ARTICLE 2

RELATING TO STATE FUNDS

SECTION 1. Section 16-59-9 of the General Laws in Chapter 16-59 entitled "Council on Postsecondary Education [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" is hereby amended to read as follows:


(a) The general assembly shall annually appropriate any sums it deems necessary for support and maintenance of higher education in the state and the state controller is authorized and directed to draw his or her orders upon the general treasurer for the payment of the appropriations or so much of the sums that are necessary for the purposes appropriated, upon the receipt by him or her of proper vouchers as the council on postsecondary education may by rule provide. The council shall receive, review, and adjust the budget for the office of postsecondary commissioner and present the budget as part of the budget for higher education under the requirements of § 35-3-4.

(b) The office of postsecondary commissioner and the institutions of public higher education shall establish working capital accounts.

(c) Any tuition or fee increase schedules in effect for the institutions of public higher education shall be received by the council on postsecondary education for allocation for the fiscal year for which state appropriations are made to the council by the general assembly; provided that no further increases may be made by the board of education or the council on postsecondary education for the year for which appropriations are made. Except that these provisions shall not apply to the revenues of housing, dining, and other auxiliary facilities at the university of Rhode Island, Rhode Island college, and the community colleges including student fees as described in P.L. 1962, ch. 257 pledged to secure indebtedness issued at any time pursuant to P.L. 1962, ch. 257 as amended.

(d) All housing, dining, and other auxiliary facilities at all public institutions of higher learning shall be self-supporting and no funds shall be appropriated by the general assembly to pay operating expenses, including principal and interest on debt services, and overhead expenses for the facilities, with the exception of the mandatory fees covered by the Rhode Island promise scholarship program as established by § 16-107-3. Any debt-service costs on general obligation
bonds presented to the voters in November 2000 and November 2004 or appropriated funds from the Rhode Island capital plan for the housing auxiliaries at the university of Rhode Island and Rhode Island college shall not be subject to this self-supporting requirement in order to provide funds for the building construction and rehabilitation program. The institutions of public higher education will establish policies and procedures that enhance the opportunity for auxiliary facilities to be self-supporting, including that all faculty provide timely and accurate copies of booklists for required textbooks to the public higher educational institution's bookstore.

(e) The additional costs to achieve self-supporting status shall be by the implementation of a fee schedule of all housing, dining, and other auxiliary facilities, including but not limited to, operating expenses, principal, and interest on debt services, and overhead expenses.

(f) The board of education is authorized to establish two (2) restricted-receipt accounts for the higher education and industry centers established throughout the state: one to collect lease payments from occupying companies, and fees from room and service rentals, to support the operation and maintenance of the facilities; and one to collect donations to support construction, operations and maintenance. All such revenues shall be deposited to the restricted-receipt accounts.

(g) Notwithstanding subsections (a) and (d) of this section or any provisions of this title, to the extent necessary to comply with the provisions of any outstanding bonds issued by the Rhode Island health and educational building corporation or outstanding lease certificates of participation, in either case, issued for the benefit of the university of Rhode Island, the community college of Rhode Island, and/or Rhode Island college, to the extent necessary to comply with the provisions of any such bonds or certificates of participation, the general assembly shall annually appropriate any such sums it deems necessary from educational and general revenues (including, but not limited to, tuition) and auxiliary enterprise revenues derived from the university of Rhode Island, the community college of Rhode Island and Rhode Island college, to be allocated by the council on postsecondary education or by the board of trustees of the university of Rhode Island, as appropriate, in accordance with the terms of the contracts with such bondholders or certificate holders.

(h) The board of education is authorized to establish a restricted-receipt account for income generated by the Rhode Island nursing education center through the rental of classrooms, laboratories, or other facilities located on the Providence campus of the nursing education center. All such revenues shall be deposited to the restricted receipt account.

(i) The board of education is authorized to establish a restricted-receipt account for the receipt and expenditure of monies received from IGT Global Solutions Corporation for the purpose of financing scholarships relating to studying science, technology, engineering, or mathematics at...
an accredited educational institution. This account shall be housed within the budget of the office
of the postsecondary commissioner and exempt from the indirect cost recovery provisions of § 35-
4-27.

Rhode Island Cannabis Act" is hereby amended to read as follows:


(a) The following taxes are imposed on the retail sale of adult use cannabis pursuant to the
provisions of this chapter.

(1) Sales tax pursuant to the provisions of § 44-18-18;

(2) A state cannabis excise tax equal to ten percent (10%) of each retail sale as defined in
§ 44-18-8; and

(3) A local cannabis excise tax equal to three percent (3%) of each retail sale as defined in
§ 44-18-8.

(b) The assessment, collection and enforcement of the sales tax pursuant to § 44-18-18, the
state cannabis excise tax, and the local cannabis excise tax shall be pursuant to the provisions of
chapters 18 and 19 of title 44 and paid to the tax administrator by the retailer at the time and in the
manner prescribed for sales tax in § 44-19-10. The retailer shall add the taxes imposed by this
chapter to the sales price or charge, and when added, the taxes constitute a part of the price or
charge, is a debt from the consumer or user to the state, and is recoverable at law in the same manner
as other debts.

(c) All sums received by the division of taxation under this section as local cannabis excise
tax or associated amounts as penalties, forfeitures, interest, costs of suit, and fines for failure to
timely report or pay the local cannabis excise tax shall be distributed at least quarterly and credited
and paid by the state treasurer to the city or town where the cannabis is delivered.

(d) There is created within the general fund a restricted receipt account known as the
"marijuana trust fund." Revenue collected from the state cannabis excise tax or associated amounts
as penalties, forfeitures, interest, costs of suit, and fines for failure to timely report or pay the state
cannabis excise tax shall be deposited into this account and used to fund programs and activities
related to program administration; revenue collection and enforcement; substance use disorder
prevention for adults and youth; education and public awareness campaigns, including awareness
campaigns relating to driving under the influence of cannabis; treatment and recovery support
services; public health monitoring, research, data collection, and surveillance; law enforcement
training and technology improvements, including grants to local law enforcement; and such other
related uses that may be deemed necessary.
(e) Revenue collected from the sales tax shall be deposited into the general fund.

(f) The budget officer is hereby authorized to create restricted receipt accounts entitled "marijuana trust fund allocation" in any department or agency of state government wherein monies from the marijuana trust fund are appropriated by the general assembly for the programmatic purposes set forth in subsection (d) of this section.

SECTION 3. Chapter 23-17.14 of the General Laws entitled "The Hospital Conversions Act" is hereby amended by adding thereto the following section:

**23-17.14-36. Hospital conversion monitoring account.**

There is hereby established within the department of health, a restricted receipt account entitled "Hospital Conversion Monitoring." This account shall be used for the sole purpose to fund monitoring activities associated with hospital conversions pursuant to § 23-17.14-28(d)(1), (2), (3), and (4). Funds held in non-state escrow, whether currently existing or prospective, through agreement between the department of health and the conversion acquiror may be deposited into the restricted receipt account and disbursed, as necessary, to conduct the monitoring activities associated with § 23-17.14-28(d)(1), (2), (3), and (4).

SECTION 4. Section 35-1.1-5 of the General Laws in Chapter 35-1.1 entitled "Office of Management and Budget" is hereby amended to read as follows:

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

(a) The controller shall be responsible for managing federal grant applications; providing administrative assistance to agencies regarding reporting requirements; providing technical assistance; and approving agreements with federal agencies pursuant to § 35-1-1. The controller shall:

1. Establish state goals and objectives for maximizing the utilization of federal aid programs;

2. Ensure that the state establishes and maintains statewide federally mandated grants management processes and procedures as mandated by the federal Office of Management and Budget;

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

4. Require, upon request, any state department, agency, advisory council, instrumentality of the state, or public higher education institution receiving a grant of money from the federal government to submit a report to the controller of expenditures and program measures for the fiscal period in question;
(5) Ensure state departments and agencies adhere to the requirements of § 42-41-5 regarding legislative appropriation authority and delegation thereof;

(6) Manage and oversee the disbursements of federal funds in accordance with § 35-6-42;

(7) Prepare the statewide cost allocation plan and serve as the monitoring agency to ensure that state departments and agencies are working within the guidelines contained in the plan; and

(8) Provide technical assistance to agencies to ensure resolution and closure of all single state audit findings and recommendations made by the auditor general related to federal funding.

(b) The division of accounts and control shall serve as the state clearinghouse for purposes of coordinating federal grants, aid, and assistance applied for and/or received by any state department, agency, advisory council, or instrumentality of the state. Any state department, agency, advisory council, or instrumentality of the state applying for federal funds, aids, loans, or grants shall file a summary notification of the intended application with the controller.

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

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

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

(iii) The growth of the program;

(iv) How the program will be evaluated;

(v) What action will be necessary should the federal funds be canceled, curtailed, or restricted; and

(vi) Any other financial and program management data required by the office or by law.

(2) Except as otherwise required, any application submitted by an executive agency for federal funds, aids, loans, or grants which will require state matching or replacement funds at the time of application or at any time in the future, must be approved by the director of the office of management and budget, or his or her designated agents, prior to its filing with the appropriate federal agency. Any application submitted by an executive agency for federal funds, aids, loans, or grants which will require state matching or replacement funds at the time of application or at any time in the future, when funds have not been appropriated for that express purpose, must be approved by the general assembly in accordance with § 42-41-5. When the general assembly is not in session, the application shall be reported to and reviewed by the director pursuant to rules and regulations promulgated by the director.

(3) When any federal funds, aids, loans, or grants are received by any state department, agency, advisory council, or instrumentality of the state, a report of the amount of funds received shall be filed with the office; and this report shall specify the amount of funds that would reimburse
an agency for indirect costs, as provided for under federal requirements.

(4) The controller may refuse to issue approval for the disbursement of any state or federal funds from the state treasury as the result of any application that is not approved as provided by this section, or in regard to which the statement or reports required by this section were not filed.

(5) The controller shall be responsible for the orderly administration of this section and for issuing the appropriate guidelines and regulations from each source of funds used.

(c) There is hereby created in the general fund and housed within the budget of the department of administration a restricted receipt account entitled “Grants Management Administration.” This account shall be used to fund centralized services relating to managing federal grant applications; providing administrative assistance to agencies regarding reporting requirements; providing technical assistance; approving agreements with federal agencies pursuant to § 35-1-1; and, may include costs associated with the development, implementation, and ongoing operation of a grants management information technology system. Every state department and agency, as defined in § 35-1-4, that receives federal assistance funds, excluding awards made directly to Rhode Island College, the Community College of Rhode Island, and the University of Rhode Island, shall set aside an amount of the funds received equal to a percentage as determined annually by the state controller multiplied by federal funds received. The state controller shall determine this rate annually in proportion with budgeted expenditures for uses consistent with the purpose of this subsection within the department of administration.

For federal awards in response to the COVID-19 pandemic and subsequent stimulus awards, there is hereby authorized an additional assessment that shall be deposited into the restricted receipt account established by this subsection and shall be equal to a uniform percentage of the amount of stimulus and other awards received, excluding Medicaid and all awards made directly to Rhode Island College, the Community College of Rhode Island, and the University of Rhode Island, associated with the COVID-19 pandemic and subsequent stimulus acts. The state controller shall calculate the rate of this additional assessment, not to exceed one percent (1%) of the total awards received during a fiscal year, in proportion with budgeted expenditures necessary to finance the planning, oversight, compliance, and reporting functions within the department of administration related to federal awards issued in response to the pandemic and subsequent stimulus awards in addition to the costs of planning, development, and implementation of a grants management information technology system. The Grants Management Administration account shall not include an allocation of the State Fiscal Recovery Fund or the Coronavirus Capital Projects Fund. For the additional assessment related to federal awards issued in response to the pandemic and subsequent stimulus awards no funds shall be deposited into the restricted receipt account after
December 31, 2026 the federally determined end of performance period. All funds set aside and
designated to be used for grants management shall be deposited into the restricted receipt account
established in this subsection.

Prior to any deposits being made into the restricted receipt account established by this
subsection and thereafter prior to the commencement of each fiscal year, the state controller shall
provide a report to the director of administration and the chairpersons of the house and senate
finance committees that includes the rate and calculation thereof for the following fiscal year.

SECTION 5. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds"
is hereby amended to read as follows:

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

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

- Executive Office of Health and Human Services
- Organ Transplant Fund
- HIV Care Grant Drug Rebates
- Health System Transformation Project
- Rhode Island Statewide Opioid Abatement Account
- HCBS Support- ARPA
- HCBS Admin Support-ARPA
- Department of Human Services
- Veterans' home — Restricted account
- Veterans' home — Resident benefits
- Pharmaceutical Rebates Account
- Demand Side Management Grants
- Veteran's Cemetery Memorial Fund
- Donations — New Veterans' Home Construction
- Department of Health
- Pandemic medications and equipment account
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Third-Party Grants

RI Judiciary Technology Surcharge Account

Department of Elementary and Secondary Education

Statewide Student Transportation Services Account

School for the Deaf Fee-for-Service Account

School for the Deaf — School Breakfast and Lunch Program

Davies Career and Technical School Local Education Aid Account

Davies — National School Breakfast & Lunch Program

School Construction Services

Office of the Postsecondary Commissioner

Higher Education and Industry Center

IGT STEM Scholarships

Department of Labor and Training

Job Development Fund

Rhode Island Council on the Arts

Governors’ Portrait Donation Fund

Statewide records management system account

SECTION 6. Section 39-1-42 of the General Laws in Chapter 39-1 entitled “Public Utilities Commission” is hereby amended to read as follows:

39-1-42. Access to telephone information services for persons with disabilities.

(a) The public utilities commission shall establish, administer, and promote an information accessibility service that includes:

(1) A statewide telephone relay service and, through the competitive bidding process, contract for the administration and operation of such a relay system for utilization of the telecommunications network by deaf, hard-of-hearing and speech-impaired persons;

(2) The adaptive telephone equipment loan program capable of servicing the needs of persons who are deaf, hard of hearing, severely speech impaired, or those with neuromuscular impairments for use with a single-party telephone line, or wireless telephone, to any subscriber who is certified as deaf, hard of hearing, severely speech impaired, or with neuromuscular impairments by a licensed physician, audiologist, speech pathologist, or a qualified state agency, pursuant to chapter 23 of this title; and
(3) A telephone access to the text of newspaper programs to residents who are blind, deaf or blind, visually impaired, or reading impaired with a single-party telephone line.

(b) The commission shall establish, by rule or regulation, an appropriate funding mechanism to recover the costs of providing this service from each residence and business telephone access line or trunk in the state, including PBX trunks and centrex equivalent trunks and each service line or trunk, and upon each user interface number or extension number or similarly identifiable line, trunk, or path to or from a digital network. Notwithstanding the foregoing, there shall not be any additional funding mechanism used to charge each residence and business telephone access line or trunk in the state, including PBX trunks and centrex equivalent trunks and each service line or trunk, or upon each user interface number or extension number or similarly identifiable line, trunk, or path to or from a digital network, to recover the costs of providing the services outlined in subsection (a)(1), (2) or (3) above.

(c) The commission, with the assistance of the state commission on the deaf and hard of hearing, shall also develop the appropriate rules, regulations, and service standards necessary to implement the provisions of subsection (a)(1). At a minimum, however, the commission shall require, under the terms of the contract, that the relay service provider:

(1) Offer its relay services seven (7) days a week, twenty-four (24) hours a day, including holidays;

(2) Hire only qualified salaried operators with deaf language skills; and

(3) Maintain the confidentiality of all communications.

(d) The commission shall collect from the telecommunications service providers the amounts of the surcharge collected from their subscribers and remit to the department of human services an additional ten thousand dollars ($10,000) annually commencing in fiscal year 2005 for the adaptive telephone equipment loan program and forty thousand dollars ($40,000) to the department of human services for the establishment of a new telephone access to the text of newspaper programs. In addition, eighty thousand dollars ($80,000) one hundred thousand dollars ($100,000) shall annually be remitted to the Rhode Island commission on the deaf and hard of hearing for an emergency and public communication access program, pursuant to § 23-1.8-4. The surcharge referenced hereunder shall be generated from existing funding mechanisms and shall not be generated as a result of any new funding mechanisms charged to each residence and business telephone access line or trunk in the state, including PBX trunks and centrex equivalent trunks and each service line or trunk, or upon each user interface number or extension number or similarly identifiable line, trunk, or path to or from a digital network.

SECTION 7. Section 42-7.2-10 of the General Laws in Chapter 42-7.2 entitled "Office of
Health and Human Services” is hereby amended to read as follows:

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

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

(b) For the purpose of recording federal financial participation associated with qualifying healthcare workforce development activities at the state's public institutions of higher education, and pursuant to the Rhode Island designated state health programs (DSHP), as approved by the Centers for Medicare & Medicaid Services (CMC) October 20, 2016, in the 11-W-00242/1 amendment to Rhode Island's section 1115 Demonstration Waiver, there is hereby established a restricted-receipt account entitled “Health System Transformation Project” in the general fund of the state and included in the budget of the office of health and human services.

(c) There are hereby created within the general fund of the state and housed within the budget of the office of health and human services two restricted receipt accounts, respectively entitled “HCBS Support-ARPA” and HCBS Admin Support-ARPA”. Amounts deposited into these accounts are equivalent to the general revenue savings generated by the enhanced federal match received on eligible home and community-based services between April 1, 2021 and March 31, 2022, allowable under Section 9817 of the American Rescue Plan Act of 2021, P.L. 117-2. Funds deposited into the “HCBS Support-ARPA” account will used to finance the state share of newly eligible medicaid expenditures by the office of health and human services and its sister agencies, including the department of children, youth, and families, the department of health, and the department of behavioral healthcare, developmental disabilities and hospitals. Funds deposited into the “HCBS Admin Support-ARPA” account will be used to finance the state share of allowable administrative expenditures attendant to the implementation of these newly eligible medicaid expenditures. The accounts created under this subsection shall be exempt from the indirect cost recovery provisions of § 35-4-27 of the Rhode Island general laws.

(d) There is hereby created within the general fund of the state and housed within the budget of the office of health and human services a restricted receipt account entitled “Rhode Island Statewide Opioid Abatement Account” for the purpose of receiving and expending monies from settlement agreements with opioid manufacturers, pharmaceutical distributors, pharmacies, or their affiliates, as well as monies resulting from bankruptcy proceedings of the same entities.
executive office of health and human services shall deposit any revenues from such sources that
are designated for opioid abatement purposes into the restricted receipt account. Funds from this
account shall only be used for forward-looking opioid abatement efforts as defined and limited
by any settlement agreements, state-city and town agreements, or court orders pertaining to the use
of such funds. By January 1 of each calendar year, the secretary of health and human services shall
report to the governor, the speaker of the house of representatives, the president of the senate, and
the attorney general on the expenditures that were funded using monies from the Rhode Island
statewide opioid abatement account and the amount of funds spent. The account created under this
subsection shall be exempt from the indirect cost recovery provisions of § 35-4-27 of the Rhode
Island General Laws. No governmental entity has the authority to assert a claim against the entities
with which the attorney general has entered into settlement agreements concerning the
manufacturing, marketing, distributing, or selling of opioids that are the subject of the Rhode Island
Memorandum of Understanding Between the State and Cities and Towns Receiving Opioid
Settlement Funds executed by every city and town and the attorney general and wherein every city
and town agreed to release all such claims against these settling entities, and any amendment
thereto. Governmental entity means any state or local governmental entity or sub-entity and
includes, but is not limited to, school districts, fire districts, and any other such districts. The claims
that shall not be asserted are the released claims, as that term is defined in the settlement agreements
executed by the attorney general, or, if not defined therein, the claims sought to be released in such
settlement agreements.

SECTION 8. Section 7 of this Article shall take effect as of July 1, 2021. Sections 1 through
6 of this Article shall take effect as of July 1, 2022.