall adopt implementation guidelines, directives, criteria, rules and
29 regulations pursuant to ~~§ 42-35-3 of the general laws~~ [chapter 35 of this title \(Administrative](#)
30 [Procedures\)](#) as are necessary for the implementation of the commission's responsibilities under
31 this chapter and impose such fees and charges as are necessary to pay for the administration and
32 implementation of this program.

33 SECTION 14. Section 42-64.26-9 of the General Laws in Chapter 42-64.26 entitled "Stay
34 Invested in RI Wavemaker Fellowships" is hereby amended to read as follows:

1 **42-64.26-9. Implementation guidelines, rules, regulations.**

2 (a) The commerce corporation may adopt implementation guidelines, rules, and regulations
3 pursuant to ~~§ 42-35-3~~ chapter 35 of this title (Administrative Procedures) as are necessary for
4 the implementation of this chapter.

5 (b) The commerce corporation shall adopt guidelines to assure integrity and eliminate
6 potential conflicts of interest in the issuing of awards.

7 (c) The division of taxation may adopt implementation guidelines, directives, criteria, and
8 rules and regulations pursuant to ~~§ 42-35-3 of the General Laws~~ chapter 35 of this title
9 (Administrative Procedures), as are necessary for the implementation of the division's
10 responsibilities under this chapter.

11 SECTION 15. Section 42-82-5 of the General Laws in Chapter 42-82 entitled "Farmland
12 Preservation Act" is hereby amended to read as follows:

13 **42-82-5. Duties of the commission.**

14 (a) The commission shall:

15 (1) Develop the criteria necessary for defining agricultural land under this chapter;

16 (2) Make a reasonably accurate inventory of all land in the state that meets the definition
17 of agricultural land;

18 (3) Prepare and adopt rules for administration of the purchase of development rights and
19 criteria for the selection of parcels for which the development rights may be purchased, and the
20 conditions under which they will be purchased;

21 (4) Draw up and publish the covenant and enumerate the specific development rights to be
22 purchased by the state;

23 (5) Inform the owners, public officials, and other citizens and interested persons of the
24 provisions of this chapter;

25 (6) Approve and submit, within ninety (90) days after the end of each fiscal year, an annual
26 report to the governor, the speaker of the house of representatives, the president of the senate, and
27 the secretary of state of its activities during that fiscal year. The report shall provide: an operating
28 statement summarizing meetings or hearings held, including meeting minutes, subjects addressed,
29 decisions rendered, petitions granted, rules or regulations promulgated, studies conducted, policies
30 and plans developed, approved, or modified, and programs administered or initiated; a consolidated
31 financial statement of all funds received and expended, including the source of the funds, a listing
32 of any staff supported by these funds, and a summary of any clerical, administrative, or technical
33 support received; a summary of performance during the previous fiscal year, including
34 accomplishments, shortcomings, and remedies; a synopsis of hearings, examinations, and

1 investigations or any legal matters related to the authority of the commission; a summary of any
2 training courses held pursuant to subdivision (a)(7); a summary of land acquired and conserved
3 during the fiscal year; an annually updated inventory of all land in the state that meets the definition
4 of agricultural land; a briefing on anticipated activities in the upcoming fiscal year; findings and
5 recommendation for improvements. The report shall be posted electronically, as prescribed in § 42-
6 20-8.2. The director of the department of administration shall be responsible for the enforcement
7 of this provision; and

8 (7) Conduct a training course for newly appointed and qualified members and new
9 designees of ex officio members within six (6) months of their qualification or designation. The
10 course shall be developed by the chair, approved by the commission, and conducted by the
11 commission. The commission may approve the use of any commission or staff members or other
12 individuals to assist with training. The course shall include instruction in the following areas: the
13 provisions of chapters 82 and 46 of this title, chapter 14 of title 36, and chapter 2 of title 38; and
14 the commission's rules and regulations. The director of the department of administration shall,
15 within ninety (90) days of the effective date of this act [May 3, 2006], prepare and disseminate
16 training materials relating to the provisions of chapter 46 of this title, chapter 14 of title 36, and
17 chapter 2 of title 38.

18 (b) At any time after fulfilling the requirements of subsection (a), the commission, on
19 behalf of the state, may acquire any development rights that may, from time to time, be offered by
20 the owners of agricultural land. The commission may accept or negotiate at a price not in excess of
21 the value established by an independent appraisal prepared for the commission, or for one of the
22 commission's partners, for the respective property. Additionally, said appraisal shall be reviewed
23 in a manner consistent with the rules and regulations of the commission. The value of the
24 development rights for all of the purposes of this section shall be the difference between the value
25 of the property for its highest and best use and its value for agricultural purposes as defined in this
26 chapter. In determining the value of the property for its highest and best use, consideration shall be
27 given to sales of comparable properties in the general area, use of which is unrestricted at the time
28 of sale. The seller of the development rights shall have the option of accepting payment in full at
29 the time of transfer or accepting payment on an installment basis in cash or with the principal paid
30 by tax exempt financial instruments of the state with interest on the unpaid balance equal to the
31 interest paid by the state on bonds sold during the preceding twelve-month (12) period. Any matter
32 pending in the superior court may be settled by the parties subject to approval by a referee. At any
33 time after a matter has been referred to a referee, even after an award is made by the referee, but
34 before payment thereof, the petitioner may withdraw his or her petition upon payment of appraisal

1 fees incurred by the state, together with all court costs, and the award shall become null and void.

2 (c) Any land acquired by purchase, devise, or as a gift may be resold by the commission
3 with the development rights retained by the state and so noted by covenant in the deed. Any such
4 resale by the commission shall not be subject to the right to purchase by the municipality in which
5 the land is situated as provided by § 37-7-5. The proceeds from that sale shall be returned to the
6 agricultural land preservation fund.

7 (d) Any land received as a gift and not resold by the commission may be leased for
8 agricultural uses or other uses the commission determines are not detrimental to its agricultural
9 productivity. Any funds thus obtained shall be returned to the agricultural land preservation fund.

10 (e) The commission may consider petitions by the owner of land, from which or whom the
11 state has purchased the development rights, to repurchase those development rights from the state.
12 The petition must be accompanied by a certificate from the municipalities in which the land lies
13 stating that two-thirds ($\frac{2}{3}$) of the city or town council has approved the proposed development. The
14 petition shall set forth the facts and circumstances upon which the commission shall consider
15 approval, and the commission shall deny approval unless at least seven (7) of its members
16 determine by vote that there is an overriding necessity to relinquish control of the development
17 rights. The commission shall hold at least one public hearing in a city or town from which a
18 certificate has been received, prior to its consideration of the petition, that shall be announced in
19 one newspaper of local circulation. The expenses, if any, of the hearing shall be borne by the
20 petitioner. If the commission approves the sale of the development rights, it shall receive the value
21 of the development rights at the time of this sale, to be determined in the same manner as provided
22 for by subsection ~~(a)~~ (b). Proceeds of the sale shall be returned to the agricultural land preservation
23 fund.

24 SECTION 16. Section 42-102-6 of the General Laws in Chapter 42-102 entitled
25 "Governor's Workforce Board Rhode Island" is hereby amended to read as follows:

26 **42-102-6. Powers and duties.**

27 (a) Strategic statewide employment-and-training plan.

28 (1) The board shall meet with other entities involved with career and technical education,
29 workforce development, and career training and shall be responsible for the development of a
30 comprehensive and cohesive, statewide employment-and-training plan. The strategic, statewide
31 employment-and-training plan shall include goals and objectives for serving the state's existing
32 and emerging workforce utilizing all state and federal workforce-development programs. The board
33 shall take into consideration the needs of all segments of the state's citizenry in establishing goals
34 and training objectives, including the workforce needs of the state's employers.

1 (2) The strategic, statewide-employment-and-training plan shall be developed biennially
2 and shall cover the subsequent, two (2) fiscal years. Said biennial plans shall be submitted on
3 November 15. The biennial plan shall outline goals and objectives of the coordinated programs
4 system, major priorities needed for the next two-year (2) period, and policies and requirements
5 necessary to meet those priorities. The board shall provide a funding plan necessary to achieve
6 system priorities and serve the anticipated number of participants and shall identify the general
7 revenue funds necessary to meet program needs, taking into account anticipated federal, private,
8 and other sources of funds. The biennial plan shall incorporate the annual, unified-workforce-
9 development-system report required pursuant to subsection (f) in those years in which both reports
10 are due.

11 (3) The board shall develop and maintain a comprehensive inventory and analysis of
12 workforce-development activities in the state to support the biennial, statewide employment-and-
13 training plan. The analysis shall include, but not be limited to, an examination of the populations
14 being served across the different employment and training and adult education programs across the
15 state; the number of participants being served by these programs; the type of services provided; and
16 the eligibility requirements of each of these programs. The analysis shall also identify the funding
17 sources (all sources) used in these programs; the service providers within the state; as well as the
18 range of services provided. The analysis shall also examine the employer role in workforce-
19 development activities, including, but not limited to, how employer needs are assessed; benefits
20 employers receive for partnering with workforce-development organizations; and the role
21 employers play in developing programs and providing training.

22 (4) The board shall establish and convene an advisory group to assist in the development
23 of this comprehensive inventory and analysis that consists of stakeholders and organizations with
24 specific knowledge and expertise in the area of workforce development.

25 (5) All departments and agencies of the state shall furnish advice and information,
26 documentary or otherwise, to the board and its agents as is deemed necessary or desirable by the
27 board to facilitate the purposes of the board, including the development of the statewide,
28 employment-and-training plan.

29 (6) Elements of the statewide employment and training plan established pursuant to
30 subsection (a) of this section may inform the development of the state workforce investment plan
31 required pursuant to § 42-102-6(d)(2)(i).

32 (b) Performance management and coordination of employment-and-training programs.

33 (1) The board shall establish statewide policies, definitions, objectives, goals, and
34 guidelines for the coordination of all employment-and-training programs and related services and

1 programs within the state, including:

2 (i) The state department of labor and training programs, sponsored under the Workforce
3 Investment Act of 1998, Wagner-Peyser Act, 29 U.S.C. § 49 et seq., the Trade Act of 2002, and
4 any other employment-related educational program administered by the state department of labor
5 and training;

6 (ii) The state department of human services training programs, sponsored under the
7 Temporary Assistance to Needy Families, Title IV of the Social Security Act; the Supplemental
8 Nutrition Assistance Program (SNAP) Employment and Training Program; Vocational
9 Rehabilitation Act of 1973, and any other employment-and-training and related services and
10 employment-related educational programs administered by the state's department of human
11 services;

12 (iii) Employment and training programs sponsored under the Carl D. Perkins Vocational
13 Education Act, 20 U.S.C. § 2301 et seq., the Federal Adult Education Act, Title II of the Workforce
14 Investment Act of 1998 and any other employment-related educational programs administered by
15 the board of education;

16 (iv) The state department of corrections training programs for ex-offenders to help them
17 reintegrate into the community and re-enter employment;

18 (v) Projects and services funded through the job-development fund pursuant to § 42-102-
19 6(e)(1);

20 (vi) All other employment-and-training and related services and employment-related
21 educational programs, either presently existing or hereinafter established, that are administered by
22 any state agencies, departments, or councils; and

23 (vii) Programs included within subsections (b)(1)(i) through (b)(1)(vi) shall be referred
24 herein collectively as "the coordinated programs system."

25 (2) With respect to plans for employment-and-training programs sponsored under the
26 federal Carl D. Perkins Vocational Education Act, 20 U.S.C. § 2301 et seq., and any other
27 employment-related educational programs administered by the board of education, the workforce
28 board and board of education shall establish a process for the development and preparation of all
29 these plans and the board of education shall approve the plan subject to review and comment by
30 the workforce board; provided, however, that the responsibilities and duties of the board of
31 education, as set forth in the general laws, shall not be abridged.

32 (3) With respect to plans for the Temporary Assistance to Needy Families Program, SNAP
33 Employment and Training Program, Vocational Rehabilitation Services, and any other
34 employment-and-training and related programs administered by the state's department of human

1 services, the authority and responsibilities of the department as the single state agency under Titles
2 IV-A, 42 U.S.C. §§ 601 through 617, and IV-F, 42 U.S.C. §§ 681 through 687 [repealed], of the
3 Federal Social Security Act shall not be abridged.

4 (4) With respect to plans for training ex-offenders to help them reintegrate into the
5 community and re-enter employment, and any other employment-and-training programs
6 administered by the state's department of corrections, the responsibilities and duties of the
7 department, as set forth in the general laws, shall not be abridged.

8 (5) The board shall review, comment on, or approve as appropriate all plans for
9 employment and training within the coordinated-programs system. The board shall establish
10 policies and performance goals for the coordinated-programs system. These policies and goals shall
11 include, but not be limited to:

12 (i) Establishing and communicating uniform policies and consistent terms and definitions;

13 (ii) Gathering and distributing information from, and to, all agencies, departments, and
14 councils within the coordinated-programs system;

15 (iii) Standardizing and coordinating program planning, evaluation, budgeting, and funding
16 processes;

17 (iv) Recommending structural and procedural changes;

18 (v) Establishing performance goals and measurements for monitoring the effectiveness of
19 the programs provided through the coordinated-programs system; and

20 (vi) Reconciling diverse agency, departmental, or council goals and developing priorities
21 among those goals.

22 (c) Comprehensive system-improvement plan.

23 (1) The 2015 unified workforce-development-system report required pursuant to § 42-102-
24 6(f) and due on November 15, 2015, shall include an additional, comprehensive system-
25 improvement plan to facilitate the seamless and coordinated delivery of workforce services in this
26 state, consistent with the goals and objectives of the board's statewide employment-and-training
27 plan. In developing the comprehensive, system-improvement plan, the board shall review the roles,
28 responsibilities, and functions of all state employment-and-training programs. The study shall
29 identify any gaps in the services provided by those programs; any barriers to integration and
30 cooperation of these programs; and any other matters that adversely affect the seamless delivery of
31 workforce-development systems in the state.

32 (2) The board shall include in the comprehensive, system-improvement plan:

33 (i) A list of specific barriers, whether structural, regulatory, or statutory, that adversely
34 affect the seamless and coordinated delivery of workforce-development programs and services in

1 this state, as well as recommendations to overcome or eliminate these barriers; and

2 (ii) Recommendations for providing, at a minimum, board comment and review of all state
3 employment-and-training programs, to ensure such programs are consistent with the board's
4 statewide employment-and-training plan, and meet the current and projected workforce demands
5 of this state, including programs that, pursuant to state or federal law or regulation, must remain
6 autonomous.

7 (3) The recommendations developed by the board under subsection (c)(1) must identify the
8 state agency or department that is responsible for implementing each recommendation and include
9 a time frame for the implementation of each recommendation. The governor may include such
10 recommendations in his or her proposed budget the following fiscal year.

11 (d) Workforce investment act responsibilities.

12 (1) The board shall assume the duties and responsibilities of the state workforce-investment
13 board established pursuant to Executive Order 05-18 dated September 22, 2005, as outlined in
14 subsection ~~(e)(2)~~ (d)(2).

15 (2) The board shall assist the governor and the general assembly in:

16 (i) Developing a state workforce-investment plan for the purposes of the Workforce
17 Investment Act of 1998 (WIA) and the Wagner-Peyser Act;

18 (ii) Actively promoting and coordinating private-sector involvement in the workforce-
19 investment system through the development of partnerships among state agencies, the business
20 community, and the board;

21 (iii) Ensuring that the current and projected workforce needs of Rhode Island employers
22 inform and advise Rhode Island's education and workforce-development system;

23 (iv) Providing oversight of local workforce-investment boards, whose primary role in the
24 workforce-investment system is to deliver employment, training, and related education services in
25 their respective local area; and

26 (v) Developing a statewide system of activities that are funded under the WIA or carried
27 out through the one-stop delivery system, including:

28 (A) Assuring coordination and non duplication among the programs and activities carried
29 out by one-stop partners;

30 (B) Reviewing local workforce-investment plans;

31 (C) Designating local workforce-investment areas in accordance with federal law;

32 (D) Developing allocation formulas for the distribution of funds for adult employment-
33 and-training activities, youth activities to local areas, and creating and expanding job and career
34 opportunities for individuals with intellectual, developmental, or other significant disabilities;

1 (E) Developing comprehensive, state-performance measures as prescribed by federal law,
2 including state-adjusted levels of performance, to assess the effectiveness of the workforce-
3 investment activities in the state;

4 (F) Preparing the annual report to the Secretary of Labor described in WIA;

5 (G) Developing the statewide employment-statistics system;

6 (H) Developing an application for incentive grants;

7 (I) Carrying out the responsibilities of a local board as outlined in WIA; and

8 (J) Addressing any other issue requiring input from the board under the provisions of WIA.

9 (e) Job-development fund responsibilities.

10 (1) The board shall allocate monies from the job-development fund for projects to
11 implement the recommendations of the board consistent with the statewide employment-and-
12 training plan established pursuant to § 42-102-6(a).

13 (f) Unified workforce-development system report.

14 (1) The board shall produce and submit an annual, unified, workforce-development-system
15 report to the governor, the speaker of the house, the president of the senate, and the secretary of
16 state. The report shall be submitted annually on November 15. The report shall cover activity
17 having taken place the preceding fiscal year ending June 30 and shall include:

18 (i) A fiscal and programmatic report for the governor's workforce board covering the
19 previous fiscal year, including:

20 (A) A summary of the board's activities and accomplishments during the previous fiscal
21 year;

22 (B) A summary of clerical, administrative, professional, or technical reports received by
23 the board during the previous fiscal year, if applicable;

24 (C) A briefing on anticipated activities in the upcoming fiscal year;

25 (D) A consolidated financial statement of all funds received, and expended, by the board,
26 including the source of funds, during the previous fiscal year;

27 (E) A listing of any staff supported by these funds;

28 (ii) A unified, expenditure-and-program report for statewide employment-and-training
29 programs and related services, including:

30 (A) Expenditures by agencies for programs included in § 42-102-6(b)(1), including
31 information regarding the number of individuals served by each program; demographic information
32 by gender, race, and ethnicity; outcome and program-specific performance information as
33 determined by the board; and such other information as may be determined by the board, including,
34 but not limited to, the attainment of credentials;

1 (2) Beginning November 15, 2015, program expenditures included in the unified,
2 workforce-development-system report shall be categorized as administrative, program delivery, or
3 other costs; the report shall further include information on the cost per individual served within
4 each program, through a manner determined by the board;

5 (3) All state and local agencies, departments, or council, or similar organizations within
6 the coordinated-programs system, shall be required to provide the board with the information
7 necessary to produce the unified, workforce-development-system report.

8 SECTION 17. Section 42-128-5 of the General Laws in Chapter 42-128 entitled "Rhode
9 Island Housing Resources Act of 1998" is hereby amended to read as follows:

10 **42-128-5. Purposes.**

11 The purposes of the commission shall be:

12 (1) To develop and promulgate state policies, and plans, for housing and housing
13 production and performance measures for housing programs established pursuant to state law.

14 (2) To coordinate activities among state agencies and political subdivisions pertaining to
15 housing.

16 (3) To promote the stability of and quality of life in communities and neighborhoods.

17 (4) To provide opportunities for safe, sanitary, decent, adequate and affordable housing in
18 Rhode Island.

19 (5) To encourage public-private partnerships that foster the production, rehabilitation,
20 development, maintenance, and improvement of housing and housing conditions, especially for
21 low and moderate income people.

22 (6) To foster and support ~~no-profit~~ **non-profit** organizations, including community
23 development corporations, and their associations and intermediaries, that are engaged in providing
24 ~~and~~ housing related services.

25 (7) To encourage and support partnerships between institutions of higher education and
26 neighborhoods to develop and retain quality, healthy housing and sustainable communities.

27 (8) To facilitate private for-profit production and rehabilitation of housing for diverse
28 populations and income groups.

29 (9) To provide, facilitate, and/or support the provisions of technical assistance.

30 SECTION 18. Section 42-128.1-5 of the General Laws in Chapter 42-128.1 entitled "Lead
31 Hazard Mitigation" is hereby amended to read as follows:

32 **42-128.1-5. Housing resources commission — Powers and duties with respect to lead**
33 **hazard mitigation.**

34 (a) General powers and duties. The housing resources commission shall implement and put

1 into full force and effect the powers, duties, and responsibilities assigned to it by this chapter, and
2 shall serve as the lead state agency for lead hazard mitigation, planning, education, technical
3 assistance, and coordination of state projects and state financial assistance to property owners for
4 lead hazard mitigation.

5 (b) Regulatory guidelines. In developing and promulgating rules and regulations as
6 provided for in this chapter, the housing resources commission shall consider, among other things:
7 (1) the effect on efforts to reduce the incidence of lead poisoning, (2) the ease and cost of
8 implementation, (3) the impact on the ability to conduct real estate transactions fairly and
9 expeditiously, (4) consistency with federal standards, such that the differences between basic
10 federal standards and Rhode Island standards for lead hazard mitigation are, to the extent
11 practicable, minimized, and (5) the direction of effort to locations and housing types, which due to
12 age, condition, and prior history of lead poisoning are more likely to **be** the location of lead
13 poisoning. Said regulations shall include a definition of “turnover” of a dwelling unit and a means
14 for tenants to voluntarily notify property owners of the legal tenancy of an “at-risk” occupant.

15 (c) Comprehensive strategic plan. In order to establish clear goals for increasing the
16 availability of housing in which lead hazards have been mitigated, to provide performance
17 measures by which to assess progress toward achieving the purposes of this chapter, and to facilitate
18 coordination among state agencies and political subdivisions with responsibilities for housing and
19 housing quality for lead poisoning reduction and for the availability of insurance coverage
20 described in this chapter, the housing resources commission established by chapter 128 of this title
21 shall adopt by April 1, 2003, a four (4) year, comprehensive strategic plan for reducing the
22 incidence of childhood lead poisoning, for increasing the supply of lead-safe housing, and for
23 assuring that pre-1978 in rental housing throughout the state lead hazards have been mitigated.

24 (1) Plan elements. The plan as a minimum shall include elements pertaining to:

25 (i) Educating people with regard to lead hazards and how they can be avoided, mitigated,
26 and/or abated;

27 (ii) Programs to assist low and moderate income owners of property to eliminate lead
28 hazards and to achieve lead-safe conditions;

29 (iii) Coordination of the enforcement of laws pertaining to lead hazard control, mitigation
30 and abatement including the Lead Poisoning Prevention Act, chapter 24.6 of title 23, and minimum
31 housing codes and standards;

32 (iv) Coordination of efforts with local governments and other agencies to improve housing
33 conditions;

34 (v) Financing lead abatement efforts in Rhode Island, including, but not limited to,

1 assistance to low and moderate income property owners, education and outreach, and enforcement
2 by state and local officials;

3 (vi) An assessment of the availability of insurance for lead hazard liability, which shall be
4 designed and implemented in cooperation with the department of business regulation.

5 (2) Implementation program. The comprehensive strategic plan shall include an
6 implementation program, which shall include performance measurers and a program of specific
7 activities that are proposed to be undertaken to accomplish the purposes of this chapter and to
8 achieve goals and elements set forth by the plan. The implementation program shall be updated
9 annually according to a schedule set forth in the plan.

10 (3) Reporting. The commission shall report annually to the governor and the general
11 assembly, no later than March of each year, on the progress made in achieving the goals and
12 objectives set forth in the plan, which report may be integrated with or issued in conjunction with
13 the report of the commission on environmental lead submitted pursuant to § 23-24.6-6.

14 **ARTICLE II -- STATUTORY CONSTRUCTION**

15 SECTION 1. Section 7-12.1-903.1 of the General Laws in Chapter 7-12.1 entitled
16 "Uniform Partnership Act" is hereby amended to read as follows:

17 **7-12.1-903.1. Issuance of certificates of revocation.**

18 (a) Upon revoking any such certificate of a limited liability partnership, the secretary of
19 state shall:

20 (1) Issue a certificate of revocation in duplicate;

21 (2) File one of the certificates in the secretary of state's office;

22 (3) Send to the limited liability partnership by regular mail a certificate of revocation,
23 addressed to the registered agent of the limited liability partnership in this state on file with the
24 secretary of state's office; provided, however, that if a prior mailing addressed to the address of the
25 registered agent of the limited liability partnership in this state currently on file with the secretary
26 of state's office has been returned to the secretary of state as undeliverable by the United States
27 Postal Service for any reason, or if the revocation certificate is returned as undeliverable to the
28 secretary of state's office by the United States Postal Service for any reason, the secretary of state
29 shall give notice as follows:

30 (i) To the limited liability partnership at its principal office of record as shown in its most
31 recent annual report, and no further notice shall be required; or

32 (ii) In the case of a limited liability partnership that has not yet filed an annual report, then
33 to the limited liability partnership at the principal office in the statement of qualification of limited
34 liability partnership or to the authorized person listed on the ~~articles of organization~~ [statement of](#)

1 qualification of limited liability partnership, and no further notice shall be required.

2 (b) An administrative revocation under this section affects only the partnership's status as
3 a limited liability partnership and is not an event causing dissolution of the partnership.

4 (c) The revocation of a limited liability partnership does not terminate the authority of its
5 registered agent.

6 SECTION 2. Section 7-13.1-812 of the General Laws in Chapter 7-13.1 entitled "Uniform
7 Limited Partnership Act" is hereby amended to read as follows:

8 **7-13.1-812. Issuance of certificates of revocation.**

9 (a) Upon revoking any such certificate of limited partnership, the secretary of state shall:

10 (1) Issue a certificate of revocation in duplicate;

11 (2) File one of the certificates in the secretary of state's office;

12 (3) Send to the limited partnership by regular mail a certificate of revocation, addressed to
13 the registered agent of the limited partnership in this state on file with the secretary of state's office;
14 provided, however, that if a prior mailing addressed to the address of the registered agent of the
15 limited partnership in this state currently on file with the secretary of state's office has been returned
16 to the secretary of state as undeliverable by the United States Postal Service for any reason, or if
17 the revocation certificate is returned as undeliverable to the secretary of state's office by the United
18 States Postal Service for any reason, the secretary of state shall give notice as follows:

19 (i) To the limited partnership at its principal office of record as shown in its most recent
20 annual report, and no further notice shall be required; or

21 (ii) In the case of a limited partnership that has not yet filed an annual report, then to the
22 domestic limited partnership at the principal office in the ~~articles of organization~~ certificate of
23 limited partnership or to the authorized person listed on the ~~certificate of registration~~ certificate
24 of limited partnership, and no further notice shall be required.

25 (b) A limited partnership that is revoked continues in existence as an entity but may not
26 carry on any activities except as necessary to wind up its activities and affairs and liquidate its
27 assets under §§ 7-13.1-802, 7-13.1-806, 7-13.1-807, 7-13.1-808, and 7-13.1-810, or to apply for
28 reinstatement under § 7-13.1-813.

29 (c) The revocation of a limited partnership does not terminate the authority of its registered
30 agent.

31 SECTION 3. Section 9-1-31 of the General Laws in Chapter 9-1 entitled "Causes of
32 Action" is hereby amended to read as follows:

33 ~~9-1-31. Public school teachers, supervisors, administrators and employees whose~~
34 ~~position directly involves work with students — Immunity from liability — Compensation~~

1 ~~for certain injuries — Duty upon school committees and board of regents.~~ Public school
2 teachers, supervisors, administrators and employees whose position directly involves work
3 with students — Immunity from liability — Compensation for certain injuries — Duty upon
4 school committees and the council on elementary and secondary education.

5 (a) Each school committee and the ~~board of regents~~ council on elementary and
6 secondary education shall protect and save harmless any public school teacher, any supervisor,
7 administrator, or licensed professional employee, any employee whose position requires a
8 certificate from the department of education or ~~board of regents for elementary and secondary~~
9 ~~education~~ council on elementary and secondary education, any employee whose position
10 directly involves work with students, and any employee of the ~~board of regents~~ council on
11 elementary and secondary education from financial loss and expense, including legal fees and
12 costs, if any, arising out of any claim, demand, or suit for actions resulting in accidental bodily
13 injury to or death of any person, or in accidental damage to or destruction of property, within or
14 without the school building, or any other acts, including but not limited to infringement of any
15 person's civil rights, resulting in any injury, which acts are not wanton, reckless, malicious, or
16 grossly negligent, as determined by a court of competent jurisdiction, provided the teacher,
17 supervisor, or administrator, at the time of the acts resulting in the injury, death, damages, or
18 destruction, was acting in the discharge of their duties or within the scope of their employment or
19 under the direction of the school committee or the ~~board of regents~~ council on elementary and
20 secondary education.

21 (b) For the purpose of this section, the term "teacher" shall include any student teacher
22 doing practice teaching under the direction of a teacher employed by a school committee or the
23 ~~board of regents~~ council on elementary and secondary education.

24 (c) Each school committee and the ~~board of regents~~ council on elementary and
25 secondary education shall protect and save harmless any teacher or any supervisor, employee
26 whose position directly involves work with students (hereinafter referred to as "employee"), or
27 administrator from financial loss and expense, including payment of expenses reasonably incurred
28 for medical or other service, necessary as a result of an assault upon the teacher, supervisor,
29 employee, or administrator while the person was acting in the discharge of their duties within the
30 scope of their employment or under the direction of the school committee or the ~~board of regents~~
31 council on elementary and secondary education, which expenses are not paid by the individual
32 teacher's, supervisor's, employee's, or administrator's workers' compensation.

33 (d) Any teacher, supervisor, employee whose position directly involves work with students
34 (hereinafter referred to as "employee"), or administrator absent from their employment as a result

1 of injury sustained during an assault upon the teacher, supervisor, employee, or administrator that
2 occurred while the teacher, supervisor, employee, or administrator was discharging their duties
3 within the scope of their employment or under the direction of the school committee or the **board**
4 **of regents council on elementary and secondary education**, or for a court appearance in
5 connection with the assault, shall continue to receive their full salary, while so absent, except that
6 the amount of any workers' compensation award may be deducted from their salary payments
7 during the absence. The time of the absence shall not be charged against the teacher's, supervisor's,
8 employee's, or administrator's sick leave, vacation time, or personal leave days.

9 (e) A person so injured in accordance with subsection (d) of this section and who receives
10 a disability therefrom, which renders them unable to fully perform their normal duties, shall, if the
11 disability continues for a period of one year, apply to the Rhode Island employees' retirement
12 system for appropriate benefits for which that person is entitled.

13 SECTION 4. Section 16-16-1 of the General Laws in Chapter 16-16 entitled "Teachers'
14 Retirement [See Title 16 Chapter 97 — The Rhode Island Board of Education Act]" is hereby
15 amended to read as follows:

16 **16-16-1. Definitions.**

17 (a) The following words and phrases used in this chapter, unless a different meaning is
18 plainly required by the context, have the following meanings:

19 (1) "Active member" means any teacher as defined in this section for whom the retirement
20 system is currently receiving regular contributions pursuant to §§ 16-16-22 and 16-16-22.1.

21 ~~Except as otherwise provided in this section, the words and phrases used in this~~
22 ~~chapter, so far as applicable, have the same meanings as they have in chapters 8 to 10 of title~~
23 ~~36.~~

24 (2) "Beneficiary" means any person in receipt of annuity, benefit, or retirement allowance
25 from the retirement system as provided in this chapter.

26 (3) "Child" includes a stepchild of a deceased member who has been a stepchild for at least
27 one year immediately preceding the date on which the member died or an adopted child of a
28 deceased member without regard to the length of time the child has been adopted.

29 (4) "Former spouse divorced" means a person divorced from a deceased member, but only
30 if the person meets one of the following conditions:

- 31 (i) Is the mother or father of the deceased member's child(ren);
- 32 (ii) Legally adopted the deceased member's child(ren) while married to the deceased
33 member and while the child(ren) was under the age of eighteen (18) years;
- 34 (iii) Was married to the deceased member at the time both of them legally adopted a

1 child(ren) under the age of eighteen (18) years; or

2 (iv) Was married to the deceased member for ten (10) or more years and to whom the
3 deceased member was required by a court order to contribute post-divorce support.

4 (5) "Member" means any person included in the membership of the retirement system
5 under the provisions of this chapter.

6 (6) "Prior service" means service as a teacher rendered prior to the first day of July, 1949,
7 certified on the teacher's prior service certificate and allowable as prior service under the provisions
8 of this chapter.

9 (7) "Retired teacher" means any teacher who retired prior to July 1, 1949, pursuant to the
10 provisions of G.L. 1938, ch. 195, as amended, and who on June 30, 1949, was in receipt of a pension
11 under the provisions of that chapter.

12 (8) "Retirement system" and "system" means the employees' retirement system of the state
13 of Rhode Island created by chapter 8 of title 36, and "retirement board" means the board established
14 under that chapter.

15 (9) "Salary" or "compensation" includes any and all salary paid for teaching services
16 regardless of whether any part of the salary or compensation is derived from any state or federal
17 grant or appropriation for teachers' salaries, as the term is defined in § 36-8-1(8). "Average
18 compensation" shall be defined in accordance with section 36-8-1(5)(a).

19 (10) "Service" means service as a teacher as described in subdivision (12) of this section.
20 Periods of employment as teacher, principal, assistant principal, supervisor, superintendent, or
21 assistant superintendent shall be combined in computing periods of service and employment.

22 (11) "Spouse" means the surviving person who was married to a deceased member, but
23 only if the surviving person meets one of the following conditions:

24 (i) Was married to the deceased member for not less than one year immediately prior to the
25 date on which the member died;

26 (ii) Is the mother or father of the deceased member's child(ren);

27 (iii) Legally adopted the deceased member's child(ren) while married to the deceased
28 member and while the child(ren) was under the age of eighteen (18) years; or

29 (iv) Was married to the deceased member at the time both of them legally adopted a
30 child(ren) under the age of eighteen (18) years.

31 (12) "Teacher" means a person required to hold a certificate of qualification issued by or
32 under the authority of the ~~board of regents for~~ council on elementary and secondary education
33 and who is engaged in teaching as their principal occupation and is regularly employed as a teacher
34 in the public schools of any city or town in the state, or any formalized, commissioner approved,

1 cooperative service arrangement. The term includes a person employed as a teacher, supervisor,
2 principal, assistant principal, superintendent, or assistant superintendent of schools, director,
3 assistant director, coordinator, consultant, dean, assistant dean, educational administrator, nurse
4 teacher, and attendance officer or any person who has worked in the field of education or is working
5 in the field of education who holds a teaching or administrative certificate. In determining the
6 number of days served by a teacher the total number of days served in any public school of any city
7 or town in the state may be combined for any one school year. The term also includes a school
8 business administrator whether or not the administrator holds a teaching or administrative
9 certificate, and also includes occupational therapists and physical therapists licensed by the
10 department of health and employed by a school committee in the state, or by any formalized,
11 commissioner approved, cooperative service arrangement.

12 (13) "Teaching" includes teaching, supervising, and superintending or assistant
13 superintending of schools.

14 (14) "Total service" means prior service as defined in subdivision (6) of this section, plus
15 service rendered as a member of the system on or after the first day of July, 1949.

16 (15) For purposes of this chapter, "domestic partner" shall be defined as a person who,
17 prior to the decedent's death, was in an exclusive, intimate, and committed relationship with the
18 decedent, and who certifies by affidavit that their relationship met the following qualifications:

19 (i) Both partners were at least eighteen (18) years of age and were mentally competent to
20 contract;

21 (ii) Neither partner was married to anyone else;

22 (iii) Partners were not related by blood to a degree that would prohibit marriage in the state
23 of Rhode Island;

24 (iv) Partners resided together and had resided together for at least one year at the time of
25 death; and

26 (v) Partners were financially interdependent as evidenced by at least two (2) of the
27 following:

28 (A) Domestic partnership agreement or relationship contract;

29 (B) Joint mortgage or joint ownership of primary residence;

30 (C) Two (2) of: (I) Joint ownership of motor vehicle; (II) Joint checking account; (III) Joint
31 credit account; (IV) Joint lease; and/or

32 (D) The domestic partner had been designated as a beneficiary for the decedent's will,
33 retirement contract, or life insurance.

34 (b) The masculine pronoun wherever used shall also include the feminine pronoun.

1 (c) Any term not specifically defined in this chapter and specifically defined in chapters 8
2 — 10 of title 36 shall have the same definition as set forth in chapters 8 — 10 of title 36.

3 SECTION 5. Section 20-2.1-9 of the General Laws in Chapter 20-2.1 entitled "Commercial
4 Fishing Licenses" is hereby amended to read as follows:

5 **20-2.1-9. Powers and duties of the director.**

6 It shall be the duty of the director to adopt, implement effective January 1, 2003, and
7 maintain a commercial fisheries licensing system that shall incorporate and be consistent with the
8 purposes of this chapter; in performance of this duty, the director shall follow the guidelines and
9 procedures set forth below:

10 (1) The rulemaking powers of the director to accomplish the purposes of this chapter shall
11 include the following with regard to commercial fishing licenses and commercial fishing by license
12 holders:

13 (i) Types of licenses and/or license endorsement consistent with the provisions of this
14 chapter and applicable sections of this title, and limitations on levels of effort and/or on catch by
15 type of license and/or license endorsement;

16 (ii) Design, use, and identification of gear;

17 (iii) Declarations for data collection purposes of vessels used in commercial fishing, which
18 declaration requirements shall in no way, except as otherwise provided for in law, restrict the use
19 of any vessel less than twenty-five feet (25') in length overall by appropriate holders of commercial
20 fishing licenses;

21 (iv) Areas in Rhode Island waters where commercial fishing of different types may take
22 place, and where it may be prohibited or limited, and the times and/or seasons when commercial
23 fishing by type or species may be allowed, restricted, or prohibited;

24 (v) Limitations and/or restrictions on effort, gear, catch, or number of license holders and
25 endorsements; and

26 (vi) Emergency rules, as provided for in chapter 35 of title 42, to protect an unexpectedly
27 imperiled fishery resource to provide access to a fisheries resource that is unexpectedly more
28 abundant and to protect the public health and safety from an unexpected hazard or risk. The marine
29 fisheries council shall be notified of all emergency rules on or before their effective date, and no
30 emergency rule shall become a final rule unless it is promulgated as provided for in subdivision (3)
31 of this section.

32 (2) When implementing the system of licensure set forth in §§ 20-2.1-4, 20-2.1-5, 20-2.1-
33 6, and 20-2.1-7, and other provisions of this title pertaining to commercial fishing licenses, permits,
34 and registrations, the director shall consider the effect of the measure on the access of Rhode

1 Islanders to commercial fishing, and when establishing limitations on effort and/or catch:

2 (i) The effectiveness of the limitation:

3 (A) In achieving duly established conservation or fisheries regeneration goals or
4 requirements;

5 (B) In maintaining the viability of fisheries resources overall, including particularly, the
6 reduction of by-catch, discards, and fish mortality, and in improving efficiency in the utilization of
7 fisheries resources;

8 (C) In complementing federal and regional management programs and the reciprocal
9 arrangements with other states;

10 (ii) The impact of the limitation on persons engaged in commercial fishing on:

11 (A) Present participation in the fishery, including ranges and average levels of participation
12 by different types or classes of participants;

13 (B) Historical fishing practices in, and dependence on, the fishery;

14 (C) The economics of the fishery;

15 (D) The potential effects on the safety of human life at sea;

16 (E) The cultural and social framework relevant to the fishery and any affected fishing
17 communities; and

18 (iii) Any other relevant considerations that the director finds in the rulemaking process;

19 (iv) The following standards for fishery conservation and management, which standards
20 shall be understood and applied so far as practicable and reasonable in a manner consistent with
21 federal fisheries law, regulation, and guidelines:

22 (A) Conservation and management measures shall prevent overfishing, while achieving,
23 on a continuing basis, the optimum yield from each fishery;

24 (B) Conservation and management measures shall be based upon the best scientific
25 information available and analysis of impacts shall consider ecological, economic, and social
26 consequences of the fishery as a whole;

27 (C) Conservation and management measures shall, where practicable, consider efficiency
28 in the utilization of fisheries resources, except that no such measure shall have economic allocation
29 as its sole purpose;

30 (D) Conservation and management measures shall take into account and allow for
31 variations among, and contingencies in, fisheries, fishery resources, and catches;

32 (E) Conservation and management measures shall, where practicable, minimize costs and
33 avoid unnecessary duplication;

34 (F) Conservation and management measures shall, consistent with conservation

1 requirements of this chapter (including the prevention ~~and~~ of overfishing and rebuilding of
2 overfished stocks), take into account the importance of fishery resources to fishing communities in
3 order to (I) Provide for the sustained participation of those communities and (II) To the extent
4 practicable, minimize adverse economic impacts on those communities;

5 (G) Conservation and management measures shall, to the extent practicable: (I) Minimize
6 by-catch and (II) To the extent by-catch cannot be avoided, minimize the mortality of the by-catch;
7 and

8 (H) Conservation and management measures shall, to the extent practicable, promote the
9 safety of human life at sea.

10 (3) Unless otherwise specified, rules and regulations adopted pursuant to this chapter shall
11 conform with the requirements of the Administrative Procedures Act, chapter 35 of title 42.

12 (4) **Matters to be considered in establishing license programs under this chapter.** The
13 director shall be consistent with the requirements of § 20-2.1-2(6) in establishing and implementing
14 a licensing system in accordance with the provisions of this chapter that shall be designed to
15 accomplish marine fisheries management objectives. The licensing system may limit access to
16 fisheries, particularly commercial fisheries for which there is adequate or greater than adequate
17 harvesting capacity currently in the fishery and for which either a total allowable catch has been
18 set or a total allowable level of fishing effort has been established for the purpose of preventing
19 overfishing of the resource or the dissipation of the economic yield from the fishery. This authority
20 shall include the authority of the director to:

21 (i) Differentiate between the level of access to fisheries provided to license holders or
22 potential license holders on the basis of past performance, dependence on the fishery, or other
23 criteria;

24 (ii) Establish prospective control dates that provide notice to the public that access to, and
25 levels of participation in, a fishery may be restricted and that entrance into, or increases in levels
26 of participation in a fishery after the control date may not be treated in the same way as participation
27 in the fishery prior to the control date; retroactive control dates are prohibited and shall not be used
28 or implemented, unless expressly required by federal law, regulation, or court decision; and

29 (iii) Establish levels of catch by type of license and/or endorsement that shall provide for
30 basic and full harvest and gear levels; quotas may be allocated proportionally among classes of
31 license holders as needed to maintain the viability of different forms of commercial fishing.

32 (5) [Deleted by P.L. 2023, ch. 281, § 2 and P.L. 2023, ch. 282, § 2.]

33 (6) The director, with the advice of the marine fisheries council, shall report annually to
34 the governor, general assembly, and to the citizens concerning the conservation and management

1 of the fishery resources of the state, addressing stock status, performance of fisheries and quotas,
2 management and licensing programs, and other matters of importance.

3 SECTION 6. Section 21-27-6.2 of the General Laws in Chapter 21-27 entitled "Sanitation
4 in Food Establishments" is hereby amended to read as follows:

5 **21-27-6.2. Cottage food manufacture.**

6 Notwithstanding the other provisions of this chapter, the department of health shall register
7 cottage food manufacture and the sale of the products of cottage food manufacture direct to
8 consumers whether by pickup or delivery within the state, provided that the requirements of this
9 section are met.

10 (1) The cottage food products shall be produced in a kitchen that is on the premises of a
11 home and meets the standards for kitchens as provided for in minimum housing standards, adopted
12 pursuant to chapter 24.2 of title 45 and the Housing Maintenance and Occupancy Code, adopted
13 pursuant to chapter 24.3 of title 45, and in addition the kitchen shall:

14 (i) Be equipped at minimum with either a two (2) compartment sink or a dishwasher that
15 reaches one hundred fifty degrees Fahrenheit (150° F) after the final rinse and drying cycle and a
16 one compartment sink;

17 (ii) Have sufficient area or facilities, such as portable dish tubs and drain boards, for the
18 proper handling of soiled utensils prior to washing and of cleaned utensils after washing so as not
19 to interfere with safe food handling; equipment, utensils, and tableware shall be air dried;

20 (iii) Have drain boards and food preparation surfaces that shall be of a nonabsorbent,
21 corrosion resistant material such as stainless steel, formica, or other chip resistant, nonpitted
22 surface;

23 (iv) Have self-closing doors for bathrooms that open directly into the kitchen;

24 (v) If the home is on private water supply, the water supply must be tested once per year;

25 (vi) Notwithstanding this subsection, the cottage food products may also be produced in a
26 commercial kitchen licensed by the department and leased or rented by the cottage food registrant
27 provided that a record be maintained as to the dates the commercial kitchen was used and that
28 ingredients used in the production of cottage foods are transported according to applicable food
29 safety standards and regulations promulgated by the department.

30 (2) The cottage food products are prepared and produced ready for sale under the following
31 conditions:

32 (i) Pets are kept out of food preparation and food storage areas at all times;

33 (ii) Cooking facilities shall not be used for domestic food purposes while cottage food
34 products are being prepared;

1 (iii) Garbage is placed and stored in impervious covered receptacles before it is removed
2 from the kitchen, which removal shall be at least once each day that the kitchen is used for cottage
3 food manufacture;

4 (iv) Any laundry facilities that may be in the kitchen shall not be used during cottage food
5 manufacture;

6 (v) Recipe(s) for each cottage food product with all the ingredients and quantities listed,
7 and processing times and procedures, are maintained in the kitchen for review and inspection;

8 (vi) An affixed label that contains:

9 (A) Name, address, and telephone number;

10 (B) The ingredients of the cottage food product, in descending order of predominance by
11 weight or volume;

12 (C) Allergen information, as specified by federal and state labeling requirements, such as
13 milk, eggs, tree nuts, peanuts, wheat, and soybeans; and

14 (D) The following statement printed in at least ten-point type in a clear and conspicuous
15 manner that provides contrast to the background label: "Made by a Cottage Food Business
16 Registrant that is not Subject to Routine Government Food Safety Inspection," unless products
17 have been prepared in a commercial kitchen licensed by the department.

18 (3) Cottage food manufacture shall be limited to the production of baked goods that do not
19 require refrigeration or time/temperature control for safety, including but not limited to:

20 (i) Double crust pies;

21 (ii) Yeast breads;

22 (iii) Biscuits, brownies, cookies, muffins; and

23 (iv) Cakes that do not require refrigeration or temperature-controlled environment; and

24 (v) Other goods as defined by the department.

25 (4) Each cottage food manufacturer shall be registered with the department of health and
26 shall require a notarized affidavit of compliance, in any form that the department may require, from
27 the applicant that the requirements of this section have been met and the operation of the kitchen
28 shall be in conformity with the requirements of this section. Prior to the initial registration, each
29 cottage food manufacturer is required to successfully complete a Food Safety Manager Course, any
30 American Standards Institute approved food handler course, or any other course approved by the
31 department. A certificate of registration shall be issued by the department upon the payment of a
32 fee as set forth in § 23-1-54 and the submission of an affidavit of compliance. The certificate of
33 registration shall be valid for one year after the date of issuance; provided, however, that the
34 certificate may be revoked by the director at any time for noncompliance with the requirements of

1 the section. The certificate of registration, with a copy of the affidavit of compliance, shall be kept
2 in the kitchen where the cottage food manufacture takes place. The director of health shall have the
3 authority to develop and issue a standard form for the affidavit of compliance to be used by persons
4 applying for a certificate of registration; the form shall impose no requirements or certifications
5 beyond those set forth in this section and § ~~21-27-1(6)~~ 21-27-6.1. No certificates of registration
6 shall be issued by the department prior to November 1, 2022.

7 (5) No such operation shall engage in consignment or wholesale sales. The following
8 additional locational sales by any such cottage food operation shall be prohibited: (i) Grocery
9 stores; (ii) Restaurants; (iii) Long-term-care facilities; (iv) Group homes; (v) Daycare facilities;
10 and (vi) Schools. Advertising and sales by internet, mail, and phone are permissible, provided the
11 cottage food licensee or their designee shall deliver, in person, to the customer within the state.

12 (6) Total annual gross sales for a cottage food operation shall not exceed fifty thousand
13 dollars (\$50,000) per calendar year. If annual gross sales exceed the maximum annual gross sales
14 amount allowed, the cottage food registrant shall either obtain a food processor license or cease
15 operations. The director of health shall request documentation to verify the annual gross sales figure
16 of any cottage food operation.

17 (7) Sales on all cottage foods are subject to applicable sales tax pursuant to § 44-18-7.

18 (8) The director of health or designee may inspect a cottage food operation at any time to
19 ensure compliance with the provisions of this section. Nothing in this section shall be construed to
20 prohibit the director of health or designee of the director from investigating the registered area of a
21 cottage food operation in response to a foodborne illness outbreak, consumer complaint, or other
22 public health emergency.

23 SECTION 7. Section 21-28.6-12 of the General Laws in Chapter 21-28.6 entitled "The
24 Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act" is hereby amended to read as
25 follows:

26 **21-28.6-12. Compassion centers.**

27 (a) A compassion center licensed under this section may acquire, possess, cultivate,
28 manufacture, deliver, transfer, transport, supply, or dispense medical marijuana, or related supplies
29 and educational materials, to registered qualifying patients and their registered primary caregivers
30 or authorized purchasers, or out-of-state patient cardholders or other marijuana establishment
31 licensees. Except as specifically provided to the contrary, all provisions of this chapter (the Edward
32 O. Hawkins and Thomas C. Slater medical marijuana act), apply to a compassion center unless the
33 provision(s) conflict with a provision contained in this section.

34 (b) **License of compassion centers — authority of the departments of health and**

1 **business regulation:**

2 (1) Not later than ninety (90) days after the effective date of this chapter, the department
3 of health shall promulgate regulations governing the manner in which it shall consider applications
4 for licenses for compassion centers, including regulations governing:

- 5 (i) The form and content of license and renewal applications;
 - 6 (ii) Minimum oversight requirements for compassion centers;
 - 7 (iii) Minimum record-keeping requirements for compassion centers;
 - 8 (iv) Minimum security requirements for compassion centers; and
 - 9 (v) Procedures for suspending, revoking, or terminating the license of compassion centers
- 10 that violate the provisions of this section or the regulations promulgated pursuant to this subsection.

11 (2) Within ninety (90) days of the effective date of this chapter, the department of health
12 shall begin accepting applications for the operation of a single compassion center.

13 (3) Within one hundred fifty (150) days of the effective date of this chapter, the department
14 of health shall provide for at least one public hearing on the granting of an application to a single
15 compassion center.

16 (4) Within one hundred ninety (190) days of the effective date of this chapter, the
17 department of health shall grant a single license to a single compassion center, providing at least
18 one applicant has applied who meets the requirements of this chapter.

19 (5) If at any time after fifteen (15) months after the effective date of this chapter, there is
20 no operational compassion center in Rhode Island, the department of health shall accept
21 applications, provide for input from the public, and issue a license for a compassion center if a
22 qualified applicant exists.

23 (6) Within two (2) years of the effective date of this chapter, the department of health shall
24 begin accepting applications to provide licenses for two (2) additional compassion centers. The
25 department shall solicit input from the public, and issue licenses if qualified applicants exist.

26 (7)(i) Any time a compassion center license is revoked, is relinquished, or expires on or
27 before December 31, 2016, the department of health shall accept applications for a new compassion
28 center.

29 (ii) Any time a compassion center license is revoked, is relinquished, or expires on or after
30 January 1, 2017, the department of business regulation shall accept applications for a new
31 compassion center.

32 (8)(i) If at any time after three (3) years after the effective date of this chapter and on or
33 before December 31, 2016, fewer than three (3) compassion centers are holding valid licenses in
34 Rhode Island, the department of health shall accept applications for a new compassion center. If at

1 any time on or after January 1, 2017, fewer than three (3) compassion centers are holding valid
2 licenses in Rhode Island, the department of business regulation shall accept applications for a new
3 compassion center. There shall be nine (9) compassion centers that may hold valid licenses at one
4 time. If at any time on or after July 1, 2019, fewer than nine (9) compassion centers are holding
5 valid licenses in Rhode Island, the department of business regulation shall accept applications for
6 new compassion centers and shall continue the process until nine (9) licenses have been issued by
7 the department of business regulation.

8 (9) Any compassion center application selected for approval by the department of health
9 on or before December 31, 2016, or selected for approval by the department of business regulation
10 on or after January 1, 2017, shall remain in full force and effect, notwithstanding any provisions of
11 this chapter to the contrary, and shall be subject to state law adopted herein and rules and regulations
12 adopted by the departments of health and business regulation subsequent to passage of this
13 legislation.

14 (10) A licensed cultivator may apply for, and be issued, an available compassion center
15 license, provided that the licensed cultivation premises is disclosed on the compassion center
16 application as the permitted second location for growing medical marijuana in accordance with
17 subsection ~~(e)(i)~~ (c)(1)(iii) of this section. If a licensed cultivator is issued an available compassion
18 center license, their cultivation facility license will merge with and into their compassion center
19 license in accordance with regulations promulgated by the department of business regulation. Once
20 merged, the cultivation of medical marijuana may then be conducted under the compassion center
21 license in accordance with this section and the cultivation license will be considered null and void
22 and of no further force or effect.

23 **(c) Compassion center and agent applications and license:**

24 (1) Each application for a compassion center shall be submitted in accordance with
25 regulations promulgated by the department of business regulation and shall include, but not be
26 limited to:

27 (i) A non-refundable application fee paid to the department in the amount of ten thousand
28 dollars (\$10,000);

29 (ii) The proposed legal name and proposed articles of incorporation of the compassion
30 center;

31 (iii) The proposed physical address of the compassion center, if a precise address has been
32 determined, or, if not, the general location where it would be located. This may include a second
33 location for the cultivation of medical marijuana;

34 (iv) A description of the enclosed, locked facility that would be used in the cultivation of

1 medical marijuana;

2 (v) The name, address, and date of birth of each principal officer and board member of the
3 compassion center;

4 (vi) Proposed security and safety measures that shall include at least one security alarm
5 system for each location, planned measures to deter and prevent the unauthorized entrance into
6 areas containing marijuana and the theft of marijuana, as well as a draft, employee-instruction
7 manual including security policies, safety and security procedures, personal safety, and crime-
8 prevention techniques; and

9 (vii) Proposed procedures to ensure accurate record keeping.

10 (2)(i) For applications submitted on or before December 31, 2016, any time one or more
11 compassion center license applications are being considered, the department of health shall also
12 allow for comment by the public and shall solicit input from registered qualifying patients,
13 registered primary caregivers, and the towns or cities where the applicants would be located;

14 (ii) For applications submitted on or after January 1, 2017, any time one or more
15 compassion center license applications are being considered, the department of business regulation
16 shall also allow for comment by the public and shall solicit input from registered qualifying
17 patients, registered primary caregivers, and the towns or cities where the applicants would be
18 located.

19 (3) Each time a new compassion center license is issued, the decision shall be based upon
20 the overall health needs of qualified patients and the safety of the public, including, but not limited
21 to, the following factors:

22 (i) Convenience to patients from areas throughout the state of Rhode Island;

23 (ii) The applicant's ability to provide a steady supply to the registered qualifying patients
24 in the state;

25 (iii) The applicant's experience running a non-profit or business;

26 (iv) The interests of qualifying patients regarding which applicant be granted a license;

27 (v) The interests of the city or town where the dispensary would be located taking into
28 consideration need and population;

29 (vi) Nothing herein shall prohibit more than one compassion center being geographically
30 located in any city or town;

31 (vii) The sufficiency of the applicant's plans for record keeping and security, which records
32 shall be considered confidential healthcare information under Rhode Island law and are intended
33 to be deemed protected healthcare information for purposes of the Federal Health Insurance
34 Portability and Accountability Act of 1996, as amended; and

1 (viii) The sufficiency of the applicant's plans for safety and security, including proposed
2 location, security devices employed, and staffing.

3 (4) A compassion center approved by the department of health on or before December 31,
4 2016, shall submit the following to the department before it may begin operations:

5 (i) A fee paid to the department in the amount of five thousand dollars (\$5,000);

6 (ii) The legal name and articles of incorporation of the compassion center;

7 (iii) The physical address of the compassion center; this may include a second address for
8 the secure cultivation of marijuana;

9 (iv) The name, address, and date of birth of each principal officer and board member of the
10 compassion center; and

11 (v) The name, address, and date of birth of any person who will be an agent of, employee,
12 or volunteer of the compassion center at its inception.

13 (5)(i) A compassion center approved or renewed by the department of business regulation
14 on or after January 1, 2017, but before July 1, 2019, shall submit materials pursuant to regulations
15 promulgated by the department of business regulation before it may begin operations:

16 (A) A fee paid to the department in the amount of five thousand dollars (\$5,000);

17 (B) The legal name and articles of incorporation of the compassion center;

18 (C) The physical address of the compassion center; this may include a second address for
19 the secure cultivation of medical marijuana;

20 (D) The name, address, and date of birth of each principal officer and board member of the
21 compassion center;

22 (E) The name, address, and date of birth of any person who will be an agent, employee, or
23 volunteer of the compassion center at its inception.

24 (ii) A compassion center approved or renewed by the department of business regulation on
25 or after July 1, 2019, shall submit materials pursuant to regulations promulgated by the department
26 of business regulation before it may begin operations, which shall include but not be limited to:

27 (A) A fee paid to the department in the amount of five hundred thousand dollars
28 (\$500,000);

29 (B) The legal name and articles of incorporation of the compassion center;

30 (C) The physical address of the compassion center; this may include a second address for
31 the secure cultivation of medical marijuana;

32 (D) The name, address, and date of birth of each principal officer and board member of the
33 compassion center, and any person who has a direct or indirect ownership interest in any marijuana
34 establishment licensee, which ownership interest shall include, but not be limited to, any interests

1 arising pursuant to the use of shared management companies, management agreements or other
2 agreements that afford third-party management or operational control, or other familial or business
3 relationships between compassion center or cultivator owners, members, officers, directors,
4 managers, investors, agents, or key persons that effect dual license interests as determined by the
5 department of business regulation;

6 (E) The name, address, and date of birth of any person who will be an agent, employee, or
7 volunteer of the compassion center at its inception.

8 (6) Except as provided in subsection (c)(7) of this section, the department of health or the
9 department of business regulation shall issue each principal officer, board member, agent,
10 volunteer, and employee of a compassion center a registry identification card or renewal card after
11 receipt of the person's name, address, date of birth; a fee in an amount established by the department
12 of health or the department of business regulation; and, except in the case of an employee,
13 notification to the department of health or the department of business regulation by the department
14 of public safety division of state police, attorney general's office, or local law enforcement that the
15 registry identification card applicant has not been convicted of a felony drug offense or has not
16 entered a plea of nolo contendere for a felony drug offense and received a sentence of probation.
17 Each card shall specify that the cardholder is a principal officer, board member, agent, volunteer,
18 or employee of a compassion center and shall contain the following:

19 (i) The name, address, and date of birth of the principal officer, board member, agent,
20 volunteer, or employee;

21 (ii) The legal name of the compassion center to which the principal officer, board member,
22 agent, volunteer, or employee is affiliated;

23 (iii) A random identification number that is unique to the cardholder;

24 (iv) The date of issuance and expiration date of the registry identification card; and

25 (v) A photograph, if the department of health or the department of business regulation
26 decides to require one.

27 (7) Except as provided in this subsection, neither the department of health nor the
28 department of business regulation shall issue a registry identification card to any principal officer,
29 board member, or agent, of a compassion center who has been convicted of a felony drug offense
30 or has entered a plea of nolo contendere for a felony drug offense and received a sentence of
31 probation. If a registry identification card is denied, the compassion center will be notified in
32 writing of the purpose for denying the registry identification card. A registry identification card
33 may be granted if the offense was for conduct that occurred prior to the enactment of the Edward
34 O. Hawkins and Thomas C. Slater medical marijuana act or that was prosecuted by an authority

1 other than the state of Rhode Island and for which the Edward O. Hawkins and Thomas C. Slater
2 medical marijuana act would otherwise have prevented a conviction.

3 (i) All registry identification card applicants shall apply to the department of public safety
4 division of state police, the attorney general's office, or local law enforcement for a national
5 criminal identification records check that shall include fingerprints submitted to the federal bureau
6 of investigation. Upon the discovery of a felony drug offense conviction or a plea of nolo
7 contendere for a felony drug offense with a sentence of probation, and in accordance with the rules
8 promulgated by the department of health and the department of business regulation, the department
9 of public safety division of state police, the attorney general's office, or local law enforcement shall
10 inform the applicant, in writing, of the nature of the felony and the department of public safety
11 division of state police shall notify the department of health or the department of business
12 regulation, in writing, without disclosing the nature of the felony, that a felony drug offense
13 conviction or a plea of nolo contendere for a felony drug offense with probation has been found.

14 (ii) In those situations in which no felony drug offense conviction or plea of nolo
15 contendere for a felony drug offense with probation has been found, the department of public safety
16 division of state police, the attorney general's office, or local law enforcement shall inform the
17 applicant and the department of health or the department of business regulation, in writing, of this
18 fact.

19 (iii) All registry identification card applicants, except for employees with no ownership,
20 equity, financial interest, or managing control of a marijuana establishment license, shall be
21 responsible for any expense associated with the criminal background check with fingerprints.

22 (8) A registry identification card of a principal officer, board member, agent, volunteer,
23 employee, or any other designation required by the department of business regulation shall expire
24 one year after its issuance, or upon the expiration of the licensed organization's license, or upon
25 the termination of the principal officer, board member, agent, volunteer, or employee's relationship
26 with the compassion center, whichever occurs first.

27 (9) A compassion center cardholder shall notify and request approval from the department
28 of business regulation of any change in his or her name or address within ten (10) days of the
29 change. A compassion center cardholder who fails to notify the department of business regulation
30 of any of these changes is responsible for a civil infraction, punishable by a fine of no more than
31 one hundred fifty dollars (\$150).

32 (10) When a compassion center cardholder notifies the department of health or the
33 department of business regulation of any changes listed in this subsection, the department shall
34 issue the cardholder a new registry identification card within ten (10) days of receiving the updated

1 information and a ten-dollar (\$10.00) fee.

2 (11) If a compassion center cardholder loses his or her registry identification card, he or
3 she shall notify the department of health or the department of business regulation and submit a ten-
4 dollar (\$10.00) fee within ten (10) days of losing the card. Within five (5) days, the department
5 shall issue a new registry identification card with new random identification number.

6 (12) On or before December 31, 2016, a compassion center cardholder shall notify the
7 department of health of any disqualifying criminal convictions as defined in subsection (c)(7) of
8 this section. The department of health may choose to suspend and/or revoke his or her registry
9 identification card after the notification.

10 (13) On or after January 1, 2017, a compassion center cardholder shall notify the
11 department of business regulation of any disqualifying criminal convictions as defined in
12 subsection (c)(7) of this section. The department of business regulation may choose to suspend
13 and/or revoke his or her registry identification card after the notification.

14 (14) If a compassion center cardholder violates any provision of this chapter or regulations
15 promulgated hereunder as determined by the departments of health and business regulation, his or
16 her registry identification card may be suspended and/or revoked.

17 **(d) Expiration or termination of compassion center:**

18 (1) On or before December 31, 2016, a compassion center's license shall expire two (2)
19 years after its license is issued. On or after January 1, 2017, a compassion center's license shall
20 expire one year after its license is issued. The compassion center may submit a renewal application
21 beginning sixty (60) days prior to the expiration of its license.

22 (2) The department of health or the department of business regulation shall grant a
23 compassion center's renewal application within thirty (30) days of its submission if the following
24 conditions are all satisfied:

25 (i) The compassion center submits the materials required under subsections (c)(4) and
26 (c)(5) of this section, including a five-hundred-thousand-dollar (\$500,000) fee;

27 (ii) The compassion center's license has never been suspended for violations of this chapter
28 or regulations issued pursuant to this chapter; and

29 (iii) The department of business regulation finds that the compassion center is adequately
30 providing patients with access to medical marijuana at reasonable rates.

31 (3) If the department of health or the department of business regulation determines that any
32 of the conditions listed in subsections (d)(2)(i) — (iii) of this section have not been met, the
33 department may begin an open application process for the operation of a compassion center. In
34 granting a new license, the department of health or the department of business regulation shall

1 consider factors listed in subsection (c)(3) of this section.

2 (4) The department of business regulation shall issue a compassion center one or more
3 thirty-day (30) temporary licenses after that compassion center's license would otherwise expire if
4 the following conditions are all satisfied:

5 (i) The compassion center previously applied for a renewal, but the department had not yet
6 come to a decision;

7 (ii) The compassion center requested a temporary license; and

8 (iii) The compassion center has not had its license suspended or revoked due to violations
9 of this chapter or regulations issued pursuant to this chapter.

10 (5) A compassion center's license shall be denied, suspended, or subject to revocation if
11 the compassion center:

12 (i) Possesses an amount of marijuana exceeding the limits established by this chapter;

13 (ii) Is in violation of the laws of this state;

14 (iii) Is in violation of other departmental regulations;

15 (iv) Employs or enters into a business relationship with a medical practitioner who provides
16 written certification of a qualifying patient's medical condition; or

17 (v) If any compassion center owner, member, officer, director, manager, investor, agent,
18 or key person as defined in regulations promulgated by the department of business regulation, has
19 any interest, direct or indirect, in another compassion center or another licensed cultivator, except
20 as permitted in subsection (b)(10) of this section or pursuant to § 21-28.11-19. Prohibited interests
21 shall also include interests arising pursuant to the use of shared management companies,
22 management agreements, or other agreements that afford third-party management or operational
23 control, or other familial or business relationships between compassion center or cultivator owners,
24 members, officers, directors, managers, investors, agents, or key persons that effect dual license
25 interests as determined by the department of business regulation.

26 (e) Inspection. Compassion centers are subject to reasonable inspection by the department
27 of health, division of facilities regulation, and the department of business regulation. During an
28 inspection, the departments may review the compassion center's confidential records, including its
29 dispensing records, which shall track transactions according to qualifying patients' registry
30 identification numbers to protect their confidentiality.

31 (f) **Compassion center requirements:**

32 (1) A compassion center shall be operated on a not-for-profit basis for the mutual benefit
33 of its patients. A compassion center need not be recognized as a tax-exempt organization by the
34 Internal Revenue Service. A compassion center shall be subject to regulations promulgated by the

1 department of business regulation for general operations and record keeping, which shall include,
2 but not be limited to:

- 3 (i) Minimum security and surveillance requirements;
- 4 (ii) Minimum requirements for workplace safety and sanitation;
- 5 (iii) Minimum requirements for product safety and testing;
- 6 (iv) Minimum requirements for inventory tracking and monitoring;
- 7 (v) Minimum requirements for the secure transport and transfer of medical marijuana;
- 8 (vi) Minimum requirements to address odor mitigation;
- 9 (vii) Minimum requirements for product packaging and labeling;
- 10 (viii) Minimum requirements and prohibitions for advertising;
- 11 (ix) Minimum requirements for the testing and destruction of marijuana. Wherever

12 destruction of medical marijuana and medical marijuana product is required to bring a person or
13 entity into compliance with any provision of this chapter, any rule or regulation promulgated
14 thereunder, or any administrative order issued in accordance therewith, the director of the
15 department of business regulation may designate his or her employees or agents to facilitate the
16 destruction;

17 (x) A requirement that if a compassion center violates this chapter, or any regulation
18 thereunder, and the department of business regulation determines that violation does not pose an
19 immediate threat to public health or public safety, the compassion center shall pay to the department
20 of business regulation a fine of no less than five-hundred dollars (\$500); and

21 (xi) A requirement that if a compassion center violates this chapter, or any regulation
22 promulgated hereunder, and the department of business regulation determines that the violation
23 poses an immediate threat to public health or public safety, the compassion center shall pay to the
24 department of business regulation a fine of no less than two thousand dollars (\$2,000) and the
25 department shall be entitled to pursue any other enforcement action provided for under this chapter
26 and the regulations.

27 (2) A compassion center may not be located within one thousand feet (1,000') of the
28 property line of a preexisting public or private school.

29 (3) On or before December 31, 2016, a compassion center shall notify the department of
30 health within ten (10) days of when a principal officer, board member, agent, volunteer, or
31 employee ceases to work at the compassion center. On or after January 1, 2017, a compassion
32 center shall notify the department of business regulation within ten (10) days of when a principal
33 officer, board member, agent, volunteer, or employee ceases to work at the compassion center. His
34 or her card shall be deemed null and void and the person shall be liable for any penalties that may

1 apply to any nonmedical possession or use of marijuana by the person.

2 (4)(i) On or before December 31, 2016, a compassion center shall notify the department of
3 health in writing of the name, address, and date of birth of any new principal officer, board member,
4 agent, volunteer, or employee and shall submit a fee in an amount established by the department
5 for a new registry identification card before that person begins his or her relationship with the
6 compassion center;

7 (ii) On or after January 1, 2017, a compassion center shall notify the department of business
8 regulation, in writing, of the name, address, and date of birth of any new principal officer, board
9 member, agent, volunteer, or employee and shall submit a fee in an amount established by the
10 department of business regulation for a new registry identification card before that person begins
11 his or her relationship with the compassion center;

12 (5) A compassion center shall implement appropriate security measures to deter and
13 prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana and
14 shall ensure that each location has an operational security alarm system. Each compassion center
15 shall request that the department of public safety division of state police visit the compassion center
16 to inspect the security of the facility and make any recommendations regarding the security of the
17 facility and its personnel within ten (10) days prior to the initial opening of each compassion center.
18 The recommendations shall not be binding upon any compassion center, nor shall the lack of
19 implementation of the recommendations delay or prevent the opening or operation of any center.
20 If the department of public safety division of state police does not inspect the compassion center
21 within the ten-day (10) period, there shall be no delay in the compassion center's opening.

22 (6) The operating documents of a compassion center shall include procedures for the
23 oversight of the compassion center and procedures to ensure accurate record keeping.

24 (7) A compassion center is prohibited from acquiring, possessing, cultivating,
25 manufacturing, delivering, transferring, transporting, supplying, or dispensing marijuana for any
26 purpose except to assist patient cardholders with the medical use of marijuana directly or through
27 the qualifying patient's primary caregiver or authorized purchaser. This provision shall not apply
28 to hybrid cannabis retailers authorized pursuant to the provisions of § 21-28.11-10.

29 (8) All principal officers and board members of a compassion center must be residents of
30 the state of Rhode Island.

31 (9) Each time a new, registered, qualifying patient visits a compassion center, it shall
32 provide the patient with a frequently-asked-questions sheet, designed by the department, that
33 explains the limitations on the right to use medical marijuana under state law.

34 (10) Effective July 1, 2017, each compassion center shall be subject to any regulations

1 promulgated by the departments of health and business regulation that specify how marijuana must
2 be tested for items, included but not limited to, cannabinoid profile and contaminants.

3 (11) Effective January 1, 2017, each compassion center shall be subject to any product
4 labeling requirements promulgated by the department of business regulation.

5 (12) Each compassion center shall develop, implement, and maintain on the premises
6 employee, volunteer, and agent policies and procedures to address the following requirements:

7 (i) A job description or employment contract developed for all employees and agents, and
8 a volunteer agreement for all volunteers, that includes duties, authority, responsibilities,
9 qualifications, and supervision; and

10 (ii) Training in, and adherence to, state confidentiality laws.

11 (13) Each compassion center shall maintain a personnel record for each employee, agent,
12 and volunteer that includes an application and a record of any disciplinary action taken.

13 (14) Each compassion center shall develop, implement, and maintain on the premises an
14 on-site training curriculum, or enter into contractual relationships with outside resources capable
15 of meeting employee training needs, that includes, but is not limited to, the following topics:

16 (i) Professional conduct, ethics, and patient confidentiality; and

17 (ii) Informational developments in the field of medical use of marijuana.

18 (15) Each compassion center entity shall provide each employee, agent, and volunteer, at
19 the time of his or her initial appointment, training in the following:

20 (i) The proper use of security measures and controls that have been adopted; and

21 (ii) Specific procedural instructions on how to respond to an emergency, including robbery
22 or violent accident.

23 (16) All compassion centers shall prepare training documentation for each employee and
24 volunteer and have employees and volunteers sign a statement indicating the date, time, and place
25 the employee and volunteer received the training and topics discussed, to include name and title of
26 presenters. The compassion center shall maintain documentation of an employee's and a
27 volunteer's training for a period of at least six (6) months after termination of an employee's
28 employment or the volunteer's volunteering.

29 **(g) Maximum amount of usable marijuana to be dispensed:**

30 (1) A compassion center or principal officer, board member, agent, volunteer, or employee
31 of a compassion center may not dispense more than two and one-half ounces (2.5 oz.) of usable
32 marijuana, or its equivalent, to a qualifying patient directly or through a qualifying patient's
33 primary caregiver or authorized purchaser during a fifteen-day (15) period.

34 (2) A compassion center or principal officer, board member, agent, volunteer, or employee

1 of a compassion center may not dispense an amount of usable marijuana, or its equivalent, to a
2 patient cardholder, qualifying patient, a qualifying patient's primary caregiver, or a qualifying
3 patient's authorized purchaser that the compassion center, principal officer, board member, agent,
4 volunteer, or employee knows would cause the recipient to possess more marijuana than is
5 permitted under the Edward O. Hawkins and Thomas C. Slater medical marijuana act.

6 (3) Compassion centers shall utilize a database administered by the departments of health
7 and business regulation. The database shall contain all compassion centers' transactions according
8 to qualifying patients', authorized purchasers', and primary caregivers' registry identification
9 numbers to protect the confidentiality of patient personal and medical information. Compassion
10 centers will not have access to any applications or supporting information submitted by qualifying
11 patients, authorized purchasers or primary caregivers. Before dispensing marijuana to any patient
12 or authorized purchaser, the compassion center must utilize the database to ensure that a qualifying
13 patient is not dispensed more than two and one-half ounces (2.5 oz.) of usable marijuana or its
14 equivalent directly or through the qualifying patient's primary caregiver or authorized purchaser
15 during a fifteen-day (15) period.

16 (4) A compassion center operating as a hybrid cannabis retailer authorized to conduct adult
17 use cannabis sales pursuant to the provisions of § 21-28.11-10 may sell up to one ounce (1 oz.) of
18 cannabis to a person at least twenty-one (21) years of age as an intended consumer, in accordance
19 with the provisions of chapter 28.11 of title 21.

20 (h) **Immunity:**

21 (1) No licensed compassion center shall be subject to prosecution; search, except by the
22 departments pursuant to subsection (e) of this section; seizure; or penalty in any manner, or denied
23 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business,
24 occupational, or professional licensing board or entity, solely for acting in accordance with this
25 section to assist registered qualifying patients.

26 (2) No licensed compassion center shall be subject to prosecution, seizure, or penalty in
27 any manner, or denied any right or privilege, including, but not limited to, civil penalty or
28 disciplinary action, by a business, occupational, or professional licensing board or entity, for
29 selling, giving, or distributing marijuana in whatever form, and within the limits established by, the
30 department of health or the department of business regulation to another registered compassion
31 center.

32 (3) No principal officers, board members, agents, volunteers, or employees of a registered
33 compassion center shall be subject to arrest, prosecution, search, seizure, or penalty in any manner,
34 or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by

1 a business, occupational, or professional licensing board or entity, solely for working for or with a
2 compassion center to engage in acts permitted by this section.

3 (4) No state employee shall be subject to arrest, prosecution or penalty in any manner, or
4 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
5 termination, or loss of employee or pension benefits, for any and all conduct that occurs within the
6 scope of his or her employment regarding the administration, execution and/or enforcement of this
7 act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

8 (i) **Prohibitions:**

9 (1) A compassion center must limit its inventory of seedlings, plants, and marijuana to
10 reflect the projected needs of qualifying patients;

11 (2) A compassion center may not dispense, deliver, or otherwise transfer marijuana to a
12 person other than a patient cardholder or to a qualified patient's primary caregiver or authorized
13 purchaser. This provision shall not apply to hybrid cannabis retailers authorized pursuant to the
14 provisions of § 21-28.11-10;

15 (3) A compassion center may not procure, purchase, transfer, or sell marijuana to or from
16 any entity other than a marijuana establishment licensee in accordance with the provisions of this
17 chapter and chapter 28.11 of title 21 and the rules and regulations promulgated by the commission;

18 (4) A person found to have violated subsection ~~(h)(2)~~ (i)(2) or ~~(h)(3)~~ (i)(3) of this section
19 may not be an employee, agent, volunteer, principal officer, or board member of any compassion
20 center;

21 (5) An employee, agent, volunteer, principal officer or board member of any compassion
22 center found in violation of subsection ~~(h)(2)~~ (i)(2) or ~~(h)(3)~~ (i)(3) of this section shall have his or
23 her registry identification revoked immediately;

24 (6) No person who has been convicted of a felony drug offense or has entered a plea of
25 nolo contendere for a felony drug offense with a sentence of probation may be the principal officer,
26 board member, or agent of a compassion center unless the department has determined that the
27 person's conviction was for the medical use of marijuana or assisting with the medical use of
28 marijuana in accordance with the terms and conditions of this chapter. A person who is employed
29 by or is an agent, volunteer, principal officer, or board member of a compassion center in violation
30 of this section is guilty of a civil violation punishable by a fine of up to one thousand dollars
31 (\$1,000). A subsequent violation of this section is a misdemeanor; and

32 (7) After March 1, 2023, and in accordance with a timeline established by the commission,
33 no compassion center shall accept any out-of-state medical marijuana card unless the patient also
34 possesses and produces a valid government identification demonstrating residency in the same state

1 that issued the medical marijuana card.

2 (j) **Legislative oversight committee:**

3 (1) The general assembly shall appoint a nine-member (9) oversight committee comprised
4 of: one member of the house of representatives; one member of the senate; one physician to be
5 selected from a list provided by the Rhode Island medical society; one nurse to be selected from a
6 list provided by the Rhode Island state nurses association; two (2) registered qualifying patients;
7 one registered primary caregiver; one patient advocate to be selected from a list provided by the
8 Rhode Island patient advocacy coalition; and the superintendent of the department of public safety,
9 or his/her designee.

10 (2) The oversight committee shall meet at least six (6) times per year for the purpose of
11 evaluating and making recommendations to the general assembly regarding:

12 (i) Patients' access to medical marijuana;

13 (ii) Efficacy of compassion centers;

14 (iii) Physician participation in the Medical Marijuana Program;

15 (iv) The definition of qualifying medical condition; and

16 (v) Research studies regarding health effects of medical marijuana for patients.

17 (3) On or before January 1 of every even numbered year, the oversight committee shall
18 report to the general assembly on its findings.

19 (k) License required. No person or entity shall engage in activities described in this section
20 without a compassion center license issued by the department of business regulation.

21 SECTION 8. Sections 21-28.10-3, 21-28.10-4 and 21-28.10-7 of the General Laws in
22 Chapter 21-28.10 entitled "Opioid Stewardship Act" are hereby amended to read as follows:

23 **21-28.10-3. Determination of market share and registration fee.**

24 (1) The total opioid stewardship fund amount shall be five million dollars (\$5,000,000)
25 annually, subject to downward adjustments pursuant to § 21-28.10-7.

26 (2) Each manufacturer's, distributor's, and wholesaler's annual opioid registration fee shall
27 be based on that licensee's in-state market share.

28 (3) The following sales will not be included when determining a manufacturer's,
29 distributor's, or wholesaler's market share:

30 (i) The gross, in-state opioid sales attributed to the sale of buprenorphine or methadone;

31 (ii) The gross, in-state opioid sales sold or distributed directly to opioid treatment programs,
32 data-waivered practitioners, or hospice providers licensed pursuant to chapter 17 of title 23;

33 (iii) Any sales from those opioids manufactured in Rhode Island, but whose final point of
34 delivery or sale is outside of Rhode Island;

1 (iv) Any sales of anesthesia or epidurals as defined in regulation by the department [of](#)
2 [health](#); and

3 (v) Any in-state intracompany transfers of opioids between any division, affiliate,
4 subsidiary, parent, or other entity under complete and common ownership and control.

5 (4) The executive office shall provide to the licensee, in writing, on or before October 15
6 annually, the licensee's market share for the previous calendar year. The executive office shall
7 notify the licensee, in writing, on or before October 15 of each year, of its market share for the prior
8 calendar year based on the opioids sold or distributed for the prior calendar year.

9 **21-28.10-4. Reports and records.**

10 (a) Each manufacturer, distributor, and wholesaler licensed to manufacture or distribute
11 opioids in the state of Rhode Island shall provide to the secretary a report detailing all opioids sold
12 or distributed by that manufacturer or distributor in the state of Rhode Island. Such report shall
13 include:

14 (1) The manufacturer's, distributor's, or wholesaler's name, address, phone number, DEA
15 registration number, and controlled substance license number issued by the department [of health](#);

16 (2) The name, address, and DEA registration number of the entity to whom the opioid was
17 sold or distributed;

18 (3) The date of the sale or distribution of the opioids;

19 (4) The gross receipt total, in dollars, of all opioids sold or distributed;

20 (5) The name and National Drug Code of the opioids sold or distributed;

21 (6) The number of containers and the strength and metric quantity of controlled substance
22 in each container of the opioids sold or distributed; and

23 (7) Any other elements as deemed necessary or advisable by the secretary.

24 (b) Initial and future reports. This information shall be reported annually to the executive
25 office via ARCOS or in such other form as defined or approved by the secretary; provided,
26 however, that the initial report provided pursuant to subsection (a) shall consist of all opioids sold
27 or distributed in the state of Rhode Island for the 2018 calendar year, and shall be submitted by
28 September 1, 2019. Subsequent annual reports shall be submitted by April 15 of each year based
29 on the actual opioid sales and distributions of the prior calendar year.

30 **21-28.10-7. Licensee opportunity to appeal.**

31 (a) A licensee shall be afforded an opportunity to submit information to the secretary
32 documenting or evidencing that the market share provided to the licensee (or amounts paid
33 thereunder), pursuant to § 21-28.10-3(4), is in error or otherwise not warranted. The executive
34 office may consider and examine such additional information that it determines to be reasonably

1 related to resolving the calculation of a licensee's market share, which may require the licensee to
2 provide additional materials to the executive office. If the executive office determines thereafter
3 that all or a portion of such market share, as determined by the secretary pursuant to § 21-28.10-
4 3(4), is not warranted, the executive office may:

5 (1) Adjust the market share;

6 (2) Adjust the assessment of the market share in the following year equal to the amount in
7 excess of any overpayment in the prior payment period; or

8 (3) Refund amounts paid in error.

9 (b) Any person aggrieved by a decision of the executive office relating to the calculation
10 of market share may appeal that decision to the superior court, which shall have power to review
11 such decision, and the process by which such decision was made, as prescribed in chapter 35 of
12 title 42.

13 (c) A licensee shall also have the ability to appeal its assessed opioid registration fee if the
14 assessed fee amount exceeds the amount of profit the licensee obtains through sales in the state of
15 products described in § 21-28.10-3. The executive office may, exercising discretion as it deems
16 appropriate, waive or decrease fees as assessed pursuant to § 21-28.10-3 if a licensee can
17 demonstrate that the correctly assessed payment will pose undue hardship to the licensee's
18 continued activities in [the](#) state. The executive office shall be allowed to request, and the licensee
19 shall furnish to the ~~department~~ [executive office](#), any information or supporting documentation
20 validating the licensee's request for waiver or reduction under this subsection. Fees waived under
21 this section shall not be reapportioned to other licensees which have payments due under this
22 chapter.

23 SECTION 9. Section 21-28.11-7 of the General Laws in Chapter 21-28.11 entitled "The
24 Rhode Island Cannabis Act" is hereby amended to read as follows:

25 **21-28.11-7. Licensed cannabis cultivators.**

26 (a) Except as provided pursuant to the provisions of subsection (b) of this section or § 21-
27 28.11-8, there shall be a moratorium on the issuance of new cannabis cultivator licenses until the
28 date that is two (2) years following the final issuance of the commission's rules and regulations
29 pursuant to the provisions of this chapter. This moratorium shall not apply to cannabis cultivators
30 licensed pursuant to chapter 28.6 of this title on or before enactment of this chapter.

31 (b) On August 1, 2022 and thereafter, any medical marijuana cultivator licensed or
32 approved pursuant to the provisions of § 21-28.6-16, upon payment of an additional license fee,
33 shall be permitted to cultivate, manufacture and process cannabis as a hybrid cannabis cultivator
34 for both adult use and medical use. The amount of the additional license fee shall be determined by

1 the office of cannabis regulation during the transitional period established by § 21-28.11-10 and
2 shall be subject to review by the commission pursuant to the final rules and regulations. The fee
3 shall be deposited in the social equity fund established in § 21-28.11-31. Sale of the cultivated
4 cannabis shall be made directly to a licensee pursuant to the provisions of this chapter and chapter
5 28.6 of this title, subject to the following conditions:

6 (1) The cultivator must be in good standing and maintain the cultivator license pursuant to
7 the provisions of chapter 28.6 of this title; and

8 (2) The cultivator must make good faith efforts to ensure the adult use cannabis production
9 portion of the cultivation operation has no significant adverse effect on the medical marijuana
10 program and patient needs.

11 (c) During the moratorium pursuant to this section, the commission, with the assistance of
12 the advisory board, as required, shall submit a report to the general assembly which evaluates the
13 cultivation of adult use and medical cannabis. The report shall consider factors, including, but not
14 limited to:

15 (1) Cultivation and production history;

16 (2) Tax payment history;

17 (3) Existing inventory and inventory history;

18 (4) Sales contracts;

19 (5) Current and future projected market conditions; and

20 (6) Any other factors relevant to ensuring responsible cultivation, production, and
21 inventory management for both medical and adult use cannabis.

22 (d) Upon expiration of the moratorium pursuant to this section, the commission may adopt
23 rules and regulations authorizing issuance of additional cultivator licenses; provided, however, a
24 new cultivator licensee's canopy shall not exceed ten thousand square feet (10,000 ft²). In
25 determining whether to issue additional cultivator licenses, the cannabis control commission shall
26 consider the findings of the report submitted pursuant to subsection (c) of this section.

27 (e) For the purposes of this section, "canopy" means the total surface area within a
28 cultivation area that is dedicated to the cultivation of mature cannabis plants. The surface area of
29 the canopy must be calculated in square feet and measured using the outside boundaries of the area
30 and must include all of the area within the boundaries. If the surface area of the canopy consists of
31 noncontiguous areas, each component area must be separated by identifiable boundaries. If a tiered
32 or shelving system is used in the cultivation area, the surface area of each tier or shelf must be
33 included in calculating the area of the canopy. The canopy does not include the areas within the
34 cultivation area that are used to cultivate immature cannabis plants and seedlings and that are not

1 used at any time to cultivate mature cannabis plants.

2 (f) To qualify for issuance of any cannabis cultivator license under subsection (d) of this
3 section, an applicant shall satisfy all requirements and qualifications established by the commission
4 to include but not limited to, the following:

5 (1) Apply for a license in a manner prescribed by the commission;

6 (2) Provide proof that the applicant is twenty-one (21) years of age or older and is a resident
7 of the state;

8 (3) Undergo a criminal record background check pursuant to § 21-28.11-12.1 and on any
9 terms established by the commission;

10 (4) Provide proof that the applicant is current with and in compliance with all obligations
11 required by the division of taxation, including filings and payment of taxes;

12 (5) Has provided a nonrefundable application fee as determined by the commission;

13 (6) Shall consent and be subject to inspections by the commission for the purposes of
14 ensuring and enforcing compliance with this chapter and all rules and regulations promulgated
15 pursuant to this chapter; and

16 (7) Prior to the issuance of any license and for any period of renewal, the applicant shall
17 submit an annual license fee pursuant to subsection (b) of this section to be deposited in the social
18 equity fund established in § 21-28.11-31.

19 (g) The commission may determine and adjust the application fee or annual license fee
20 pursuant to the commission's rulemaking authority and in accordance with the provisions of chapter
21 35 of title 42.

22 (h) Every individual cannabis plant possessed by a licensed cannabis cultivator shall be
23 catalogued in a seed-to-sale inventory tracking system. The commission shall review the current
24 seed-to-sale tracking system utilized pursuant to chapter 28.6 of this title and promulgate new or
25 additional regulations, as it deems appropriate. As of December 1, 2022, any cannabis tags issued
26 to provide seed-to-sale inventory and tracking shall be issued without charge to patient cardholders
27 and/or primary caregivers authorized to grow medical cannabis.

28 (i) Notwithstanding any other provisions of the general laws, the manufacture of cannabis
29 using a solvent extraction process that includes the use of a compressed, flammable gas as a solvent
30 by a licensed cannabis cultivator shall not be subject to the protections of this chapter.

31 (j) Cannabis cultivators shall sell cannabis only to an entity licensed pursuant to the
32 provisions of this chapter or chapter 28.6 of this title.

33 (k) Cannabis cultivators shall be licensed to grow cannabis only at a location or locations
34 registered with and approved by the cannabis commission. The commission may promulgate

1 regulations governing locations where cultivators are authorized to grow. Cannabis cultivators shall
2 abide by all local ordinances, including zoning ordinances.

3 (l) As a condition of licensing, cannabis cultivators shall consent and be subject to
4 inspection by the commission for the purposes of ensuring and enforcing compliance with this
5 chapter and chapter 28.6 of this title, all rules and regulations promulgated pursuant to this chapter,
6 and the provisions of § 28-5.1-14.

7 (m) Persons issued cultivator licenses shall be subject to the following:

8 (1) A licensed cannabis cultivator shall notify and request approval from the commission
9 of any change in his or her name or address within ten (10) days of the change. A licensed cannabis
10 cultivator who fails to notify the commission of any of these changes ~~commits~~ shall be subject to
11 an administrative fine of no more than one hundred fifty dollars (\$150), or other penalty as
12 determined by the commission.

13 (2) When a licensed cannabis cultivator notifies the commission of any changes listed in
14 this subsection, the commission shall issue the licensed cannabis cultivator a new license
15 identification document after the commission approves the changes and receives from the licensee
16 payment of a fee specified in regulations.

17 (3) If a licensed cannabis cultivator loses his or her license or certification document, he or
18 she shall notify the commission and submit a fee specified in regulation within ten (10) days of
19 losing the document. The commission shall issue a new license document with a new random
20 identification number, upon receipt of payment of a fee promulgated in the rules and regulations
21 not to exceed the amount of one hundred dollars (\$100).

22 (4) A licensed cannabis cultivator has a continuing duty to notify the commission of any
23 criminal conviction(s) that occurs after the issuance of a license or registration. A criminal
24 conviction may not automatically result in suspension or revocation of a license, but shall be subject
25 to § 21-28.11-12.1. The commission may suspend and/or revoke his or her license after the
26 notification, pending a final determination of disqualification pursuant to § 21-28.11-12.1.

27 (5) If a licensed cannabis cultivator violates any provision of this chapter or regulations
28 promulgated hereunder as determined by the commission, his or her issued license may be
29 suspended and/or revoked.

30 (n) **Immunity.**

31 (1) No licensed cannabis cultivator shall be subject to: arrest; prosecution; search or
32 seizure, except as authorized pursuant to §§ 21-28.11-20 and 21-28.11-27 and subsection (f)(6) of
33 this section; or penalty in any manner, or denied any right or privilege, including, but not limited
34 to, civil penalty or disciplinary action by a business, occupational, or professional licensing board

1 or entity, solely for acting in accordance with this chapter, chapter 28.6 of this title and rules and
2 regulations promulgated by the commission.

3 (2) No principal officers, board members, agents, volunteers, or employees of a licensed
4 cannabis cultivator shall be subject to arrest; prosecution; search or seizure, except as authorized
5 pursuant to §§ 21-28.11-20 and 21-28.11-27 and subsection (f)(6) of this section; or penalty in any
6 manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary
7 action by a business, occupational, or professional licensing board or entity, solely for working for
8 or with a licensed cannabis cultivator to engage in acts permitted by this chapter, chapter 28.6 of
9 this title and rules and regulations promulgated by the commission.

10 (3) No state employee or commission member shall be subject to arrest; prosecution; search
11 or seizure, except as authorized pursuant to §§ 21-28.11-20 and 21-28.11-27; or penalty in any
12 manner, or denied any right or privilege, including, but not limited to, civil penalty, disciplinary
13 action, termination, or loss of employee or pension benefits, for any and all conduct that occurs
14 within the scope of his or her employment regarding the administration, execution, and/or
15 enforcement of this chapter, chapter 28.6 of this title and rules and regulations promulgated by the
16 commission, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

17 (o) Nothing in this section shall be construed as authorizing a cannabis cultivator to transfer
18 or sell cannabis directly to a consumer. A direct sale or transfer from a cannabis cultivator to a
19 consumer is prohibited and shall be grounds for revocation of license and criminal prosecution.

20 (p) A cannabis cultivator and all agents and employees of the cannabis cultivator shall
21 comply with all rules adopted by the commission and other applicable laws.

22 (q) No cannabis or cannabis product shall be sold or otherwise marketed pursuant to this
23 chapter that has not first been tested by a cannabis testing laboratory and determined to meet the
24 commission's testing protocols issued pursuant to § 21-28.11-11. Cannabis cultivators shall be
25 subject to any regulations promulgated by the commission that specify how marijuana shall be
26 tested, including, but not limited to, potency, cannabinoid profile and contaminants. Cannabis
27 cultivators shall be subject to any product labeling requirements promulgated by the commission
28 or otherwise required by law.

29 (r) **License required.** No person or entity shall engage in activities described in this section
30 without a cultivator license issued pursuant to this chapter.

31 SECTION 10. Sections 23-17.7.1-2 and 23-17.7.1-23 of the General Laws in Chapter 23-
32 17.7.1 entitled "Licensing of Nursing Service Agencies" are hereby amended to read as follows:

33 **23-17.7.1-2. Definitions.**

34 (a) "Director" means the director of the state department of health;

1 (b) "Licensing agency" means the state department of health;

2 (c) "Nursing assistant" is defined as a nursing, orderly, or home health aide who is a
3 paraprofessional trained to give personal care and related health care and assistance based on his
4 or her level of preparation to individuals who are sick, disabled, dependent, or infirmed. The
5 director of the department of health may by regulation establish different levels of nursing
6 assistants;

7 (d) "Nursing service agency" is defined as any person, firm, partnership, or corporation
8 doing business within the state that supplies, on a temporary basis, registered nurses, licensed
9 practical nurses, or nursing assistants to a hospital, nursing home, or other facility requiring the
10 services of those persons, with the exception of hospitals, home nursing care providers, home care
11 providers, and hospices licensed in this state. For all purposes a nursing service agency shall be
12 considered an employer and those persons that it supplies on a temporary basis shall be considered
13 employees and not independent contractors, and the nursing service agency shall be subject to all
14 state and federal laws which govern employer-employee relations;

15 (e) "Service record" means the written entire [entries](#) documenting service rendered by the
16 nursing service agency.

17 **23-17.7.1-23. Annual reporting requirements.**

18 (a) The agency shall submit an annual statistical report to the department of health
19 including, but not limited to:

20 (1) Mean, median, and average salaries and hourly pay rates of employees, by employment
21 type;

22 (2) Number of employees;

23 (3) Number of employees terminated;

24 (4) Number of employees reported to the office of the attorney general; and

25 (5) Number of employees reported to the department for abuse, neglect, misappropriation,
26 and job abandonment.

27 (b) For every person placed for employment, or temporary performance of services by an
28 employment agency with a healthcare provider employer, the employment agency shall annually
29 report:

30 (1) The amount charged for each person;

31 (2) The amount paid to each person;

32 (3) The amount of payment received that is retained by the employment agency;

33 (4) Any other information that the department, in conjunction with the department of
34 human services, determines relevant to determine how much healthcare provider employers who

1 participate in Medicare and Medicaid are charged by ~~employment agency services~~ nursing
2 service agencies.

3 (c) Reports under this section shall be submitted by the employment agencies no later than
4 thirty (30) days after the end of the calendar year.

5 SECTION 11. Section 28-14-19 of the General Laws in Chapter 28-14 entitled "Payment
6 of Wages" is hereby amended to read as follows:

7 **28-14-19. Enforcement powers and duties of director of labor and training. [Effective**
8 **January 1, 2024.]**

9 (a) It shall be the duty of the director to ensure compliance with the provisions of this
10 chapter and chapter 12 of this title. The director, or the director's designee, may investigate any
11 violations thereof, institute or cause to be instituted actions for the collection of wages, and institute
12 action for penalties or other relief as provided for within and pursuant to those chapters. The
13 director, or the director's authorized representatives, are empowered to hold hearings, and the
14 director or the director's designee shall cooperate with any employee in the enforcement of a claim
15 against the employee's employer in any case whenever, in the opinion of the director or the
16 director's designee, the claim is just and valid.

17 (b) Upon receipt of a complaint or conducting an inspection under applicable law, the
18 director, or the director's appropriate departmental designee, is authorized to investigate to
19 determine compliance with this chapter and chapter 12 of this title. The director or designee shall
20 forward all complaints to the investigatory team within the department of labor and training who
21 shall conduct the initial screening, investigation, and field audits, as set forth in § 28-14-19.1.

22 (c) With respect to all complaints deemed just and valid by the investigatory team, the
23 director, or the director's designee, shall order a hearing thereon at a time and place to be specified,
24 and shall give notice thereof, together with a copy of the complaint or the purpose thereof, or a
25 statement of the facts disclosed upon investigation, which notice shall be served personally or by
26 mail on any person, business, corporation, or entity of any kind affected thereby. The hearing shall
27 be scheduled within thirty (30) days of service of a formal complaint as provided herein. The
28 person, business, corporation, or entity shall have an opportunity to be heard in respect to the
29 matters complained of at the time and place specified in the notice. The hearing shall be conducted
30 by the director or the director's designee. The hearing officer in the hearing shall be deemed to be
31 acting in a judicial capacity, and shall have the right to issue subpoenas, administer oaths, and
32 examine witnesses. The enforcement of a subpoena issued under this section shall be regulated by
33 Rhode Island civil practice law and rules. The hearing shall be expeditiously conducted and upon
34 such hearing the hearing officer shall determine the issues raised thereon and shall make a

1 determination and enter an order within thirty (30) days of the close of the hearing, and forthwith
2 serve a copy of the order, with a notice of the filing thereof, upon the parties to the proceeding,
3 personally or by mail. The order shall dismiss the complaint or direct payment of any wages and/or
4 benefits found to be due and/or award such other appropriate relief or penalties authorized under
5 this chapter and chapter 12 of this title, and the order may direct payment of reasonable attorney's
6 fees and costs to the complaining party. Interest at the rate of twelve percent (12%) per annum shall
7 be awarded in the order from the date of the nonpayment to the date of payment.

8 (d) The order shall also require payment of a further sum as a civil penalty in an amount
9 up to two (2) times the total wages and/or benefits found to be due, exclusive of interest, which
10 shall be shared equally between the department and the aggrieved party. In determining the amount
11 of any penalty to impose, the director, or the director's designee, shall consider the size of the
12 employer's business, the good faith of the employer, the gravity of the violation, the previous
13 violations, and whether or not the violation was an innocent mistake or willful.

14 (e) The director may institute any action to recover unpaid wages or other compensation or
15 obtain relief as provided under this section with or without the consent of the employee or
16 employees affected.

17 (f) No agreement between the employee and employer to work for less than the applicable
18 wage and/or benefit rate or to otherwise work under ~~and/or~~ conditions in violation of applicable
19 law is a defense to an action brought pursuant to this section.

20 (g) The director shall notify the contractors' registration board of any order issued or any
21 determination hereunder that an employer has violated this chapter, chapter 12 of this title, or
22 chapter 13 of title 37. The director shall notify the tax administrator of any determination hereunder
23 that may affect liability for an employer's payment of wages and/or payroll taxes.

24 SECTION 12. Sections 21-31-2 and 21-31-13 of the General Laws in Chapter 21-31
25 entitled "Rhode Island Food, Drugs, and Cosmetics Act" are hereby amended to read as follows:

26 **21-31-2. Definitions.**

27 For the purpose of this chapter:

28 (1) "Advertisement" means all representations disseminated in any manner or by any
29 means, other than by labeling, for the purpose of inducing, or which are likely to induce, directly
30 or indirectly, the purchase of food, drugs, devices, or cosmetics.

31 (2) "Contaminated with filth" applies to any food, drug, device, or cosmetic not securely
32 protected from dust, dirt, and, as far as may be necessary by all reasonable means, from all foreign
33 or injurious contaminations.

34 (3) "Cosmetics" means: (i) articles intended to be rubbed, poured, sprinkled, or sprayed on,

1 introduced into, or applied to the human body or any part of the body for cleansing, beautifying,
2 promoting attractiveness, or altering the appearance, and (ii) articles intended for use as a
3 component of any articles described in this subdivision, except that this term shall not include soap.

4 (4) “Device” (except when used in subdivision ~~(23)~~ (13)(iv) of this section and in §§ 21-
5 31-3(10), 21-31-11(6), 21-31-15(a)(3), and 21-31-18(3)) means instruments, apparatus, and
6 contrivances, including their components, parts, and accessories, intended: (i) for use in the
7 diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals; or (ii)
8 to affect the structure or any function of the body of humans or other animals.

9 (5) “Director” means the director of health.

10 (6) “Distressed merchandise” means any food which has had the label lost or which has
11 been subjected to possible damage due to accident, fire, flood, adverse weather, or to any other
12 similar cause, and which may have been rendered unsafe or unsuitable for human or animal
13 consumption or use.

14 (7) “Dosage form” means the form of the completed drug product (such as tablet, syrup, or
15 suppository).

16 (8) “Drug” means: (i) articles recognized in the official United States Pharmacopoeia,
17 official Homeopathic Pharmacopoeia of the United States, or official National Formulary, or any
18 supplement to any of them; (ii) articles intended for use in the diagnosis, cure, mitigation, treatment,
19 or prevention of disease in humans or other animals; (iii) articles (other than food) intended to
20 affect the structure or any function of the body of humans or other animals; and (iv) articles
21 intended for use as a component of any article specified in paragraphs (i), (ii) or (iii) of this
22 subdivision; but does not include devices or their components, parts, or accessories.

23 (9) “Drug product” means a dosage form containing one or more active therapeutic
24 ingredients along with other substances included during the manufacturing process.

25 (10)(i) “Equivalent and interchangeable” means having the same generic name, dosage
26 form, and labeled potency, meeting standards of the United States Pharmacopoeia or National
27 Formulary, or their successors, if applicable, and not found in violation of the requirements of the
28 United States Food and Drug Administration, or its successor agency, or the department of health.

29 (ii) “Generic” means the chemical or established name of a drug or drug product.

30 (11) “Federal Act” means the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 301 et
31 seq.

32 (12) “Food” means: (i) articles used for food or drink for humans or other animals, (ii)
33 chewing gum, and (iii) articles used for components of any article described in this subdivision.

34 (13)(i) “Label” means a display of written, printed, or graphic matter upon the immediate

1 container of any article; and a requirement made by or under authority of this chapter that any word,
2 statement, or other information appearing on the label shall not be considered to be complied with
3 unless the word, statement, or other information also appears on the outside container or wrapper,
4 if any, of the retail package of the article, or is easily legible through the outside container or
5 wrapper.

6 (ii) "Immediate container" does not include package liners.

7 (iii) "Labeling" means all labels and other written, printed, or graphic matter: (A) upon an
8 article or any of its containers or wrappers, or (B) accompanying the article.

9 (iv) If an article is alleged to be misbranded because the labeling is misleading, or if an
10 advertisement is alleged to be false because it is misleading, then in determining whether the
11 labeling or advertisement is misleading there shall be taken into account (among other things) not
12 only representations made or suggested by statement, word, design, device, sound, or in any
13 combination of them, but also the extent to which the labeling or advertisement fails to reveal facts
14 material in the light of the representations or material with respect to consequences which may
15 result from the use of the article to which the labeling or advertisement relates under the conditions
16 of use prescribed in the labeling or advertisement or under the conditions of use that are customary
17 or usual.

18 (14) "Native" means a product harvested in Rhode Island and is limited to the following:

19 (i) "Bay scallop" means *Argopecten irradians*.

20 (ii) "Bay quahog" means *Mercenaria mercenaria*.

21 (iii) "Steamer clams" means *Mya arenaria*.

22 (iv) "Mussels" means *Mytilus edulis*.

23 (v) "Oysters" means *Crassostrea virginica*.

24 (15) "New drug" means: (i) any drug the composition of which is such that the drug is not
25 generally recognized among experts qualified by scientific training and experience to evaluate the
26 safety of drugs as safe for use under conditions prescribed, recommended, or suggested in the
27 labeling of it; or (ii) any drug the composition of which is such that the drug, as a result of
28 investigations to determine its safety for use under those conditions has become so recognized, but
29 which has not, otherwise than in the investigations, been used to a material extent or for a material
30 time under those conditions.

31 (16) "Official compendium" means the official United States Pharmacopoeia, official
32 Homeopathic Pharmacopoeia of the United States, official National Formulary, or any supplement
33 to any of them.

34 (17) "Patient" means, as the case may be: (i) the individual medically requiring a drug, for

1 whom a drug is prescribed; or (ii) the owner or the agent of the owner of an animal medically
2 requiring a drug, for which a drug is prescribed.

3 (18) "Person" includes individual, partnership, corporation, and association.

4 (19) "Pharmacist" means a person duly registered with the board of pharmacy as a
5 compounder, dispenser, or supplier of drugs upon prescription, including registered assistant
6 pharmacists as defined by law.

7 (20) "Pharmacy" means a place where drugs, medicines, or poisons are sold at retail or
8 where prescriptions of physicians, dentists, veterinarians, and other practitioners authorized to issue
9 prescriptions for drugs, medicines, and poisons are compounded, dispensed, supplied or sold.

10 (21) "Practitioner" means a person authorized by law to practice medicine, dentistry,
11 osteopathy, ~~chiroprody~~ podiatry, or veterinary medicine in this state.

12 (22) "Prescription" means an order, issued in good faith in the course of professional
13 practice only, by a practitioner to a pharmacist for a drug for a particular patient, which specifies
14 the date of its issue, the name and address of the practitioner, the name and address of the patient
15 (and, if the drug is prescribed for an animal, the species of the animal), the name and quantity of
16 the drug prescribed, directions for the use of the drug, and the signature of the practitioner;
17 provided, that a prescription received by word of mouth, telephone, or other means of
18 communication shall be reduced promptly to writing by the pharmacist in the form prescribed in
19 this subdivision, and the record so made shall constitute the original prescription to be filed and
20 preserved by the pharmacist; and, provided, further, that any refill authorization received by word
21 of mouth, telephone, or other means of communication shall be reduced promptly to writing by the
22 pharmacist, with the date of it on the face or on the reverse side of the original prescription.

23 (23) The representation of a drug, in its labeling or advertisement, as an antiseptic shall be
24 considered to be a representation that it is a germicide, except in the case of a drug purporting to
25 be, or represented as, an antiseptic for inhibitory use as a wet dressing, ointment, dusting powder,
26 or any other use that involves prolonged contact with the body.

27 (24) The provisions of this chapter regarding the selling of food, drugs, devices, or
28 cosmetics shall be considered to include the manufacture, production, processing, packing,
29 exposure, offer, possession, and holding of any article for sale, and the sale, dispensing, and giving
30 of any article, and the supplying or applying of the articles in the conduct of any food, drug, or
31 cosmetic establishment.

32 **21-31-13. Poisonous or deleterious substance — Regulations as to use.**

33 (a) Any poisonous or deleterious substance added to any food, except where the substance
34 is required in the production of it or cannot be avoided by good manufacturing practice, shall be

1 deemed to be unsafe for purposes of the application of § 21-31-10(1)(ii); but when a substance is
2 required or cannot be avoided, the director of health shall promulgate regulations limiting the
3 quantity in it or on it to the extent that the director of health finds necessary for the protection of
4 public health, and any quantity exceeding the limits fixed shall also be deemed to be unsafe for
5 purposes of the application of § 21-31-10(1)(ii). While a regulation is in effect limiting the quantity
6 of any substance in the case of any food, that food shall not, by reason of bearing or containing any
7 added amount of the substance, be considered to be adulterated within the meaning of § ~~31-21-~~
8 ~~10(1)(i)~~ 21-31-10(1)(i). In determining the quality of the added substance to be tolerated in or on
9 different articles of food, the director of health shall take into account the extent to which the use
10 of the substance is required or cannot be avoided in the production of each article and the other
11 ways in which the consumer may be affected by the same or other poisonous or deleterious
12 substances.

13 (b) To assist the director in carrying out his or her responsibilities under this section, the
14 director is authorized to collect food samples and to provide laboratory analyses to further the
15 purposes of this chapter.

16 SECTION 13. Section 21-31.1-15 of the General Laws in Chapter 21-31.1 entitled
17 "Veterinary Drugs" is hereby amended to read as follows:

18 **21-31.1-15. Detention.**

19 Whenever an authorized representative of the director encounters a prescription veterinary
20 drug in the possession of a person who is not authorized by § 21-31.1-13, the representative may
21 affix to the drug a tag or other appropriate marking, warning all persons not to remove or dispose
22 of the drug by sale or otherwise until permission is given for removal or disposal by the director or
23 the court.

24 SECTION 14. Sections 27-18-91 and 27-18-92 of the General Laws in Chapter 27-18
25 entitled "Accident and Sickness Insurance Policies" are hereby amended to read as follows:

26 **27-18-91. Coverage for treatment of pre-exposure prophylaxis (PrEP) for the**
27 **prevention of HIV and post-exposure prophylaxis (PEP) to prevent HIV infection. [Effective**
28 **January 1, 2024.]**

29 (a) Every group health insurance contract, or every group hospital or medical expense
30 insurance policy, plan, or group policy delivered, issued for delivery, or renewed in this state, by
31 any health insurance carrier, on or after January 1, 2024, shall provide coverage for treatment of
32 pre-exposure prophylaxis ("PrEP") for the prevention of HIV and post-exposure prophylaxis
33 ("PEP") to prevent HIV infection. Each long-acting injectable drug with a different duration shall
34 constitute a separate method of administration. A health insurer is not required to cover any pre-

1 exposure prophylaxis drug or post-exposure prophylaxis drug dispensed or administered by an out-
2 of-network pharmacy provider unless the enrollee’s health plan provides an out-of-network
3 pharmacy benefit.

4 (b) The healthcare benefits outlined in this ~~chapter section~~ apply only to services delivered
5 within the health insurer’s provider network; provided that, all health insurers shall be required to
6 provide coverage for those benefits mandated by this ~~chapter section~~ outside of the health insurer’s
7 provider network where it can be established that the required services are not available from a
8 provider in the health insurer’s network.

9 ~~**27-18-92. Expedited prior authorization. Expedited prior authorization for HIV**~~
10 ~~**PrEP or PEP drugs. [Effective January 1, 2024.]**~~

11 To the extent a prior authorization is permitted and applied for the prescribing,
12 dispensing, and administration of HIV PrEP or PEP drugs, then it shall be conducted in an
13 expedited manner as soon as possible, but no later than seventy-two (72) hours pursuant to § 27-
14 18.9-6(a)(1).

15 SECTION 15. Sections 27-19-83 and 27-19-84 of the General Laws in Chapter 27-19
16 entitled "Nonprofit Hospital Service Corporations" are hereby amended to read as follows:

17 ~~**27-19-83. Coverage for treatment of pre-exposure prophylaxis (PrEP) for the**~~
18 ~~**prevention of HIV and post-exposure prophylaxis (PEP) to prevent HIV infection. [Effective**~~
19 ~~**January 1, 2024.]**~~

20 (a) Every group health insurance contract, or every group hospital or medical expense
21 insurance policy, plan, or group policy delivered, issued for delivery, or renewed in this state, by
22 any health insurance carrier, on or after January 1, 2024, shall provide coverage for treatment of
23 pre-exposure prophylaxis (“PrEP”) for the prevention of HIV and post-exposure prophylaxis
24 (“PEP”) to prevent HIV infection. Each long-acting injectable drug with a different duration shall
25 constitute a separate method of administration. A health insurer is not required to cover any pre-
26 exposure prophylaxis drug or post-exposure prophylaxis drug dispensed or administered by an out-
27 of-network pharmacy provider unless the enrollee’s health plan provides an out-of-network
28 pharmacy benefit.

29 (b) The healthcare benefits outlined in this ~~chapter section~~ apply only to services delivered
30 within the health insurer’s provider network; provided that, all health insurers shall be required to
31 provide coverage for those benefits mandated by this ~~chapter section~~ outside of the health insurer’s
32 provider network where it can be established that the required services are not available from a
33 provider in the health insurer’s network.

34 ~~**27-19-84. Expedited prior authorization. Expedited prior authorization for HIV**~~

1 **PrEP or PEP drugs. [Effective January 1, 2024.]**

2 To the extent a prior authorization is permitted and applied [for the prescribing,](#)
3 [dispensing, and administration of HIV PrEP or PEP drugs](#), then it shall be conducted in an
4 expedited manner as soon as possible, but no later than seventy-two (72) hours pursuant to § 27-
5 18.9-6(a)(1).

6 SECTION 16. Sections 27-20-79 and 27-20-80 of the General Laws in Chapter 27-20
7 entitled "Nonprofit Medical Service Corporations" are hereby amended to read as follows:

8 **27-20-79. Coverage for treatment of pre-exposure prophylaxis (PrEP) for the**
9 **prevention of HIV and post-exposure prophylaxis (PEP) to prevent HIV infection. [Effective**
10 **January 1, 2024.]**

11 (a) Every group health insurance contract, or every group hospital or medical expense
12 insurance policy, plan, or group policy delivered, issued for delivery, or renewed in this state, by
13 any health insurance carrier, on or after January 1, 2024, shall provide coverage for treatment of
14 pre-exposure prophylaxis ("PrEP") for the prevention of HIV and post-exposure prophylaxis
15 ("PEP") to prevent HIV infection. Each long-acting injectable drug with a different duration shall
16 constitute a separate method of administration. A health insurer is not required to cover any pre-
17 exposure prophylaxis drug or post-exposure prophylaxis drug dispensed or administered by an out-
18 of-network pharmacy provider unless the enrollee's health plan provides an out-of-network
19 pharmacy benefit.

20 (b) The healthcare benefits outlined in this [chapter section](#) apply only to services delivered
21 within the health insurer's provider network; provided that, all health insurers shall be required to
22 provide coverage for those benefits mandated by this [chapter section](#) outside of the health insurer's
23 provider network where it can be established that the required services are not available from a
24 provider in the health insurer's network.

25 **27-20-80. ~~Expedited prior authorization.~~ Expedited prior authorization for HIV**
26 **PrEP or PEP drugs. [Effective January 1, 2024.]**

27 To the extent a prior authorization is permitted and applied [for the prescribing,](#)
28 [dispensing, and administration of HIV PrEP or PEP drugs](#), then it shall be conducted in an
29 expedited manner as soon as possible, but no later than seventy-two (72) hours pursuant § 27-18.9-
30 6(a)(1).

31 SECTION 17. Sections 27-41-96 and 27-41-97 of the General Laws in Chapter 27-41
32 entitled "Health Maintenance Organizations" are hereby amended to read as follows:

33 **27-41-96. Coverage for treatment of pre-exposure prophylaxis (PrEP) for the**
34 **prevention of HIV and post-exposure prophylaxis (PEP) to prevent HIV infection. [Effective**

1 **January 1, 2024.]**

2 (a) Every group health insurance contract, or every group hospital or medical expense
3 insurance policy, plan, or group policy delivered, issued for delivery, or renewed in this state, by
4 any health insurance carrier, on or after January 1, 2024, shall provide coverage for treatment of
5 pre-exposure prophylaxis (“PrEP”) for the prevention of HIV and post-exposure prophylaxis
6 (“PEP”) to prevent HIV infection. Each long-acting injectable drug with a different duration shall
7 constitute a separate method of administration. A health insurer is not required to cover any pre-
8 exposure prophylaxis drug or post-exposure prophylaxis drug dispensed or administered by an out-
9 of-network pharmacy provider unless the enrollee’s health plan provides an out-of-network
10 pharmacy benefit.

11 (b) The healthcare benefits outlined in this ~~chapter~~ [section](#) apply only to services delivered
12 within the health insurer’s provider network; provided that, all health insurers shall be required to
13 provide coverage for those benefits mandated by this ~~chapter~~ [section](#) outside of the health insurer’s
14 provider network where it can be established that the required services are not available from a
15 provider in the health insurer’s network.

16 **27-41-97. ~~Expedited prior authorization.~~ Expedited prior authorization for HIV**
17 **PrEP or PEP drugs. [Effective January 1, 2024.]**

18 To the extent a prior authorization is permitted and applied [for the prescribing,](#)
19 [dispensing, and administration of HIV PrEP or PEP drugs,](#) then it shall be conducted in an
20 expedited manner as soon as possible, but no later than seventy-two (72) hours pursuant to § 27-
21 18.9-6(a)(1).

22 SECTION 18. Section 28-57-3 of the General Laws in Chapter 28-57 entitled "Healthy and
23 Safe Families and Workplaces Act" is hereby amended to read as follows:

24 **28-57-3. Definitions.**

25 As used in the chapter, the following words and terms have the following meanings:

26 (1) “Care recipient” means a person for whom the employee is responsible for providing
27 or arranging health- or safety-related care, including, but not limited to, helping the person obtain
28 diagnostic, preventive, routine, or therapeutic health treatment or ensuring the person is safe
29 following domestic violence, sexual assault, or stalking.

30 (2) “CCAP family childcare provider” means a childcare worker as defined in § 40-6.6-
31 2(2).

32 (3) “Child” means a person as defined in § 28-41-34(3).

33 (4) “Department” means the department of labor and training.

34 (5) “Domestic partner” means a party to a civil union as defined in chapter 3.1 of title 15

1 or a person who meets the requirements in §§ 36-12-1(3)(i) through (3)(v) and has the same
2 meaning as that term is defined in § 8-8.2-20.

3 (6) “Domestic violence” means certain crimes when committed by one family or household
4 member against another as defined in § 12-29-2.

5 (7) “Employee” means any person suffered or permitted to work by an employer, except
6 for those not considered employees as defined in § 28-12-2. Independent contractors,
7 subcontractors, work study participants as described pursuant to ~~42 20~~ U.S.C. § ~~2753.23~~ 1087-53,
8 and any other individuals pursuant to the provisions of 29 U.S.C. § 203 et seq. (Fair Labor
9 Standards Act) shall not be considered to be employees for the purpose of this act.

10 (8) “Employer” means any individual or entity that includes any individual, partnership,
11 association, corporation, business trust, or any person or group of persons acting directly or
12 indirectly in the interest of an employer, in relation to an employee as defined in § 28-12-2, but
13 does not include the federal government, and provided that in determining the number of employees
14 performing work for an employer as defined in 29 C.F.R. § 791.2 of the federal Fair Labor
15 Standards Act, 29 U.S.C. § 201 et seq., the total number of employees in that group shall be
16 counted.

17 (9) “Family member” means a child, parent, spouse, mother-in-law, father-in-law,
18 grandparents, grandchildren, or domestic partner, sibling, care recipient, or member of the
19 employee’s household.

20 (10) “Healthcare professional” means any person licensed under federal or Rhode Island
21 law to provide medical or emergency services, including, but not limited to: doctors, nurses, and
22 emergency room personnel.

23 (11) “Paid sick leave time” or “paid sick and safe leave time” means time that is
24 compensated at the same hourly rate and with the same benefits, including healthcare benefits, as
25 the employee normally earns during hours worked and is provided by an employer to an employee
26 for the purposes described in § 28-57-6, but in no case shall the hourly wage paid leave be less than
27 that provided under § 28-12-3.

28 (12) “Parent” means a person as defined in § 28-41-34(9) or a person as defined in § 28-
29 41-34(10).

30 (13) “Seasonal employee” means a person as defined in 26 C.F.R. § 54.4980H-1(a)(38).

31 (14) “Sexual assault” means a crime as defined in § 11-37-2, § 11-37-4 or § 11-37-6.

32 (15) “Sibling” means a brother or a sister, whether related through half blood, whole blood,
33 or adoption, a foster sibling, or a step-sibling.

34 (16) “Spouse” means a person as defined in § 28-41-34(13).

1 (17) “Stalking” means a crime as described in §§ 11-59-2 and 11-52-4.2.

2 (18) “Temporary employee” means any person working for, or obtaining employment
3 pursuant to an agreement with any employment agency, placement service, or training school or
4 center.

5 (19) “Unpaid sick time” is time that is used for the purposes described in § 28-57-6.

6 (20) “Year” means a regular and consecutive twelve-month (12) period as determined by
7 the employer; except that for the purposes of § 28-57-7, “year” means a calendar year.

8 SECTION 19. Section 31-10.4-1 of the General Laws in Chapter 31-10.4 entitled "Driver
9 Privilege Cards and Permits" is hereby amended to read as follows:

10 **31-10.4-1. Driver privilege cards and permits — State identification cards. [Effective**
11 **January 1, 2024.]**

12 (a) Upon application of any person who is unable to establish legal presence in the United
13 States, the division of motor vehicles is authorized to issue a driver privilege card and/or driver
14 privilege permit, if the applicant otherwise meets the requirements of chapter 10 of this title, or a
15 Rhode Island state identification card, to any applicant, if the division of motor vehicles determines
16 that the applicant:

17 (1) Has verification from the tax administrator that the applicant either has filed a personal
18 income tax return as a resident with this state for the tax year preceding the date of application or
19 has been claimed as a dependent on a personal income tax return by an individual who has filed a
20 personal income tax return as a resident with this state for the tax year preceding the date of
21 application;

22 (2) Presents two (2) primary proof of identity documents, as defined in § 31-10.4-5, or one
23 primary proof of identity document and one secondary proof of identity document, as defined in §
24 31-10.4-5;

25 (3) Presents two (2) proof of residency documents, which shall mean, for purposes of this
26 subsection, the proof of residency documents set forth in 280-RICR-30-00-1.4.1(D), as may be
27 amended from time to time; and

28 (4) Is not in violation of the insurance requirements, set forth in chapters 31 and 32 of this
29 title, provided that this subsection (a)(4) shall not apply to applicants for a Rhode Island state
30 identification card.

31 (b) Notwithstanding any other provision of law to the contrary, the administrator of the
32 division of motor vehicles may provide information submitted by the applicant to the tax
33 administrator for the sole purpose of implementing subsection (a)(1) of this section, and such
34 information shall be kept confidential by the tax administrator.

1 (c) Rhode Island state identification cards issued under this section shall be in the formats
2 required by the division of motor vehicles pursuant to §§ 3-8-6 and 3-8-6.1, respectively. The
3 division of motor vehicles may prescribe additional formatting requirements as it deems necessary
4 to further the provisions of this ~~subsection~~ [section](#).

5 SECTION 20. Section 31-19.6-1 of the General Laws in Chapter 31-19.6 entitled "Low-
6 Speed Vehicles [Effective July 1, 2024.]" is hereby amended to read as follows:

7 **31-19.6-1. Low-speed vehicles. [Effective July 1, 2024.]**

8 (a) Except as otherwise provided in chapters 19.4 and 19.5 of this title, a low-speed motor
9 vehicle or low-speed vehicle shall not be operated upon any public way unless such vehicle is
10 registered in accordance with the provisions of this chapter, displays the registration number as
11 provided in § 31-3-10, and displays a slow-moving vehicle emblem on the rear of the vehicle as
12 required by § ~~31-10.1-7~~ [31-23-47](#). Low-speed vehicles shall be subject to inspection as required by
13 chapter 38 of this title. The registrar may issue registration plates displaying the "Slow Moving
14 Vehicle" emblem for a low-speed vehicle upon the same terms and conditions applicable to
15 registrants of other motor vehicles and may issue a special parking identification placard bearing
16 the same designation upon the same terms and conditions applicable to persons seeking a placard
17 for a motor vehicle. Every person lawfully operating a low-speed motor vehicle shall have the right
18 to use the public highways in the state, except low-speed vehicles shall be prohibited from operation
19 on limited access highways, as defined in § 31-1-23, state highways, as defined in § 31-1-23, or
20 through highways as defined in § 31-1-23 or on any public highway or roadway with a speed limit
21 of more than thirty-five miles per hour (35 m.p.h.).

22 (b) Low-speed vehicles shall be subject to the traffic laws and regulations of the state and
23 the provisions of this section.

24 (c) Nothing in subsection (a) of this section shall be construed to prohibit a low-speed
25 motor vehicle from crossing a public highway at an intersection where the public highway to be
26 crossed has a posted speed limit between thirty-five miles per hour (35 m.p.h.) and forty-five miles
27 per hour (45 m.p.h.), provided the public highway the low-speed vehicle is traveling on and the
28 public highway the low-speed vehicle is crossing the intersection toward both have a speed limit
29 no higher than thirty-five miles per hour (35 m.p.h.) and the intersection is controlled by traffic
30 signals or stop signs.

31 (d) A municipality may, by ordinance, prohibit the operation of low-speed vehicles on a
32 laned roadway or local highway or a portion of a highway within its jurisdiction and under its
33 control, regardless of posted speeds, where it finds that use of the highway or a particular portion
34 of the highway by low-speed motor vehicles would represent an unreasonable risk of death or

1 serious injury to occupants of low-speed vehicles as a result of general traffic conditions which
2 shall include, but not be limited to, excessive speeds of other vehicles, traffic volumes, use of the
3 highway by heavy trucks or other large vehicles or if the established speed limit on the highway
4 increases above thirty-five miles per hour (35 m.p.h.) beyond the point where a low-speed vehicle
5 could safely exit the highway. The municipality shall post signs where necessary to provide notice
6 to the public of such prohibited access.

7 (e) Low-speed vehicles operated on Prudence Island, in the town of Portsmouth, pursuant
8 to the provisions of chapter 19.4 of this title, are exempt from the provisions of this chapter.

9 SECTION 21. Sections 45-23-39 and 45-23-71 of the General Laws in Chapter 45-23
10 entitled "Subdivision of Land" are hereby amended to read as follows:

11 **45-23-39. General provisions — Major land development and major subdivision**
12 **review stages. [Effective January 1, 2024.]**

13 (a) **Stages of review.** Major land development and major subdivision review consists of
14 three stages of review, master plan, preliminary plan, and final plan, following the pre-application
15 meeting(s) specified in § 45-23-35. Also required is a public hearing at the master plan stage of
16 review or, if combined at the first stage of review.

17 (b) The administrative officer may combine review stages and to modify but only the
18 planning board may waive requirements as specified in § 45-23-62. Review stages may be
19 combined only after the administrative officer determines that all necessary requirements have been
20 met by the applicant or that the planning board has waived any submission requirements not
21 included by the applicant.

22 (c) **Master plan review.**

23 (1) **Submission requirements.**

24 (i) The applicant shall first submit to the administrative officer the items required by the
25 local regulations for master plans.

26 (ii) Requirements for the master plan and supporting material for this phase of review
27 include, but are not limited to: information on the natural and built features of the surrounding
28 neighborhood, existing natural and man-made conditions of the development site, including
29 topographic features, the freshwater wetland and coastal zone boundaries, the floodplains, as well
30 as the proposed design concept, proposed public improvements and dedications, tentative
31 construction phasing; and potential neighborhood impacts.

32 (iii) Initial comments will be solicited from:

33 (A) Local agencies including, but not limited to, the planning department, the department
34 of public works, fire and police departments, the conservation and recreation commissions;

1 (B) Adjacent communities;

2 (C) State agencies, as appropriate, including the departments of environmental
3 management and transportation and the coastal resources management council; and

4 (D) Federal agencies, as appropriate. The administrative officer shall coordinate review
5 and comments by local officials, adjacent communities, and state and federal agencies.

6 (iv) Applications requesting relief from the zoning ordinance.

7 (A) Applications under this chapter that require relief that qualifies only as a modification
8 under § 45-24-46 and local ordinances shall proceed by filing a master plan application under this
9 section and a request for a modification to the zoning enforcement officer. If such modification is
10 granted, the application shall then proceed to be reviewed by the planning board pursuant to the
11 applicable requirements of this section. If the modification is denied or an objection is received as
12 set forth in § 45-24-46, such application shall proceed under unified development plan review
13 pursuant to § 45-23-50.1.

14 (B) Applications under this section that require relief from the literal provisions of the
15 zoning ordinance in the form of a variance or special use permit, shall be reviewed by the planning
16 board under unified development plan review pursuant to § 45-23-50.1.

17 (2) **Certification.** The application must be certified, in writing, complete or incomplete by
18 the administrative officer within twenty-five (25) days of the submission, according to the
19 provisions of § 45-23-36(c), so long as a completed checklist of requirements is provided with the
20 submission. The running of the time period set forth herein will be deemed stopped upon the
21 issuance of a certificate of incompleteness of the application by the administrative officer and will
22 recommence upon the resubmission of a corrected application by the applicant. However, in no
23 event will the administrative officer be required to certify a corrected submission as complete or
24 incomplete less than ten (10) days after its resubmission.

25 (3) **Technical review committee.** To the extent the community utilizes a technical review
26 committee, it shall review the application prior to the first planning board meeting and shall
27 comment and make recommendations to the planning board.

28 (4) **Public hearing.**

29 (i) A public hearing will be held prior to the planning board decision on the master plan.
30 If the master plan and preliminary plan review stages are being combined, a public hearing shall be
31 held during the combined stage of review.

32 (ii) Notice for the public hearing is required and must be given at least fourteen (14) days
33 prior to the date of the meeting in a newspaper of local circulation within the municipality. Notice
34 must be mailed to the applicant and to all property owners within the notice area, as specified by

1 local regulations.

2 (iii) At the public hearing, the applicant will present the proposed development project.
3 The planning board must allow oral and written comments from the general public. All public
4 comments are to be made part of the public record of the project application.

5 (5) **Decision.** The planning board shall, within ninety (90) days of certification of
6 completeness, or within a further amount of time that may be consented to by the applicant through
7 the submission of a written waiver, approve of the master plan as submitted, approve with changes
8 and/or conditions, or deny the application, according to the requirements of §§ 45-23-60 and 45-
9 23-63.

10 (6) **Failure to act.** Failure of the planning board to act within the prescribed period
11 constitutes approval of the master plan, and a certificate of the administrative officer as to the failure
12 of the planning board to act within the required time and the resulting approval will be issued on
13 request of the applicant.

14 (7) **Vesting.**

15 (i) The approved master plan is vested for a period of two (2) years, with the right to extend
16 for two (2), one-year extensions upon written request by the applicant, who must appear before the
17 planning board for the annual review. Thereafter, vesting may be extended for a longer period, for
18 good cause shown, if requested by the applicant, in writing, and approved by the planning board.
19 Master plan vesting includes the zoning requirements, conceptual layout, and all conditions shown
20 on the approved master plan drawings and supporting materials.

21 (ii) The initial four-year (4) vesting for the approved master plan constitutes the vested
22 rights for the development as required in § 45-24-44.

23 (d) Preliminary plan review.

24 (1) Submission requirements.

25 (i) The applicant shall first submit to the administrative officer the items required by the
26 local regulations for preliminary plans.

27 (ii) Requirements for the preliminary plan and supporting materials for this phase of the
28 review include, but are not limited to: engineering plans depicting the existing site conditions,
29 engineering plans depicting the proposed development project, and a perimeter survey.

30 (iii) At the preliminary plan review phase, the administrative officer shall solicit final,
31 written comments and/or approvals of the department of public works, the city or town engineer,
32 the city or town solicitor, other local government departments, commissions, or authorities as
33 appropriate.

34 (iv) Prior to approval of the preliminary plan, copies of all legal documents describing the

1 property, proposed easements, and rights-of-way.

2 (v) Prior to approval of the preliminary plan, an applicant must submit all permits required
3 by state or federal agencies, including permits related to freshwater wetlands, the coastal zone,
4 floodplains, preliminary suitability for individual septic disposal systems, public water systems,
5 and connections to state roads. For a state permit from the Rhode Island department of
6 transportation, a letter evidencing the issuance of such a permit upon the submission of a bond and
7 insurance is sufficient, but such actual permit shall be required prior to the issuance of a building
8 permit.

9 (vi) If the applicant is requesting alteration of any variances and/or special-use permits
10 granted by the planning board or commission at the master plan stage of review pursuant to adopted
11 unified development review provisions, and/or any new variances and/or special-use permits, such
12 requests and all supporting documentation shall be included as part of the preliminary plan
13 application materials, pursuant to § 45-23-50.1(b).

14 (2) **Certification.** The application will be certified as complete or incomplete by the
15 administrative officer within twenty-five (25) days, according to the provisions of § 45-23-36(c) so
16 long as a completed checklist of requirements is provided with the submission. The running of the
17 time period set forth herein will be deemed stopped upon the issuance of a certificate of
18 incompleteness of the application by the administrative officer and will recommence upon the
19 resubmission of a corrected application by the applicant. However, in no event shall the
20 administrative officer be required to certify a corrected submission as complete or incomplete less
21 than ten (10) days after its resubmission.

22 (3) **Technical review committee.** To the extent the community utilizes a technical review
23 committee, it shall review the application prior to the first planning board meeting and shall
24 comment and make recommendations to the planning board.

25 (4) **Public notice.** Prior to the first planning board meeting on the preliminary plan, public
26 notice shall be sent to abutters only at least fourteen (14) days before the hearing.

27 (5) **Public improvement guarantees.** Proposed arrangements for completion of the
28 required public improvements, including construction schedule and/or financial guarantees, shall
29 be reviewed and approved by the planning board at preliminary plan approval.

30 (6) **Decision.** A complete application for a major subdivision or development plan shall
31 be approved, approved with conditions, or denied, in accordance with the requirements of §§ 45-
32 23-60 and 45-23-63, within ninety (90) days of the date when it is certified complete, or within a
33 further amount of time that may be consented to by the developer through the submission of a
34 written waiver. Provided that, the timeframe for decision is automatically extended if evidence of

1 state permits has not been provided, or otherwise waived in accordance with this section.

2 (7) **Failure to act.** Failure of the planning board to act within the prescribed period
3 constitutes approval of the preliminary plan, and a certificate of the administrative officer as to the
4 failure of the planning board to act within the required time and the resulting approval shall be
5 issued on request of the applicant.

6 (8) **Vesting.** The approved preliminary plan is vested for a period of two (2) years with
7 the right to extend for two (2), one-year extensions upon written request by the applicant, who must
8 appear before the planning board for each annual review and provide proof of valid state or federal
9 permits as applicable. Thereafter, vesting may be extended for a longer period, for good cause
10 shown, if requested, in writing by the applicant, and approved by the planning board. The vesting
11 for the preliminary plan approval includes all general and specific conditions shown on the
12 approved preliminary plan drawings and supporting material.

13 (e) **Final plan.**

14 (1) **Submission requirements.**

15 (i) The applicant shall submit to the administrative officer the items required by the local
16 regulations for the final plan, as well as all material required by the planning board when the
17 application was given preliminary approval.

18 (ii) Arrangements for completion of the required public improvements, including
19 construction schedule and/or financial guarantees.

20 (iii) Certification by the tax collector that all property taxes are current.

21 (iv) For phased projects, the final plan for phases following the first phase, shall be
22 accompanied by copies of as-built drawings not previously submitted of all existing public
23 improvements for prior phases.

24 (2) **Certification.** The application for final plan approval shall be certified complete or
25 incomplete by the administrative officer in writing, within fifteen (15) days, according to the
26 provisions of § 45-23-36(c) so long as a completed checklist of requirements is provided with the
27 submission. This time period may be extended to twenty-five (25) days by written notice from the
28 administrative officer to the applicant where the final plans contain changes to or elements not
29 included in the preliminary plan approval. The running of the time period set forth herein shall be
30 deemed stopped upon the issuance of a certificate of incompleteness of the application by the
31 administrative officer and shall recommence upon the resubmission of a corrected application by
32 the applicant. However, in no event shall the administrative officer be required to certify a corrected
33 submission as complete or incomplete less than ten (10) days after its resubmission. If the
34 administrative officer certifies the application as complete and does not require submission to the

1 planning board as per subsection (c) of this section, the final plan shall be considered approved.

2 (3) **Decision.** The administrative officer, or, if referred to it, the planning board, shall
3 review, grant, grant with conditions, or deny final plan approval. A decision shall be issued within
4 forty-five (45) days after the certification of completeness, or within a further amount of time that
5 may be consented to by the applicant, to approve or deny the final plan as submitted.

6 (4) **Failure to act.** Failure of the planning board to act within the prescribed period
7 constitutes approval of the final plan, and a certificate of the administrative officer as to the failure
8 of the planning board to act within the required time and the resulting approval shall be issued on
9 request of the applicant.

10 (5) **Expiration of approval.** The final approval of a major subdivision or land
11 development project expires one year from the date of approval with the right to extend for one
12 year upon written request by the applicant, who must appear before the planning board for the
13 annual review, unless, within that period, the plat or plan has been submitted for signature and
14 recording as specified in § 45-23-64. Thereafter, the planning board may, for good cause shown,
15 extend the period for recording.

16 (6) **Acceptance of public improvements.** Signature and recording as specified in § 45-
17 23-64 constitute the acceptance by the municipality of any street or other public improvement or
18 other land intended for dedication. Final plan approval shall not impose any duty upon the
19 municipality to maintain or improve those dedicated areas until the governing body of the
20 municipality accepts the completed public improvements as constructed in compliance with the
21 final plans.

22 (7) **Validity of recorded plans.** The approved final plan, once recorded, remains valid as
23 the approved plan for the site unless and until an amendment to the plan is approved under the
24 procedure stated in § 45-23-65, or a new plan is approved by the planning board.

25 (f) **Modifications and changes to plans.**

26 (1) Minor changes, as defined in the local regulations, to the plans approved at any stage
27 may be approved administratively, by the administrative officer. The changes may be authorized
28 without an additional planning board meeting, to the extent applicable, at the discretion of the
29 administrative officer. All changes shall be made part of the permanent record of the project
30 application. This provision does not prohibit the administrative officer from requesting
31 recommendation from either the technical review committee or the permitting authority. Denial of
32 the proposed change(s) shall be referred to the applicable permitting authority for review as a major
33 change.

34 (2) Major changes, as defined in the local regulations, to the plans approved at any stage

1 may be approved only by the applicable permitting authority and must include a public hearing.

2 (3) The administrative officer shall notify the applicant in writing within fourteen (14)
3 days of submission of the final plan application if the administrative officer determines the change
4 to be a major change of the approved plans.

5 (g) **Appeal.** Decisions under this section shall be considered an appealable decision
6 pursuant to § 45-23-71.

7 **45-23-71. Appeals to the superior court. [Effective January 1, 2024.]**

8 (a) An aggrieved party may appeal a decision of the board of appeal; a decision of an
9 administrative officer made pursuant to § 45-23-38 or § 45-23-50 where authorized to approve or
10 deny an application; a decision of the technical review committee where authorized to approve or
11 deny an application; or a decision of the planning board, to the superior court for the county in
12 which the municipality is situated by filing a complaint stating the reasons for the appeal within
13 twenty (20) days after the decision has been recorded and posted in the office of the city or town
14 clerk. Recommendations by any public body or officer under this chapter are not appealable under
15 this section. The authorized permitting authority shall file the original documents acted upon by it
16 and constituting the record of the case appealed from, or certified copies of the original documents,
17 together with any other facts that may be pertinent, with the clerk of the court within thirty (30)
18 days after being served with a copy of the complaint. When the complaint is filed by someone other
19 than the original applicant or appellant, the original applicant or appellant and the planning board
20 shall be made parties to the proceedings. No responsive pleading is required for an appeal filed
21 pursuant to this section. The appeal does not stay proceedings upon the decision appealed from, but
22 the court may, in its discretion, grant a stay on appropriate terms and make any other orders that it
23 deems necessary for an equitable disposition of the appeal.

24 (b) Appeals from a decision granting or denying approval of a final plan shall be limited to
25 elements of the approval or disapproval not contained in the decision reached by the planning board
26 at the preliminary stage; **providing provided** that, a public hearing has been held on the plan, if
27 required pursuant to this chapter.

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 planning board 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 report, shall constitute
32 the record upon which the determination of the court shall be made.

33 (d) The court shall not substitute its judgment for that of the planning board as to the weight
34 of the evidence on questions of fact. The court may affirm the decision of the board of appeal or

1 remand the case for further proceedings, or may reverse or modify the decision if substantial rights
2 of the appellant have been prejudiced because of findings, inferences, conclusions, or decisions that
3 are:

4 (1) In violation of constitutional, statutory, ordinance, or planning board regulations
5 provisions;

6 (2) In excess of the authority granted to the planning board by statute or ordinance;

7 (3) Made upon unlawful procedure;

8 (4) Affected by other error of law;

9 (5) Clearly erroneous in view of the reliable, probative, and substantial evidence of the
10 whole record; or

11 (6) Arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted
12 exercise of discretion.

13 ARTICLE III -- STATUTORY UNIFORMITY

14 SECTION 1. The purpose and intent of this act is to correct discrepancies concerning § 34-
15 27-3.1 and § 34-27-3.2 of the general laws relating to chapter 27 of title 34 entitled Mortgage
16 Foreclosure and Sale. Upon passage of this act, the print and digital publications of these sections
17 will be consistent, and will accurately reflect the intent of the general assembly for the purposes of
18 the practical application of the sections.

19 SECTION 2. Section 1 of Chapter 376 and 384 of the 2009 Public Laws entitled "An Act
20 Relating to Property--Mortgage Foreclosure and Sale" is hereby repealed.

21 ~~34-27-3.1. Foreclosure counseling.~~

22 ~~(a) No less than forty five (45) days prior to initiating any foreclosure of real estate~~
23 ~~pursuant to subsection 34-27-4(b), the mortgagee shall provide to an individual consumer~~
24 ~~mortgagor written notice of default and the mortgagee's right to foreclose by first class mail at the~~
25 ~~address of the real estate and, if different, at the address designated by the mortgagor by written~~
26 ~~notice to the mortgagee as the mortgagor's address for receipt of notices.~~

27 ~~(b) The written notice required by this section shall be in English and Spanish and,~~
28 ~~provided the same is then available, shall advise the mortgagor of the availability of counseling~~
29 ~~through HUD approved mortgage counseling agencies and, the toll free telephone number and~~
30 ~~website address maintained to provide information regarding no cost HUD approved mortgage~~
31 ~~counseling agencies in Rhode Island. The written notice may also contain any other information~~
32 ~~required under federal law. A form of written notice meeting the requirements of this section shall~~
33 ~~be promulgated by the department of business regulation for use by mortgagees at least thirty (30)~~
34 ~~days prior to the effective date of this section. Counseling shall be provided at no cost to the~~

1 ~~mortgagee.~~

2 ~~(c) Failure of the mortgagee to provide notice to the mortgagor as provided herein shall~~
3 ~~render the foreclosure void, without limitation of the right of the mortgagee thereafter to reexercise~~
4 ~~its power of sale or other means of foreclosure upon compliance with this section. The mortgagee~~
5 ~~shall include in the foreclosure deed an affidavit of compliance with this section.~~

6 ~~(d) As used herein and in this chapter, the term "HUD" means the United States Department~~
7 ~~of Housing and Urban Development and any successor to such department.~~

8 SECTION 3. Section 1 of Chapters 325 and 406 of the 2013 public laws entitled "An Act
9 Relating to Property--Mortgage Foreclosure and Sale" is hereby repealed.

10 ~~34-27-3.2. Mediation conference.—~~

11 ~~(a) Statement of policy. It is hereby declared that residential mortgage foreclosure actions,~~
12 ~~caused in part by unemployment and underemployment, have negatively impacted a substantial~~
13 ~~number of homeowners throughout the state, creating a situation which endangers the economic~~
14 ~~stability of many of the citizens of this state, as the increasing numbers of foreclosures lead to~~
15 ~~increases in unoccupied and unattended buildings and the unwanted displacement of homeowners~~
16 ~~and tenants who desire to live and work within the state.~~

17 ~~(b) Purpose. The statutory framework for foreclosure proceedings is prescribed under the~~
18 ~~provisions of Chapter 34-27 of the general laws. As the need for a mortgage mediation process has~~
19 ~~evolved, it is important for the state to develop a standardized, statewide process for foreclosure~~
20 ~~mediation rather than a process based on local ordinances that may vary from municipality to~~
21 ~~municipality. By providing a uniform standard for an early HUD approved independent counseling~~
22 ~~process in owner occupied principal residence mortgage foreclosure cases, the chances of~~
23 ~~achieving a positive outcome for homeowners and lenders will be enhanced.~~

24 ~~(c) Definitions. The following definitions apply in the interpretations of the provisions of~~
25 ~~this section unless the context requires another meaning:~~

26 ~~(1) "Mediation conference" means a conference involving the mortgagee and mortgagor,~~
27 ~~coordinated and facilitated by a mediation coordinator whose purpose is to determine whether an~~
28 ~~alternative to foreclosure is economically feasible to both the mortgagee and the mortgagor, and if~~
29 ~~it is determined that an alternative to foreclosure is economically feasible, to facilitate a loan work-~~
30 ~~out or other solution in an effort to avoid foreclosure.~~

31 ~~(2) "Mediation coordinator" means a person designated by a Rhode Island based HUD~~
32 ~~approved counseling agency to serve as the unbiased, impartial and independent coordinator and~~
33 ~~facilitator of the mediation conference, with no authority to impose a solution or otherwise act as a~~
34 ~~consumer advocate, provided that such person possesses the experience and qualifications~~

1 ~~established by the department.~~

2 ~~(3) "Department" means the department of business regulation.~~

3 ~~(4) "Good Faith" means that the mortgagor and mortgagee deal honestly and fairly with~~
4 ~~the mediation coordinator with an intent to determine whether an alternative to foreclosure is~~
5 ~~economically feasible for the mortgagor and mortgagee, as evidenced by some or all of the~~
6 ~~following factors:~~

7 ~~(i) Mortgagee provided notice as required by this section;~~

8 ~~(ii) Mortgagee designated an agent to participate in the mediation conference on its behalf,~~
9 ~~and with the authority to agree to a work-out agreement on its behalf;~~

10 ~~(iii) Mortgagee made reasonable efforts to respond in a timely manner to requests for~~
11 ~~information from the mediation coordinator, mortgagor, or counselor assisting the mortgagor;~~

12 ~~(iv) Mortgagee declines to accept the mortgagor's work-out proposal, if any, and the~~
13 ~~mortgagee provided a detailed statement, in writing, of its reasons for rejecting the proposal;~~

14 ~~(v) Where a mortgagee declines to accept the mortgagor's work-out proposal, the~~
15 ~~mortgagee offered, in writing, to enter into an alternative work-out/disposition resolution proposal~~
16 ~~that would result in net financial benefit to the mortgagor as compared to the terms of the mortgage.~~

17 ~~(5) "HUD" means the United States Department of Housing and Urban Development and~~
18 ~~any successor to such department.~~

19 ~~(6) "Mortgage" means an individual consumer mortgage on any owner-occupied, one to~~
20 ~~four (4) unit residential property which serves as the owner's primary residence.~~

21 ~~(7) "Mortgagee" means the holder of a mortgage.~~

22 ~~(8) "Mortgagor" means the owner of the property subject to a mortgage.~~

23 ~~(d) No mortgagee may initiate any foreclosure of real estate pursuant to subsection 34-27-~~
24 ~~4(b) unless the requirements of this section have been met.~~

25 ~~(e) When a mortgage is not more than one hundred twenty (120) days delinquent, the~~
26 ~~mortgagee or its mortgage servicer or other agent or representative of the mortgagee shall provide~~
27 ~~to the mortgagor written notice, by certified and first class mail at the address of the real estate and,~~
28 ~~if different, at the address designated by the mortgagor by written notice to the mortgagee as the~~
29 ~~mortgagor's address for receipt of notices, that the mortgagee may not foreclose on the mortgaged~~
30 ~~property without first participating in a mediation conference.~~

31 ~~(f) A form of written notice meeting the requirements of this section shall be promulgated~~
32 ~~by the department for use by mortgagees at least thirty (30) days prior to the effective date of this~~
33 ~~section. The written notice required by this section shall be in English, Portuguese and Spanish,~~
34 ~~reference the property's plat and lot information, and may be combined with any other notice~~

1 ~~required under this chapter or pursuant to state or federal law.~~

2 ~~(g) The mediation conference shall take place in person, or over the phone, at a time and~~
3 ~~place deemed mutually convenient for the parties by an individual employed by a HUD approved~~
4 ~~independent counseling agency selected by the mortgagee to serve as a mediation coordinator, but~~
5 ~~not later than sixty (60) days following the mailing of the notice. The mortgagor shall cooperate in~~
6 ~~all respects with the mediation coordinator including, but not limited to, providing all necessary~~
7 ~~financial and employment information and completing any and all loan resolution proposals and~~
8 ~~applications deemed appropriate by the mediation coordinator. A mediation conference between~~
9 ~~the mortgagor and mortgagee conducted by a mediation coordinator shall be provided at no cost to~~
10 ~~the mortgagor. The HUD approved counseling agency shall be compensated by the mortgagee at a~~
11 ~~rate not to exceed five hundred dollars (\$500) per engagement.~~

12 ~~(h) If, after two (2) attempts by the mediation coordinator to contact the mortgagor, the~~
13 ~~mortgagor fails to respond to the mediation coordinator's request to appear at a mediation~~
14 ~~conference, or the mortgagor fails to cooperate in any respect with the requirements of this section,~~
15 ~~the requirements of the section shall be deemed satisfied upon verification by the mediation~~
16 ~~coordinator that the required notice was sent. Upon verification, a certificate will be issued~~
17 ~~immediately by the mediation coordinator authorizing the mortgagee to proceed with the~~
18 ~~foreclosure action, including recording the deed. Such certificate shall be recorded along with the~~
19 ~~foreclosure deed. A form of certificate meeting the requirements of this section shall be~~
20 ~~promulgated by the department for use by mortgagees at least thirty (30) days prior to the effective~~
21 ~~date of this section.~~

22 ~~(i) If the mediation coordinator determines that after a good faith effort made by the~~
23 ~~mortgagee at the mediation conference, the parties cannot come to an agreement to renegotiate the~~
24 ~~terms of the loan in an effort to avoid foreclosure, such good faith effort by the mortgagee shall be~~
25 ~~deemed to satisfy the requirements of this section. A certificate certifying such good faith effort~~
26 ~~will be promptly issued by the mediation coordinator authorizing the mortgagee to proceed with~~
27 ~~the foreclosure action and recording of the foreclosure deed. Such certification shall be recorded~~
28 ~~along with the foreclosure deed. A form of certificate meeting the requirements of this section shall~~
29 ~~be promulgated by the department for use by mortgagees at least thirty (30) days prior to the~~
30 ~~effective date of this section.~~

31 ~~(j) If the mortgagee and mortgagor are able to reach agreement to renegotiate the terms of~~
32 ~~the loan to avoid foreclosure, the agreement shall be reduced to writing and executed by the~~
33 ~~mortgagor and mortgagee.~~

34 ~~(k) Notwithstanding any other provisions of this section, where a mortgagor and mortgagee~~

1 ~~have entered into a written agreement and the mortgagor fails to fulfill his or her obligations under~~
2 ~~the written agreement, the provisions of this section shall not apply to any foreclosure initiated~~
3 ~~under this chapter within twelve (12) months following the execution of the written agreement. In~~
4 ~~such case, the mortgagee shall include in the foreclosure deed an affidavit establishing its right to~~
5 ~~proceed under this section.~~

6 ~~(l) This section shall apply only to foreclosure of mortgages on owner-occupied, residential~~
7 ~~real property with no more than four (4) dwelling units which is the primary dwelling of the owner~~
8 ~~and not to mortgages secured by other real property.~~

9 ~~(m) Notwithstanding any other provisions of this section, any locally-based mortgagees~~
10 ~~shall be deemed to be in compliance with the requirements of this section if:~~

11 ~~(1) The mortgagee is headquartered in Rhode Island; or~~

12 ~~(2) The mortgagee maintains a physical office or offices exclusively in Rhode Island from~~
13 ~~which office or offices it carries out full-service mortgage operations, including the acceptance and~~
14 ~~processing of mortgage payments and the provision of local customer service and loss mitigation~~
15 ~~and where Rhode Island staff have the authority to approve loan restructuring and other loss~~
16 ~~mitigation strategies; and~~

17 ~~(3) The deed offered by a mortgagee to be filed with the city or town recorder of deeds as~~
18 ~~a result of a mortgage foreclosure action contained a certification that the provisions of this section~~
19 ~~have been satisfied.~~

20 ~~(n) No deed offered by a mortgagee as a result of a mortgage foreclosure action shall be~~
21 ~~submitted to a city or town recorder of deeds for recording in the land evidence records of the city~~
22 ~~or town until and unless the requirements of this section are met. The mortgagee shall include in~~
23 ~~the foreclosure deed an affidavit of compliance with this section. Failure of the mortgagee to~~
24 ~~comply with the requirements of this section shall render the foreclosure void, without limitation~~
25 ~~of the right of the mortgagee thereafter to re-exercise its power of sale or other means of foreclosure~~
26 ~~upon compliance with this section. The rights of the mortgagor to any redress afforded under the~~
27 ~~law are not abridged by this section.~~

28 ~~(o) Any existing municipal ordinance or future ordinance which requires a conciliation or~~
29 ~~mediation process as a precondition to the recordation of a foreclosure deed shall comply with the~~
30 ~~provisions set forth herein and any provisions of said ordinances which do not comply with the~~
31 ~~provisions set forth herein shall be determined to be unenforceable.~~

32 SECTION 4. Section 34-27-3.2 of the General Laws in Chapter 34-27 entitled "Mortgage
33 Foreclosure and Sale" is hereby repealed.

34 ~~**34-27-3.2. Mediation conference.**~~ [The repeal of this section is reinstated in its current

1 **form as § 34-27-9]**

2 ~~(a) Statement of policy. It is hereby declared that residential mortgage foreclosure actions,~~
3 ~~caused in part by unemployment and underemployment, have negatively impacted a substantial~~
4 ~~number of homeowners throughout the state, creating a situation that endangers the economic~~
5 ~~stability of many of the citizens of this state as the increasing numbers of foreclosures lead to~~
6 ~~increases in unoccupied and unattended buildings and the unwanted displacement of homeowners~~
7 ~~and tenants who desire to live and work within the state.~~

8 ~~(b) Purpose. The statutory framework for foreclosure proceedings is prescribed under the~~
9 ~~provisions of chapter 27 of this title. As the need for a mortgage mediation process has evolved, it~~
10 ~~is important for the state to develop a standardized, statewide process for foreclosure mediation~~
11 ~~rather than a process based on local ordinances that may vary from municipality to municipality.~~
12 ~~By providing a uniform standard for an early HUD approved, independent counseling process in~~
13 ~~owner-occupied principal residence mortgage foreclosure cases, the chances of achieving a positive~~
14 ~~outcome for homeowners and lenders will be enhanced.~~

15 ~~(c) Definitions. The following definitions apply in the interpretations of the provisions of~~
16 ~~this section unless the context requires another meaning:~~

17 ~~(1) "Default" means the failure of the mortgagor to make a timely payment of an amount~~
18 ~~due under the terms of the mortgage contract, which failure has not been subsequently cured.~~

19 ~~(2) "Department" means the department of business regulation.~~

20 ~~(3) "Good faith" means that the mortgagor and mortgagee deal honestly and fairly with the~~
21 ~~mediation coordinator with an intent to determine whether an alternative to foreclosure is~~
22 ~~economically feasible for the mortgagor and mortgagee, as evidenced by some or all of the~~
23 ~~following factors:~~

24 ~~(i) Mortgagee provided notice as required by this section;~~

25 ~~(ii) Mortgagee designated an agent to participate in the mediation conference on its behalf~~
26 ~~and with the authority to agree to a work-out agreement on its behalf;~~

27 ~~(iii) Mortgagee made reasonable efforts to respond in a timely manner to requests for~~
28 ~~information from the mediation coordinator, mortgagor, or counselor assisting the mortgagor;~~

29 ~~(iv) Mortgagee declined to accept the mortgagor's work-out proposal, if any, and the~~
30 ~~mortgagee provided a detailed statement, in writing, of its reasons for rejecting the proposal;~~

31 ~~(v) Where a mortgagee declined to accept the mortgagor's work-out proposal, the~~
32 ~~mortgagee offered, in writing, to enter into an alternative work-out/disposition resolution proposal~~
33 ~~that would result in net financial benefit to the mortgagor as compared to the terms of the mortgage.~~

34 ~~(4) "HUD" means the United States Department of Housing and Urban Development and~~

1 ~~any successor to such department.~~

2 ~~(5) "Mediation conference" means a conference involving the mortgagee and mortgagor,~~
3 ~~coordinated and facilitated by a mediation coordinator whose purpose is to determine whether an~~
4 ~~alternative to foreclosure is economically feasible to both the mortgagee and the mortgagor, and if~~
5 ~~it is determined that an alternative to foreclosure is economically feasible, to facilitate a loan~~
6 ~~workout or other solution in an effort to avoid foreclosure.~~

7 ~~(6) "Mediation coordinator" means a person employed by a Rhode Island based, HUD-~~
8 ~~approved counseling agency designated to serve as the unbiased, impartial, and independent~~
9 ~~coordinator and facilitator of the mediation conference, with no authority to impose a solution or~~
10 ~~otherwise act as a consumer advocate, provided that such person possesses the experience and~~
11 ~~qualifications established by the department.~~

12 ~~(7) "Mortgage" means an individual consumer first lien mortgage on any owner occupied,~~
13 ~~one (1) to four (4) unit residential property that serves as the mortgagor's primary residence.~~

14 ~~(8) "Mortgagee" means the holder of a mortgage, or its agent or employee, including a~~
15 ~~mortgage servicer acting on behalf of a mortgagee.~~

16 ~~(9) "Mortgagor" means the person who has signed a mortgage in order to secure a debt or~~
17 ~~other duty, or the heir or devisee of such person provided that:~~

18 ~~(i) The heir or devisee occupies the property as his or her primary residence; and~~

19 ~~(ii) The heir or devisee has record title to the property, or a representative of the estate of~~
20 ~~the mortgagor has been appointed with authority to participate in a mediation conference.~~

21 ~~(d) The mortgagee shall, prior to initiation of foreclosure of real estate pursuant to § 34-~~
22 ~~27-4(b), provide to the mortgagor written notice at the address of the real estate and, if different, at~~
23 ~~the address designated by the mortgagor by written notice to the mortgagee as the mortgagor's~~
24 ~~address for receipt of notices, that the mortgagee may not foreclose on the mortgaged property~~
25 ~~without first participating in a mediation conference. Notice addressed and delivered as provided~~
26 ~~in this section shall be effective with respect to the mortgagor and any heir or devisee of the~~
27 ~~mortgagor.~~

28 ~~(1) If the mortgagee fails to mail the notice required by this subsection to the mortgagor~~
29 ~~within one hundred twenty (120) days after the date of default, it shall pay a penalty at the rate of~~
30 ~~one thousand (\$1,000) per month for each month or part thereof, with the first month commencing~~
31 ~~on the one hundred twenty first (121st) day after the date of default and a new month commencing~~
32 ~~on the same day (or if there is no such day, then on the last day) of each succeeding calendar month~~
33 ~~until the mortgagee sends the mortgagor written notice as required by this section.~~

34 ~~Notwithstanding the foregoing, any penalties assessed under this subsection for any failure~~

1 of any mortgagee to provide notice as provided herein during the period from September 13, 2013,
2 through the effective date of this section shall not exceed the total amount of one hundred twenty-
3 five thousand dollars (\$125,000) for such mortgagee.

4 (2) Penalties accruing pursuant to subsection (d)(1) shall be paid to the mediation
5 coordinator prior to the completion of the mediation process. All penalties accrued under this
6 section shall be transferred to the state within one month of receipt by the mediation coordinator
7 and deposited to the restricted receipt account within the general fund established by § 42-128-
8 2(3) and used for the purposes set forth therein.

9 (3) Issuance by the mediation coordinator of a certificate authorizing the mortgagee to
10 proceed to foreclosure, or otherwise certifying the mortgagee's good faith effort to comply with
11 the provisions of this section, shall constitute conclusive evidence that, to the extent that any penalty
12 may have accrued pursuant to subsection (d)(1), the penalty has been paid in full by the mortgagee.

13 (4) Notwithstanding any other provisions of this subsection, a mortgagee shall not accrue
14 any penalty if the notice required by this subsection is mailed to the borrower:

15 (i) Within sixty (60) days after the date upon which the loan is released from the protection
16 of the automatic stay in a bankruptcy proceeding, or any similar injunctive order issued by a state
17 or federal court, or within sixty (60) days after a loan is no longer afforded protection under the
18 Servicemembers Civil Relief Act (50 U.S.C. § 3901 et seq.) or the provisions of § 34-27-4(d), or
19 within one hundred twenty (120) days of the date on which the mortgagor initially failed to comply
20 with the terms of an eligible workout agreement, as hereinafter defined; and

21 (ii) The mortgagee otherwise complies with the requirements of subsection (d); provided,
22 however, that if the mortgagee fails to mail the notice required by subsection (d) to the mortgagor
23 within the time frame set forth in subsection (d)(4)(i), the mortgagee shall pay a penalty at the rate
24 of one thousand dollars (\$1,000) per month for each month, or part thereof, with the first month
25 commencing on the thirty-first (31st) day after the date upon which the loan is released from the
26 protection of the automatic stay in a bankruptcy proceeding or any similar injunctive order issued
27 by a state or federal court and a new month commencing on the same day (or if there is no such
28 day, then on the last day) of each succeeding calendar month until the mortgagee sends the
29 mortgagor written notice as required by this section. Notwithstanding the foregoing, any penalties
30 assessed under this subsection for any failure of any mortgagee to provide notice as provided herein
31 during the period from September 13, 2013, through the effective date of this section shall not
32 exceed the total amount of one hundred twenty five thousand dollars (\$125,000) for such
33 mortgagee.

34 (5) Notwithstanding any other provisions of this section, a mortgagee may initiate a judicial

1 ~~foreclosure in accordance with § 34-27-1.~~

2 ~~(e) A form of written notice meeting the requirements of this section shall be promulgated~~
3 ~~by the department for use by mortgagees at least thirty (30) days prior to the effective date of this~~
4 ~~section. The written notice required by this section shall be in English, Portuguese, and Spanish~~
5 ~~and may be combined with any other notice required under this chapter or pursuant to state or~~
6 ~~federal law.~~

7 ~~(f) The mediation conference shall take place in person, or over the phone, at a time and~~
8 ~~place deemed mutually convenient for the parties by an individual employed by a HUD approved,~~
9 ~~independent counseling agency selected by the mortgagee to serve as a mediation coordinator, but~~
10 ~~not later than sixty (60) days following the mailing of the notice. The mortgagor shall cooperate in~~
11 ~~all respects with the mediation coordinator including, but not limited to, providing all necessary~~
12 ~~financial and employment information and completing any and all loan resolution proposals and~~
13 ~~applications deemed appropriate by the mediation coordinator. A mediation conference between~~
14 ~~the mortgagor and mortgagee conducted by a mediation coordinator shall be provided at no cost to~~
15 ~~the mortgagor. The HUD approved counseling agency shall be compensated by the mortgagee for~~
16 ~~mediation conferences that take place at a rate not to exceed five hundred dollars (\$500) per~~
17 ~~mediation. The HUD approved agency shall be entitled to a filing fee not to exceed one hundred~~
18 ~~dollars (\$100) per mediation engagement.~~

19 ~~(g) If, after two (2) attempts by the mediation coordinator to contact the mortgagor, the~~
20 ~~mortgagor fails to respond to the mediation coordinator's request to appear at a mediation~~
21 ~~conference, or the mortgagor fails to cooperate in any respect with the requirements of this section,~~
22 ~~the requirements of the section shall be deemed satisfied upon verification by the mediation~~
23 ~~coordinator that the required notice was sent and any penalties accrued pursuant to subsection (d)(1)~~
24 ~~and any payments owed pursuant to subsection (f) have been paid. Upon verification, a certificate~~
25 ~~will be issued immediately by the mediation coordinator authorizing the mortgagee to proceed with~~
26 ~~the foreclosure action, including recording the deed. Such certificate shall be valid until the earlier~~
27 ~~of:~~

28 ~~(1) The curing of the default condition; or~~

29 ~~(2) The foreclosure of the mortgagor's right of redemption.~~

30 ~~The certificate shall be recorded along with the foreclosure deed. A form of certificate~~
31 ~~meeting the requirements of this section shall be promulgated by the department for use by~~
32 ~~mortgagees at least thirty (30) days prior to the effective date of this section.~~

33 ~~(h) If the mediation coordinator determines that after a good faith effort made by the~~
34 ~~mortgagee at the mediation conference, the parties cannot come to an agreement to renegotiate the~~

1 ~~terms of the loan in an effort to avoid foreclosure, such good faith effort by the mortgagee shall be~~
2 ~~deemed to satisfy the requirements of this section. A certificate certifying such good faith effort~~
3 ~~will be promptly issued by the mediation coordinator authorizing the mortgagee to proceed with~~
4 ~~the foreclosure action and recording of the foreclosure deed; provided, however, that the mediation~~
5 ~~coordinator shall not be required to issue such a certificate until any penalties accrued pursuant to~~
6 ~~subsections (d)(1) and (d)(4)(ii), and any payments owed pursuant to subsection (f), have been paid.~~

7 ~~Such certification shall be valid until the earlier of:~~

8 ~~(1) The curing of the default condition; or~~

9 ~~(2) The foreclosure of the mortgagor's equity of redemption.~~

10 ~~The certificate shall be recorded along with the foreclosure deed. A form of certificate~~
11 ~~meeting the requirements of this section shall be promulgated by the department for use by~~
12 ~~mortgagees at least thirty (30) days prior to the effective date of this section.~~

13 ~~(i) If the mortgagee and mortgagor are able to reach agreement to renegotiate the terms of~~
14 ~~the loan to avoid foreclosure, the agreement shall be reduced to writing and executed by the~~
15 ~~mortgagor and mortgagee. If the mortgagee and mortgagor reach agreement after the notice of~~
16 ~~mediation conference is sent to the mortgagor, but without the assistance of the mediation~~
17 ~~coordinator, the mortgagee shall provide a copy of the written agreement to the mediation~~
18 ~~coordinator. Upon receipt of a written agreement between the mortgagee and mortgagor, the~~
19 ~~mediation coordinator shall issue a certificate of eligible workout agreement if the workout~~
20 ~~agreement would result in a net financial benefit to the mortgagor as compared to the terms of the~~
21 ~~mortgage ("Certificate of Eligible Workout Agreement"). For purposes of this subsection, evidence~~
22 ~~of an agreement shall include, but not be limited to, evidence of agreement by both mortgagee and~~
23 ~~mortgagor to the terms of a short sale or a deed in lieu of foreclosure, regardless of whether said~~
24 ~~short sale or deed in lieu of foreclosure is subsequently completed.~~

25 ~~(j) Notwithstanding any other provisions of this section, where a mortgagor and mortgagee~~
26 ~~have entered into a written agreement and the mediation coordinator has issued a certificate of~~
27 ~~eligible workout agreement as provided in subsection (i), if the mortgagor fails to fulfill his or her~~
28 ~~obligations under the eligible workout agreement, the provisions of this section shall not apply to~~
29 ~~any foreclosure initiated under this chapter within twelve (12) months following the date of the~~
30 ~~eligible workout agreement. In such case, the mortgagee shall include in the foreclosure deed an~~
31 ~~affidavit establishing its right to proceed under this section.~~

32 ~~(k) This section shall apply only to foreclosure of mortgages on owner occupied,~~
33 ~~residential real property with no more than four (4) dwelling units that is the primary dwelling of~~
34 ~~the mortgagor and not to mortgages secured by other real property.~~

1 ~~(1) Notwithstanding any other provisions of this section, any locally based mortgagees shall~~
2 ~~be deemed to be in compliance with the requirements of this section if:~~

3 ~~(1) The mortgagee is headquartered in Rhode Island; or~~

4 ~~(2) The mortgagee maintains a physical office, or offices, exclusively in Rhode Island from~~
5 ~~which office, or offices, it carries out full-service mortgage operations, including the acceptance~~
6 ~~and processing of mortgage payments and the provision of local customer service and loss~~
7 ~~mitigation and where Rhode Island staff have the authority to approve loan restructuring and other~~
8 ~~loss mitigation strategies; and~~

9 ~~(3) The deed offered by a mortgagee to be filed with the city or town recorder of deeds as~~
10 ~~a result of a mortgage foreclosure action under power of sale contained a certification that the~~
11 ~~provisions of this section have been satisfied.~~

12 ~~(m) No deed offered by a mortgagee as a result of a mortgage foreclosure action under~~
13 ~~power of sale shall be submitted to a city or town recorder of deeds for recording in the land~~
14 ~~evidence records of the city or town until and unless the requirements of this section are met. Failure~~
15 ~~of the mortgagee to comply with the requirements of this section shall render the foreclosure~~
16 ~~voidable, without limitation of the right of the mortgagee thereafter to re-exercise its power of sale~~
17 ~~or other means of foreclosure upon compliance with this section. The rights of the mortgagor to~~
18 ~~any redress afforded under the law are not abridged by this section.~~

19 ~~(n) Any existing municipal ordinance or future ordinance that requires a conciliation or~~
20 ~~mediation process as a precondition to the recordation of a foreclosure deed shall comply with the~~
21 ~~provisions set forth herein and any provisions of said ordinances that do not comply with the~~
22 ~~provisions set forth herein shall be determined to be unenforceable.~~

23 ~~(o) The provisions of this section shall not apply if:~~

24 ~~(1) The mortgage is a reverse mortgage as described in chapter 25.1 of this title; or~~

25 ~~(2) The date of default under the mortgage is on or before May 16, 2013.~~

26 ~~(p) Limitations on actions. Any person who claims that a foreclosure is not valid due to the~~
27 ~~mortgagee's failure to comply with the terms of this section shall have one year from the date that~~
28 ~~the first notice of foreclosure was published to file a complaint in the superior court for the county~~
29 ~~in which the property is located and shall also file in the records of land evidence in the city or town~~
30 ~~where the land subject to the mortgage is located a notice of lis pendens, the complaint to be filed~~
31 ~~on the same day as the notice of lis pendens or within seven (7) days thereafter. Failure to file a~~
32 ~~complaint, record the notice of lis pendens, and serve the mortgagee within the one-year period~~
33 ~~shall preclude said mortgagor, or any other person claiming an interest through a mortgagor, from~~
34 ~~subsequently challenging the validity of the foreclosure. Issuance by the mediation coordinator of~~

~~1 a certificate authorizing the mortgagee to proceed to foreclosure, or otherwise certifying the
2 mortgagee's good faith effort to comply with the provisions of this section, shall constitute a
3 rebuttable presumption that the notice requirements of subsection (d) have been met in all respects.~~

4 SECTION 5. Chapter 34-27 of the General Laws entitled "Mortgage Foreclosure and Sale"
5 is hereby amended by adding thereto the following section:

6 **34-27-9. Mediation conference. [Reinstated from § 34-27-3.2]**

7 (a) Statement of policy. It is hereby declared that residential mortgage foreclosure actions,
8 caused in part by unemployment and underemployment, have negatively impacted a substantial
9 number of homeowners throughout the state, creating a situation that endangers the economic
10 stability of many of the citizens of this state as the increasing numbers of foreclosures lead to
11 increases in unoccupied and unattended buildings and the unwanted displacement of homeowners
12 and tenants who desire to live and work within the state.

13 (b) Purpose. The statutory framework for foreclosure proceedings is prescribed under the
14 provisions of chapter 27 of this title. As the need for a mortgage mediation process has evolved, it
15 is important for the state to develop a standardized, statewide process for foreclosure mediation
16 rather than a process based on local ordinances that may vary from municipality to municipality.
17 By providing a uniform standard for an early HUD-approved, independent counseling process in
18 owner-occupied principal residence mortgage foreclosure cases, the chances of achieving a positive
19 outcome for homeowners and lenders will be enhanced.

20 (c) Definitions. The following definitions apply in the interpretations of the provisions of
21 this section unless the context requires another meaning:

22 (1) "Default" means the failure of the mortgagor to make a timely payment of an amount
23 due under the terms of the mortgage contract, which failure has not been subsequently cured.

24 (2) "Department" means the department of business regulation.

25 (3) "Good faith" means that the mortgagor and mortgagee deal honestly and fairly with the
26 mediation coordinator with an intent to determine whether an alternative to foreclosure is
27 economically feasible for the mortgagor and mortgagee, as evidenced by some or all of the
28 following factors:

29 (i) Mortgagee provided notice as required by this section;

30 (ii) Mortgagee designated an agent to participate in the mediation conference on its behalf
31 and with the authority to agree to a work-out agreement on its behalf;

32 (iii) Mortgagee made reasonable efforts to respond in a timely manner to requests for
33 information from the mediation coordinator, mortgagor, or counselor assisting the mortgagor;

34 (iv) Mortgagee declined to accept the mortgagor's work-out proposal, if any, and the

1 mortgagee provided a detailed statement, in writing, of its reasons for rejecting the proposal;

2 (v) Where a mortgagee declined to accept the mortgagor's work-out proposal, the
3 mortgagee offered, in writing, to enter into an alternative work-out/disposition resolution proposal
4 that would result in net financial benefit to the mortgagor as compared to the terms of the mortgage.

5 (4) "HUD" means the United States Department of Housing and Urban Development and
6 any successor to such department.

7 (5) "Mediation conference" means a conference involving the mortgagee and mortgagor,
8 coordinated and facilitated by a mediation coordinator whose purpose is to determine whether an
9 alternative to foreclosure is economically feasible to both the mortgagee and the mortgagor, and if
10 it is determined that an alternative to foreclosure is economically feasible, to facilitate a loan
11 workout or other solution in an effort to avoid foreclosure.

12 (6) "Mediation coordinator" means a person employed by a Rhode Island-based, HUD-
13 approved counseling agency designated to serve as the unbiased, impartial, and independent
14 coordinator and facilitator of the mediation conference, with no authority to impose a solution or
15 otherwise act as a consumer advocate, provided that such person possesses the experience and
16 qualifications established by the department.

17 (7) "Mortgage" means an individual consumer first-lien mortgage on any owner-occupied,
18 one (1)- to four (4)- unit residential property that serves as the mortgagor's primary residence.

19 (8) "Mortgagee" means the holder of a mortgage, or its agent or employee, including a
20 mortgage servicer acting on behalf of a mortgagee.

21 (9) "Mortgagor" means the person who has signed a mortgage in order to secure a debt or
22 other duty, or the heir or devisee of such person provided that:

23 (i) The heir or devisee occupies the property as his or her primary residence; and

24 (ii) The heir or devisee has record title to the property, or a representative of the estate of
25 the mortgagor has been appointed with authority to participate in a mediation conference.

26 (d) The mortgagee shall, prior to initiation of foreclosure of real estate pursuant to § 34-
27 27-4(b), provide to the mortgagor written notice at the address of the real estate and, if different, at
28 the address designated by the mortgagor by written notice to the mortgagee as the mortgagor's
29 address for receipt of notices, that the mortgagee may not foreclose on the mortgaged property
30 without first participating in a mediation conference. Notice addressed and delivered as provided
31 in this section shall be effective with respect to the mortgagor and any heir or devisee of the
32 mortgagor.

33 (1) If the mortgagee fails to mail the notice required by this subsection to the mortgagor
34 within one hundred twenty (120) days after the date of default, it shall pay a penalty at the rate of

1 one thousand (\$1,000) per month for each month or part thereof, with the first month commencing
2 on the one hundred twenty-first (121st) day after the date of default and a new month commencing
3 on the same day (or if there is no such day, then on the last day) of each succeeding calendar month
4 until the mortgagee sends the mortgagor written notice as required by this section.

5 Notwithstanding the foregoing, any penalties assessed under this subsection for any failure
6 of any mortgagee to provide notice as provided herein during the period from September 13, 2013,
7 through the effective date of this section shall not exceed the total amount of one hundred twenty-
8 five thousand dollars (\$125,000) for such mortgagee.

9 (2) Penalties accruing pursuant to subsection (d)(1) shall be paid to the mediation
10 coordinator prior to the completion of the mediation process. All penalties accrued under this
11 section shall be transferred to the state within one month of receipt by the mediation coordinator
12 and deposited to the restricted-receipt account within the general fund established by § 42-128-
13 2(3) and used for the purposes set forth therein.

14 (3) Issuance by the mediation coordinator of a certificate authorizing the mortgagee to
15 proceed to foreclosure, or otherwise certifying the mortgagee's good-faith effort to comply with
16 the provisions of this section, shall constitute conclusive evidence that, to the extent that any penalty
17 may have accrued pursuant to subsection (d)(1), the penalty has been paid in full by the mortgagee.

18 (4) Notwithstanding any other provisions of this subsection, a mortgagee shall not accrue
19 any penalty if the notice required by this subsection is mailed to the borrower:

20 (i) Within sixty (60) days after the date upon which the loan is released from the protection
21 of the automatic stay in a bankruptcy proceeding, or any similar injunctive order issued by a state
22 or federal court, or within sixty (60) days after a loan is no longer afforded protection under the
23 Servicemembers Civil Relief Act (50 U.S.C. § 3901 et seq.) or the provisions of § 34-27-4(d), or
24 within one hundred twenty (120) days of the date on which the mortgagor initially failed to comply
25 with the terms of an eligible workout agreement, as hereinafter defined; and

26 (ii) The mortgagee otherwise complies with the requirements of subsection (d); provided,
27 however, that if the mortgagee fails to mail the notice required by subsection (d) to the mortgagor
28 within the time frame set forth in subsection (d)(4)(i), the mortgagee shall pay a penalty at the rate
29 of one thousand dollars (\$1,000) per month, or part thereof, with the first month
30 commencing on the thirty-first (31st) day after the date upon which the loan is released from the
31 protection of the automatic stay in a bankruptcy proceeding or any similar injunctive order issued
32 by a state or federal court and a new month commencing on the same day (or if there is no such
33 day, then on the last day) of each succeeding calendar month until the mortgagee sends the
34 mortgagor written notice as required by this section. Notwithstanding the foregoing, any penalties

1 assessed under this subsection for any failure of any mortgagee to provide notice as provided herein
2 during the period from September 13, 2013, through the effective date of this section shall not
3 exceed the total amount of one hundred twenty-five thousand dollars (\$125,000) for such
4 mortgagee.

5 (5) Notwithstanding any other provisions of this section, a mortgagee may initiate a judicial
6 foreclosure in accordance with § 34-27-1.

7 (e) A form of written notice meeting the requirements of this section shall be promulgated
8 by the department for use by mortgagees at least thirty (30) days prior to the effective date of this
9 section. The written notice required by this section shall be in English, Portuguese, and Spanish
10 and may be combined with any other notice required under this chapter or pursuant to state or
11 federal law.

12 (f) The mediation conference shall take place in person, or over the phone, at a time and
13 place deemed mutually convenient for the parties by an individual employed by a HUD-approved,
14 independent counseling agency selected by the mortgagee to serve as a mediation coordinator, but
15 not later than sixty (60) days following the mailing of the notice. The mortgagor shall cooperate in
16 all respects with the mediation coordinator including, but not limited to, providing all necessary
17 financial and employment information and completing any and all loan resolution proposals and
18 applications deemed appropriate by the mediation coordinator. A mediation conference between
19 the mortgagor and mortgagee conducted by a mediation coordinator shall be provided at no cost to
20 the mortgagor. The HUD-approved counseling agency shall be compensated by the mortgagee for
21 mediation conferences that take place at a rate not to exceed five hundred dollars (\$500) per
22 mediation. The HUD-approved agency shall be entitled to a filing fee not to exceed one hundred
23 dollars (\$100) per mediation engagement.

24 (g) If, after two (2) attempts by the mediation coordinator to contact the mortgagor, the
25 mortgagor fails to respond to the mediation coordinator's request to appear at a mediation
26 conference, or the mortgagor fails to cooperate in any respect with the requirements of this section,
27 the requirements of the section shall be deemed satisfied upon verification by the mediation
28 coordinator that the required notice was sent and any penalties accrued pursuant to subsection (d)(1)
29 and any payments owed pursuant to subsection (f) have been paid. Upon verification, a certificate
30 will be issued immediately by the mediation coordinator authorizing the mortgagee to proceed with
31 the foreclosure action, including recording the deed. Such certificate shall be valid until the earlier
32 of:

33 (1) The curing of the default condition; or

34 (2) The foreclosure of the mortgagor's right of redemption.

1 The certificate shall be recorded along with the foreclosure deed. A form of certificate
2 meeting the requirements of this section shall be promulgated by the department for use by
3 mortgagees at least thirty (30) days prior to the effective date of this section.

4 (h) If the mediation coordinator determines that after a good-faith effort made by the
5 mortgagee at the mediation conference, the parties cannot come to an agreement to renegotiate the
6 terms of the loan in an effort to avoid foreclosure, such good-faith effort by the mortgagee shall be
7 deemed to satisfy the requirements of this section. A certificate certifying such good-faith effort
8 will be promptly issued by the mediation coordinator authorizing the mortgagee to proceed with
9 the foreclosure action and recording of the foreclosure deed; provided, however, that the mediation
10 coordinator shall not be required to issue such a certificate until any penalties accrued pursuant to
11 subsections (d)(1) and (d)(4)(ii), and any payments owed pursuant to subsection (f), have been paid.

12 Such certification shall be valid until the earlier of:

13 (1) The curing of the default condition; or

14 (2) The foreclosure of the mortgagor's equity of redemption.

15 The certificate shall be recorded along with the foreclosure deed. A form of certificate
16 meeting the requirements of this section shall be promulgated by the department for use by
17 mortgagees at least thirty (30) days prior to the effective date of this section.

18 (i) If the mortgagee and mortgagor are able to reach agreement to renegotiate the terms of
19 the loan to avoid foreclosure, the agreement shall be reduced to writing and executed by the
20 mortgagor and mortgagee. If the mortgagee and mortgagor reach agreement after the notice of
21 mediation conference is sent to the mortgagor, but without the assistance of the mediation
22 coordinator, the mortgagee shall provide a copy of the written agreement to the mediation
23 coordinator. Upon receipt of a written agreement between the mortgagee and mortgagor, the
24 mediation coordinator shall issue a certificate of eligible workout agreement if the workout
25 agreement would result in a net financial benefit to the mortgagor as compared to the terms of the
26 mortgage ("Certificate of Eligible Workout Agreement"). For purposes of this subsection, evidence
27 of an agreement shall include, but not be limited to, evidence of agreement by both mortgagee and
28 mortgagor to the terms of a short sale or a deed in lieu of foreclosure, regardless of whether said
29 short sale or deed in lieu of foreclosure is subsequently completed.

30 (j) Notwithstanding any other provisions of this section, where a mortgagor and mortgagee
31 have entered into a written agreement and the mediation coordinator has issued a certificate of
32 eligible workout agreement as provided in subsection (i), if the mortgagor fails to fulfill his or her
33 obligations under the eligible workout agreement, the provisions of this section shall not apply to
34 any foreclosure initiated under this chapter within twelve (12) months following the date of the

1 eligible workout agreement. In such case, the mortgagee shall include in the foreclosure deed an
2 affidavit establishing its right to proceed under this section.

3 (k) This section shall apply only to foreclosure of mortgages on owner-occupied,
4 residential real property with no more than four (4) dwelling units that is the primary dwelling of
5 the mortgagor and not to mortgages secured by other real property.

6 (l) Notwithstanding any other provisions of this section, any locally based mortgagees shall
7 be deemed to be in compliance with the requirements of this section if:

8 (1) The mortgagee is headquartered in Rhode Island; or

9 (2) The mortgagee maintains a physical office, or offices, exclusively in Rhode Island from
10 which office, or offices, it carries out full-service mortgage operations, including the acceptance
11 and processing of mortgage payments and the provision of local customer service and loss
12 mitigation and where Rhode Island staff have the authority to approve loan restructuring and other
13 loss mitigation strategies; and

14 (3) The deed offered by a mortgagee to be filed with the city or town recorder of deeds as
15 a result of a mortgage foreclosure action under power of sale contained a certification that the
16 provisions of this section have been satisfied.

17 (m) No deed offered by a mortgagee as a result of a mortgage foreclosure action under
18 power of sale shall be submitted to a city or town recorder of deeds for recording in the land
19 evidence records of the city or town until and unless the requirements of this section are met. Failure
20 of the mortgagee to comply with the requirements of this section shall render the foreclosure
21 voidable, without limitation of the right of the mortgagee thereafter to re-exercise its power of sale
22 or other means of foreclosure upon compliance with this section. The rights of the mortgagor to
23 any redress afforded under the law are not abridged by this section.

24 (n) Any existing municipal ordinance or future ordinance that requires a conciliation or
25 mediation process as a precondition to the recordation of a foreclosure deed shall comply with the
26 provisions set forth herein and any provisions of said ordinances that do not comply with the
27 provisions set forth herein shall be determined to be unenforceable.

28 (o) The provisions of this section shall not apply if:

29 (1) The mortgage is a reverse mortgage as described in chapter 25.1 of this title; or

30 (2) The date of default under the mortgage is on or before May 16, 2013.

31 (p) Limitations on actions. Any person who claims that a foreclosure is not valid due to the
32 mortgagee's failure to comply with the terms of this section shall have one year from the date that
33 the first notice of foreclosure was published to file a complaint in the superior court for the county
34 in which the property is located and shall also file in the records of land evidence in the city or town

1 where the land subject to the mortgage is located a notice of lis pendens, the complaint to be filed
2 on the same day as the notice of lis pendens or within seven (7) days thereafter. Failure to file a
3 complaint, record the notice of lis pendens, and serve the mortgagee within the one-year period
4 shall preclude said mortgagor, or any other person claiming an interest through a mortgagor, from
5 subsequently challenging the validity of the foreclosure. Issuance by the mediation coordinator of
6 a certificate authorizing the mortgagee to proceed to foreclosure, or otherwise certifying the
7 mortgagee's good-faith effort to comply with the provisions of this section, shall constitute a
8 rebuttable presumption that the notice requirements of subsection (d) have been met in all respects.

9 **ARTICLE IV -- EFFECTIVE DATE**

10 SECTION 1. Article I of this act shall take effect on December 31, 2024. Article II and
11 Article III of this act shall take effect upon passage.

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LC006023
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO STATUTES AND STATUTORY CONSTRUCTION

1 This act makes a number of technical amendments to the general laws, prepared at the
2 recommendation of the law revision office. Article I contains the reenactment of the entirety of
3 chapters 49 to the end of title 42 of the general laws. Article II includes the statutory construction
4 provisions and Article III corrects statutory inconsistencies.

5 Article I of this act would take effect on December 31, 2024. Article II and Article III of
6 this act would take effect upon passage.

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