

State of Rhode Island and Providence Plantations

JOURNAL
-OF THE-
HOUSE OF REPRESENTATIVES

JANUARY SESSION of the General Assembly begun and held at the State House in the City of Providence on Tuesday, the sixth day of January in the year of Our Lord two thousand and fifteen.

Volume 142, No.61

Tuesday, June 16, 2015

Sixty-first Day

The House of Representatives meets at the State House in Providence, Tuesday, June 16, 2015 and is called to order at 4:17 o'clock P.M., by the Honorable Nicholas A. Mattiello, Speaker.

The roll is called and a quorum is declared present with 75 members present and 0 members absent as follows:

PRESENT - 75: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield

ABSENT -0

INVOCATION

The Honorable Speaker presents Representative Tanzi who delivers the Invocation and leads the membership in the Pledge of Allegiance to the Flag.

(For Invocation, see Appendix, this Journal.)

APPROVAL OF RECORD

By unanimous consent, the House Journal of Thursday, June 11, 2015 is approved.

OATH OF OFFICE

The Honorable Speaker Mattiello welcomes to the House Representative-elect Carol Hagan McEntee and her family.

At 4:20 P.M. the Honorable Speaker Mattiello yields the rostrum to the Secretary of State.

The Honorable Nellie M. Gorbea, Secretary of State administers the Oath of Office to Representative-elect Carol Hagan McEntee.

At 4:21 Representative McEntee addresses the members of the House.

At 4:22 the Speaker Mattiello returns to the rostrum and congratulates Representative McEntee and her supporters and thanks the Honorable Nellie Gorbea.

GUESTS

Representative McEntee welcomes to the House Chamber as guests Michael McEntee, Meg McEntee, Mickey McEntee, Rory McEntee, Amy Hagan, Charles Julian, Richard Webb, Tim Hughes, Susan Hartnet, George Dubuque, Jim Hagan, Connie Marzilli, Julie and Lisa Marzilli, Paula Finkleman, Dan Capuano, Johnathon Thibeault, Bill and Will Lawrence, Brian and Lauren Duray, Nick Edwards, Jim O'Neill, Leslie Castrovillari, Anne Hathaway, Merlyn O'Keefe, Joe, Joe Jr., Lynn Notorantonio and Mike Dubuque.

Representative Craven welcomes to the Chamber Representative McEntee's family-former Representative Mike McEntee, along with her children-Meg, Rory and Mickey.

REPORTS OF COMMITTEES**COMMITTEE ON CORPORATIONS**

Representative Kennedy, for the Committee on Corporations, reports back the following measures, with recommendation of passage:

House Bill No. 5131 SUB A

BY Carnevale, Handy, McKiernan, Edwards, O'Brien

ENTITLED, AN ACT RELATING TO PUBLIC UTILITIES AND CARRIERS (Prohibits electric distribution companies from charging an interconnecting renewable energy customer for upgrades that can be funded through rates assessed pursuant to an electric infrastructure, safety and reliability plan.) {LC106/A/2}

06/16/2015 Placed on House Calendar (06/18/2015)

House Bill No. 6313

BY Jacquard

ENTITLED, AN ACT TO VACATE THE FORFEITURE OR REVOCATION OF THE CHARTER OF BRANCH 15, NATIONAL ASSOCIATION OF LETTER CARRIERS CORP.

{LC2880/1}

06/16/2015 Placed on House Calendar (06/18/2015)

COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES

Representative Handy, for the Committee on Environment and Natural Resources, reports back the following measures, with recommendation of passage:

House Bill No. 5668 SUB A

BY Tanzi, Handy, Carson, Morin, Melo

ENTITLED, AN ACT RELATING TO HEALTH AND SAFETY -- THE RHODE ISLAND CESSPOOL ACT OF 2007 (Amend the Rhode Island cesspool act of 2007 by phasing out cesspools.) {LC1667/A/1}

06/16/2015 Placed on House Calendar (06/18/2015)

House Bill No. 5671 SUB A

BY Handy, Naughton, Maldonado, Ajello, Regunberg

ENTITLED, AN ACT RELATING TO HEALTH AND SAFETY - MERCURY REDUCTION AND EDUCATION ACT (Requires manufacturers of mercury-containing lamps to establish and implement a statewide collection system for the recycling of mercury-containing lamps.)

{LC1308/A/1}

06/16/2015 Placed on House Calendar (06/18/2015)

House Bill No. 5672

BY Handy, Williams, Morin, Maldonado, Ajello

ENTITLED, AN ACT RELATING HEALTH AND SAFETY -- AIR POLLUTION (Regulates the phase-out of wood stoves without EPA certification in densely populated residential areas.)

{LC1195/1}

06/16/2015 Placed on House Calendar (06/18/2015)

COMMITTEE ON HEALTH, EDUCATION AND WELFARE

Representative McNamara, for the Committee on Health, Education and Welfare, reports back the following measures, with recommendation of passage:

House Bill No. 5077 SUB A

BY McNamara, Azzinaro, Diaz, Bennett, Malik

ENTITLED, AN ACT RELATING TO EDUCATION - THE COMPLETE COLLEGE RHODE ISLAND ACT (Establishes the Complete College RI Act, for purposes of creating a comprehensive compilation of data showing academic progress among students, develop strategies to increase the number of students graduating from state institutions of higher education.) {LC233/A/1}

06/16/2015 Placed on House Calendar (06/18/2015)

House Resolution No. 5297 SUB A**BY** Kazarian, Amore**ENTITLED**, HOUSE RESOLUTION CREATING A SPECIAL LEGISLATIVE COMMISSION TO STUDY THE CREATION OF A COUNCIL TO COORDINATE RESOURCES FOR PROVIDING CARE TO INDIVIDUALS WITH RARE DISEASES (Establishes a rare disease community advisory council within DHS to help develop and action plan which would address the coordination of resources to help care for Rhode Islanders with rare diseases and their families.) {LC901/A/1}

06/16/2015 Placed on House Calendar (06/18/2015)

House Bill No. 5697 SUB A**BY** Handy, Jacquard, Naughton, Messier, Williams**ENTITLED**, AN ACT RELATING TO EDUCATION -- INSTRUCTION FOR DEAF OR HARD-OF-HEARING STUDENTS (Mandates education that the department of human services develop programs to assess benchmark for deaf/hard-of-hearing children and require IEPs/IFSPs to include recommendations to assist those children.) {LC1305/A/1}

06/16/2015 Placed on House Calendar (06/18/2015)

House Bill No. 6022**BY** Azzinaro, Corvese, McNamara, Naughton, Edwards**ENTITLED**, AN ACT RELATING TO EDUCATION (Appropriate public education made available to a disabled child until their twenty-first birthday or completion of program in which they are enrolled as of their twenty-first birthday.) {LC2316/1}

06/16/2015 Placed on House Calendar (06/18/2015)

House Bill No. 6177 SUB A**BY** Keable, Newberry, Price, Blazejewski, Slater**ENTITLED**, AN ACT RELATING TO AGRICULTURE AND FORESTRY - CBD-RICH HEMP ACT (Allows for the growth and sale of hemp as an agricultural product subject to registration as cultivator with the division of agriculture, while sales, storage and growth of hemp products would be under the regulation of the department of health.) {LC2590/A/1}

06/16/2015 Placed on House Calendar (06/18/2015)

COMMITTEE ON JUDICIARY

Representative Keable, for the Committee on Judiciary, reports back the following measures, with recommendation of passage:

Senate Bill No. 899**BY** Nesselbush, Lynch**ENTITLED**, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES (Allows Sarah Greeley to join Erin Alexander Broderick and Gara Brooke Field in marriage on or about August 1, 2015, within the Town of Tiverton, Rhode Island.) {LC2647/1}

06/16/2015 Placed on the House Consent Calendar (06/18/2015)

Senate Bill No. 902**BY** Walaska, Lynch

ENTITLED, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES (Allows Robert George Madden to join Evan P. Shanley, Esq., and Meredith Jayne Garrity in marriage on or about October 11, 2015, within the Town of North Kingstown, Rhode Island.) {LC2659/1}
06/16/2015 Placed on the House Consent Calendar (06/18/2015)

Senate Bill No. 915**BY** Kettle

ENTITLED, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES (Allows Henry A. Johnson, Jr., to join Amanda Lynn Pendleton and Steven Henry Shangraw in marriage on or about October 25, 2015, within the Town of Foster, Rhode Island.) {LC2707/1}
06/16/2015 Placed on the House Consent Calendar (06/18/2015)

Senate Bill No. 930**BY** DiPalma

ENTITLED, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES (Allows Sean P. Donlon to join Kathleen McGreevey and Stephen Johnson in marriage on or about January 1, 2016, within the City of Newport, Rhode Island.) {LC2598/1}
06/16/2015 Placed on the House Consent Calendar (06/18/2015)

Senate Bill No. 940**BY** Kettle

ENTITLED, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES (Allows Anthony Simonelli, Jr., to join Rebeccah J. Stein and Alex S. Costa in marriage on or about August 15, 2015, within the Town of Foster, Rhode Island.) {LC2689/1}
06/16/2015 Placed on the House Consent Calendar (06/18/2015)

Senate Bill No. 956**BY** Ruggerio

ENTITLED, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES (Allows Mario Martone to join Cassandra Carolan Yates and Ryan Michael Simko in marriage on or about July 25, 2015, within the City of Providence, Rhode Island.) {LC2795/1}
06/16/2015 Placed on the House Consent Calendar (06/18/2015)

Senate Bill No. 957 SUB A**BY** Lombardi

ENTITLED, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES (Allows Norman Belieuar to join Dana Ciampanelli and Michael Mezt, Sr. in marriage on or about September 12, 2015, within the City of Warwick, Rhode Island.) {LC2783/A/1}
06/16/2015 Placed on the House Consent Calendar (06/18/2015)

Senate Bill No. 958**BY** McCaffrey

ENTITLED, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES (Allows the Honorable Frank S. Lombardi to join Nicolas DePaola and Vanessa DiPaolo in marriage on or

about August 8, 2015, within the Town of Narragansett, Rhode Island.) {LC2782/1}
06/16/2015 Placed on the House Consent Calendar (06/18/2015)

House Bill No. 5653 SUB A

BY Shekarchi, Serpa, McNamara, Ajello, Tanzi

ENTITLED, AN ACT RELATING TO DELINQUENT AND DEPENDENT CHILDREN-
PROCEEDINGS IN FAMILY COURT (Prohibits the detention of juveniles at the Rhode Island
Training School based on allegations that he or she was in violation of a court order and would
not classify conditions when a petition is placed on file, as a valid court order.) {LC1912/A/1}

06/16/2015 Placed on House Calendar (06/18/2015)

House Bill No. 5972 SUB A

(Judiciary)

BY Keable

ENTITLED, AN ACT RELATING TO COURTS AND CIVIL PROCEDURE --
PROCEDURE GENERALLY (Amends the procedure for the licensing of constables.)
{LC2006/A/2}

06/16/2015 Placed on House Calendar (06/18/2015)

House Bill No. 6264 SUB A

BY Shekarchi, Ackerman, Fogarty, Lima, Blazejewski

ENTITLED, AN ACT RELATING TO PROPERTY - MORTGAGE FORECLOSURE AND
SALE (Substitutes the word "voidable" for the word "void" relating to mediation proceedings
held to avoid foreclosure proceedings when a mortgage is in default.) {LC2779/A/1}

06/16/2015 Placed on House Calendar (06/18/2015)

House Bill No. 6290 SUB A

BY Edwards, Canario, Newberry, Trillo, Keable

ENTITLED, AN ACT RELATING TO ELECTIONS - CAMPAIGN FINANCE (Clarifies the
definition of the term "entity" that advocates for the approval or question presented to voters at a
financial town meeting, to include business entities, political action committees, persons and
exempt nonprofits.) {LC2831/A/1}

06/16/2015 Placed on House Calendar (06/18/2015)

House Bill No. 6307

BY Williams

ENTITLED, AN ACT RELATING TO COURTS AND CIVIL PROCEDURE-- COURTS --
JUDICIAL SELECTION (Makes any individual, whose name was publicly submitted to the
governor by the judicial nominating commission, eligible for subsequent nomination by the
governor until June 30, 2016, for any vacancy or prospective vacancy of a judge.) {LC2861/1}

06/16/2015 Placed on House Calendar (06/18/2015)

COMMITTEE ON LABOR

Representative Shekarchi, for the Committee on Labor, reports back the following measure, with
recommendation of passage:

House Bill No. 5315 SUB A**BY** Gallison, Fogarty, Marshall, Winfield, Costantino**ENTITLED**, AN ACT RELATING TO LABOR AND LABOR RELATIONS - FAIR EMPLOYMENT PRACTICES (Prohibits an employer from terminating an employee for failing to report to regularly scheduled work when employee is responding to an emergency in his or her capacity as a volunteer firefighter or ambulance technician.) {LC507/A/2}

06/16/2015 Placed on House Calendar (06/18/2015)

COMMITTEE ON MUNICIPAL GOVERNMENT

Representative Craven, for the Committee on Municipal Government, reports back the following measures, with recommendation of passage:

House Bill No. 5407 SUB A**BY** Shekarchi, Ackerman, Lally, Morin, Lancia**ENTITLED**, AN ACT RELATING TO TOWNS AND CITIES-WASTEWATER MANAGEMENT DISTRICTS (Authorizes connection to existing sanitary sewer lines from facilities across city and town lines under certain circumstances.) {LC551/A/2}

06/16/2015 Placed on House Calendar (06/18/2015)

House Bill No. 6276**BY** Craven**ENTITLED**, AN ACT RELATING TO TAXATION -- PROPERTY SUBJECT TO TAXATION (Exempts from taxation the real and personal property at 415 Tower Hill Road, North Kingstown of South County Community Action, Inc.) {LC2694/1}

06/16/2015 Placed on House Calendar (06/18/2015)

COMMITTEE ON VETERANS' AFFAIRS

Representative Malik, for the Committee on Veterans' Affairs, reports back the following measures, with recommendation of passage

Senate Bill No. 241 SUB A**BY** Felag, Ciccone, Pichardo, DiPalma, Walaska**ENTITLED**, AN ACT RELATING TO PROPERTY -- THE RHODE ISLAND FAIR HOUSING PRACTICES ACT (Adds military status discrimination as an unlawful housing practice protecting veterans who have an honorable or administrative discharge or a member of the Armed Forces of the United States and the Rhode Island National Guard.) {LC1102/A/1}

06/16/2015 Placed on House Calendar (06/18/2015)

House Bill No. 5593**BY** Malik, Azzinaro, Hull, McNamara, Fellela**ENTITLED**, AN ACT RELATING TO PROPERTY -- THE RHODE ISLAND FAIR HOUSING PRACTICES ACT (Adds military status discrimination as an unlawful housing practice protecting veterans.) {LC1720/1}

06/16/2015 Placed on House Calendar (06/18/2015)

CALENDAR

From the Calendar are taken:

SPECIAL ORDER OF BUSINESS FOR TUESDAY, JUNE 16, 2015 AT 3:00 PM**1. 2015-H 5900 SUB A**

BY Gallison

ENTITLED, AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016

Article 1; Article 2; Article 3; Article 4; Article 5; Article 6; Article 7; Article 8; Article 9; Article 10; Article 11; Article 12; Article 13; Article 14; Article 15; Article 16; Article 17; Article 18; Article 19; Article 20; Article 21; Article 22;

Committee on Finance recommends indefinite postponement of the original bill and passage of Substitute A.

Representative Gallison moves passage of the act, seconded by Representatives Naughton, Hearn, Maldonado, Fogarty, O'Grady, Amore, Tanzi, Canario, Ruggiero, Carson, Craven, McKiernan, O'Brien, Carnevale, Winfield, Marshall, Ucci, Phillips, Tobon, Barros, Abney, Kazarian, Casey, Keable, Johnston, Blazejewski, Morin, Malik, McNamara, Corvese, Azzinaro, Slater, Bennett, Hull, Serpa, Costantino, Lima, Shekarchi, Melo, and Ackerman.

Representative Gallison discusses the act.

ARTICLE 1RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2016

ARTICLE 2RELATING TO DEBT MANAGEMENT

ARTICLE 3RELATING TO LEASE AGREEMENTS FOR LEASED OFFICE SPACE AND OPERATING SPACE

ARTICLE 4RELATING TO DIVISION OF MOTOR VEHICLES

ARTICLE 5 ...THE REINVENTING MEDICAID ACT OF 2015

ARTICLE 6 ...RELATING TO EDUCATION

ARTICLE 7RELATING TO HIGHER EDUCATION ASSISTANCE AUTHORITY

ARTICLE 8RELATING TO MUNICIPALITIES

ARTICLE 9RELATING TO SCHOOL BUILDING AUTHORITY CAPITAL FUND

ARTICLE 10 RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2015

ARTICLE 11 ..RELATING TO REVENUES

ARTICLE 12 ..RELATING TO STATE POLICE PENSIONS

ARTICLE 13 ..RELATING TO BUDGET ACCOUNTS

ARTICLE 14 ..RELATING TO INFRASTRUCTURE BANK

ARTICLE 15 ..RELATING TO GOVERNMENT ORGANIZATION

ARTICLE 16 ..RELATING TO BAYS, RIVERS AND WATERSHEDS

ARTICLE 17 ..RELATING TO HUMAN SERVICES -- CHILD CARE--STATE SUBSIDIES

ARTICLE 18 RELATING TO HEALTH REFORM ASSESSMENT AND HEALTH
BENEFIT EXCHANGE

ARTICLE 19 ..RELATING TO COMMERCE CORPORATION AND ECONOMIC
DEVELOPMENT

ARTICLE 20 ..RELATING TO PROFESSIONAL LICENSES

ARTICLE 21 ..RELATING TO PENSIONS

ARTICLE 22 RELATING TO EFFECTIVE DATE

ARTICLE 2

RELATING TO DEBT MANAGEMENT

Representative moves passage of the article seconded by Representatives Naughton, Hearn, O'Brien, McKiernan, Marshall, Canario, Tobon, Barros, Abney, Ajello, and Johnston.

Representatives Morgan, Melo discuss the article.

Representative Corvese states on page 4, line 4 could have a typographical error. Representatives Gallison and DeSimone continue discussion on the article

The Honorable Speaker rules there is a typographical error and the Article 2 will be held for an amendment.

Article 2 ordered to be placed after Article 11.

ARTICLE 3

RELATING TO LEASE AGREEMENTS FOR LEASED OFFICE SPACE AND OPERATING SPACE

Representative Slater moves passage of the article seconded by Representatives Naughton, Diaz, Hull, Tobon, Barros, Abney, Johnston, Hearn, Almeida, McKiernan, O'Brien, Marshall, Tanzi, Canario, and Bennett.

Representative Slater discusses the article

Article 3 prevails on a roll call vote 75 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 75: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

ARTICLE 4

RELATING TO DIVISION OF MOTOR VEHICLES

Representative Slater moves passage of the article seconded by Representatives Diaz, Bennett, Hull, Tobon, Barros, Abney, Johnston, Naughton, Hearn, Tanzi, Fogarty, Amore, Canario, McKiernan, Marshall, and Winfield.

Representative Slater discusses the article

Article 4 prevails on a roll call vote 75 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 75: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

ARTICLE 5

THE REINVENTING MEDICAID ACT OF 2015

For Article 5, see after Article 21.

ARTICLE 6

RELATING TO EDUCATION

Representative Jacquard moves passage of the article seconded by Representatives Naughton, Ajello, Hearn, Costantino, Maldonado, Fogarty, Ackerman, Palangio, Regunberg, Amore, Tanzi, Canario, Ruggiero, Carson, McEntee, Marshall, Williams, McLaughlin, Morin, Malik, McNamara, Diaz, Slater, Bennett, Hull, Giarrusso, Reilly, Nardolillo, Lancia, Filippi, Tobon, Barros, Abney, Edwards, Solomon, Coughlin, Kazarian, Casey, Johnston, and Blazejewski.

Representative Jacquard discusses the article

Article 6 prevails on a roll call vote 75 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 75: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

ARTICLE 7

RELATING TO HIGHER EDUCATION ASSISTANCE AUTHORITY

Representative Jacquard moves passage of the article seconded by Representatives Hearn, Marcello, Naughton, Tanzi, Ruggiero, Carson, Fogarty, McNamara, Azzinaro, Diaz, Slater, Tobon, Barros, Abney, Coughlin, and Casey.

Representative Jacquard discusses the article

Article 7 prevails on a roll call vote 75 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 75: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

ARTICLE 8

RELATING TO MUNICIPALITIES

Representative Slater moves passage of the article seconded by Representatives Diaz, Malik, Barros, Abney, Ruggiero, Carson, Almeida, McKiernan, Reilly, and Marshall.

Representative Slater discusses the article

Article 8 prevails on a roll call vote 75 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 75: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

ARTICLE 9

RELATING TO SCHOOL BUILDING AUTHORITY CAPITAL FUND

Representative Jacquard moves passage of the article seconded by Representatives Hearn, Marshall, Tanzi, Carson, McEntee, Regunberg, Amore, Maldonado, Fogarty, Ajello, Naughton, McLaughlin, Morin, Malik, Lancia, Barros, Abney, Solomon, Kazarian, and Casey.

Representative Jacquard discusses the article

By unanimous consent, Representative Jacquard, offers Representative Gallison's amendment, seconded by Representatives DeSimone, Barros, Hearn, Marshall, Johnston, Slater, Ruggiero offers a written motion to amend.

**FLOOR AMENDMENT
TO
2015 -- H 5900 SUBSTITUTE A**

**AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE
FISCAL YEAR ENDING JUNE 30, 2016**

Mr. Speaker:

I hereby move to amend 2015 -- H 5900 SUBSTITUTE A, entitled "AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016", as follows:

1. In Article 9, by deleting all of the language after the title "RELATING TO SCHOOL BUILDING AUTHORITY CAPITAL FUND" and inserting the following:

"SECTION 1. Sections 16-7-41.1 and 16-7-44 of the General Laws in Chapter 16-7 entitled "Foundation Level School Support" are hereby amended to read as follows:

16-7-41.1. Eligibility for reimbursement. -- (a) School districts, not municipalities, may apply for and obtain approval for a project under the necessity of school construction process set forth in the regulations of the board of regents for elementary and secondary education, provided, however, in the case of municipality which issues bonds through the Rhode Island Health and Educational Building Corporation to finance or refinance school facilities for a school district which is not part of the municipality, the municipality may apply for and obtain approval for a project. Such approval will remain valid until June 30 of the third fiscal year following the fiscal year in which the board of regents for elementary and secondary education's approval is granted. Only those projects undertaken at school facilities under the care and control of the school committee and located on school property may qualify for reimbursement under §§ 16-7-35 -- 16-7-47. Facilities with combined school and municipal uses or facilities that are operated jointly with any other profit or non-profit agency do not qualify for reimbursement under §§ 16-7-35 -- 16-7-47. Projects completed by June 30 of a fiscal year are eligible for reimbursement in the following fiscal year. A project for new school housing or additional housing shall be deemed to be completed when the work has been officially accepted by the school committee or when the housing is occupied for its intended use by the school committee, whichever is earlier.

(b) Notwithstanding the provisions of this section, the board of regents shall not grant final approval for any project between June 30, 2011 and May 1, 2015 except for projects that are necessitated by immediate health and safety reasons. In the event that a project is requested during the moratorium because of immediate health and safety reasons, those proposals shall be

reported to the chairs of the house and senate finance committees.

(c) Any project approval granted prior to the adoption of the school construction regulations in 2007, and which are currently inactive; and any project approval granted prior to the adoption of the school construction regulations in 2007 which did not receive voter approval or which has not been previously financed, are no longer eligible for reimbursement under this chapter. The department of elementary and secondary education shall develop recommendations for further cost containment strategies in the school housing aid program.

(d) Beginning July 1, 2015, the council on elementary and secondary education shall approve new necessity of school construction applications on an annual basis. The department of elementary and secondary education shall develop an annual application timeline for LEAs seeking new necessity of school construction approvals.

16-7-44. School housing project costs. – School housing project costs, the date of completion of school housing projects, and the applicable amount of school housing project cost commitments shall be in accordance with the regulations of the commissioner of elementary and secondary education and the provisions of §§ 16-7-35 – 16-7-47; provided, however, that school housing project costs shall include the purchase of sites, buildings, and equipment, the construction of buildings, and additions or renovations of existing buildings and/or facilities. School housing project costs shall include the cost of interest payment on any bond issued after July 1, 1988, provided that such bond is approved by the voters on or before June 30, 2003 or issued by a municipal public building authority or by the appropriate approving authority on or before June 30, 2003. Except as provided in subsection 16-7-41(d), those projects approved after June 30, 2003, interest payments may only be included in project costs provided that the bonds for these projects are issued through the Rhode Island Health, ~~and Education~~ Educational and Building Corporation. School housing project costs shall exclude: (1) any bond issuance costs incurred by the municipality or regional school district; (2) demolition costs for buildings, facilities, or sites deemed surplus by the school committee; and (3) restrictions pursuant to § 16-7-44.1 below. A building, facility, or site is declared surplus by a school committee when the committee no longer has such building, facility, or site under its direct care and control and transfers control to the municipality, § 16-2-15. The board of regents for elementary and secondary education will promulgate rules and regulations for the administration of this section. These rules and regulations may provide for the use of lease revenue bonds, capital leases, or capital reserve funding, to finance school housing provided that the term of any bond, or capital lease shall not be longer than the useful life of the project and these instruments are subject to the public review and voter approval otherwise required by law for the issuance of bonds or capital leases. Cities or towns issuing bonds, or leases issued by municipal public buildings authority for the benefit of a local community pursuant to chapter 50 of title 45 shall not require voter approval. Effective January 1, 2008, and except for interim finance mechanisms, refunding bonds, borrowing from the school building authority capital fund, and bonds issued by the Rhode Island Health and Educational Building Corporation to finance school housing projects for towns, cities, or regional school districts borrowing for which has previously been authorized by an enabling act of the general assembly, all bonds, notes and other forms of indebtedness issued in support of school housing projects shall require passage of an enabling act by the general assembly.

SECTION 2. Title 16 of the General Laws entitled "EDUCATION" is hereby amended by adding thereto the following chapter:

CHAPTER 105
SCHOOL BUILDING AUTHORITY

16-105-1. Legislative findings. – (a) The state of Rhode Island is committed to providing high quality educational opportunities for all public school students.

(b) School facilities provide more than a place for instruction. The physical learning environment contributes to the successful performance of educational programs designed to meet students' educational needs.

(c) Every student needs a safe, healthy, and sanitary learning environment that promotes student learning and development.

(d) School construction policies should encourage districts to reduce excess capacity through means such as partnering with other districts, closing buildings, and altering grade configurations in certain buildings to maximize the use of square feet.

(e) In order to maximize limited state resources, the project prioritization process should focus on projects with the most urgent and immediate need.

(f) State funded school construction project financing should transition from a system that largely reimburses local debt service to one that provides a set amount of financing annually, to provide greater stability from a budgetary perspective while guiding limited resources to best use.

16-105-2. School building authority established. -- The general assembly hereby designates the department of elementary and secondary education as the state's school building authority with the responsibility to implement a system of state funding for school facilities designed to:

(1) Promote adequate school housing for all public school children in the state, and

(2) Prevent the cost of school housing from interfering with the effective operation of the schools.

16-105-3. Roles and responsibilities. -- The school building authority roles and responsibilities shall include:

(1) Management of a system with the goal of assuring equitable and adequate school housing for all public school children in the state;

(2) Prevention of the cost of school housing from interfering with the effective operation of the schools;

(3) Management of school housing aid in accordance with statute;

(4) Reviewing and making recommendations to the council on elementary and secondary education on necessity of school construction applications for state school housing aid and the school building authority capital fund, based on the recommendations of the school building authority advisory board;

(5) Managing and maintaining school construction regulations, standards, and guidelines applicable to the school housing program, based on the recommendations of the school building authority advisory board, created in § 16-105-8;

(6) Providing technical advice and assistance, training and education to cities, towns, and/or LEAs and to general contractors, subcontractors, construction or project managers, designers and others in planning, maintenance and establishment of school facility space;

(7) Developing a project priority system, based on the recommendations of the school building authority advisory board, in accordance with school construction regulations for the state school housing aid set forth in §§ 16-7-35 to 16-7-47 and the school building authority capital fund, subject to review and if necessary to be revised on intervals not to exceed five (5)

years. Project priorities shall be in accordance with, but not limited to, the following order of priorities:

(i) Projects to replace or renovate a building which is structurally unsound or otherwise in a condition seriously jeopardizing the health and safety of school children, where no alternative exists;

(ii) Projects needed to prevent loss of accreditation;

(iii) Projects needed for the replacement, renovation or modernization of the HVAC system in any schoolhouse to increase energy conservation and decrease energy related costs in said schoolhouse;

(iv) Projects needed to replace or add to obsolete buildings in order to provide for a full range of programs consistent with state and approved local requirements; and

(v) Projects needed to comply with mandatory instructional programs.

(8) Maintaining a current list of requested school projects and the priority given them;

(9) Collecting and maintaining readily available data on all the public school facilities in the state;

(10) Recommending policies and procedures designed to reduce borrowing for school construction programs at both state and local levels;

(11) At least every five (5) years, conducting a needs survey to ascertain the capital construction, reconstruction, maintenance and other capital needs for schools in each district of the state including public charter schools;

(12) Developing a formal enrollment projection model or using projection models already available;

(13) Encouraging local education agencies to investigate opportunities for the maximum utilization of space in and around the district;

(14) Collecting and maintaining a clearinghouse of prototypical school plans which may be consulted by eligible applicants;

(15) By regulation, offering additional incentive points to the school housing aid ratio calculation set forth in § 16-7-39, as the authority, based upon the recommendation of the advisory board, determines will promote the purposes of this chapter. Said regulations may delineate the type and amounts of any such incentive percentage points; provided, however, that no individual category of incentive points shall exceed two (2) additional points; and provided further, that no district shall receive a combined total of more than five (5) incentive percentage points. Such incentive points may be awarded for a district's use of highly efficient construction delivery methods; regionalization with other districts; superior maintenance practices of a district; energy efficient and sustainable design and construction; the use of model schools as adopted by the authority; and other incentives as recommended by the advisory board and determined by the authority to encourage the most cost-effective and quality construction. Notwithstanding any provision of the general laws to the contrary, the reimbursement or aid received under this chapter or § 45-38.2 shall not exceed one hundred percent (100%) of the sum of the total project costs plus interest costs.

16-105-4. Funding mechanisms for school facilities. -- The school building authority, within the department shall oversee and manage two distinct funding mechanisms for school facilities: the foundation program for school housing, as set forth in §§ 16-7-35 to 16-7-47, and the school building authority capital fund, as set forth in chapter 38.2 of title 45. The school building authority shall determine the necessity of school construction, establish standards for design and construction of school buildings, ensure that districts have adequate asset protection

plans in place to maintain their school facilities, make recommendations to the council on elementary and secondary education for approval of projects for school housing aid reimbursement and establish a project priority list for projects funded by the school building authority capital fund and school housing aid set forth in §§ 16-7-35 to 16-7-47 that shall apply to any projects submitted or reviewed on or after May 1, 2015.

16-105-5. Procedure for school building authority capital fund project approval. – (a) The department of elementary and secondary education shall promulgate rules and regulations that establish the process through which a city, town, or LEA may submit an application for school building authority capital funding. The department may also prescribe, without limitation, forms for financial assistance applications. All rules and regulations promulgated pursuant to this chapter shall be promulgated in accordance with the provisions of chapter 42-35, and shall apply to any projects submitted or reviewed on or after May 1, 2015.

(b) As part of the budget process, the governor shall specify the amount included in his/her budget recommendation that the school building authority may commit to new projects in the ensuing fiscal year, as well as any funding pursuant to § 16-105-7. Subsequently, the general assembly shall authorize the maximum amount that the school building authority may commit to new projects in the ensuing fiscal year.

(c) Each LEA shall develop, implement, and maintain a comprehensive asset protection plan for every school building, not only buildings for which housing aid or school building authority capital funds are sought or received. Only LEAs that have adequate asset protection plans in place to maintain their school facilities are eligible for funding from the school building authority capital fund. LEAs must annually provide asset protection information to the department of elementary and secondary education. If an LEA fails to provide asset protection information in a fiscal year, they are not eligible to receive school building authority capital funds the next fiscal year.

(d) Upon issuance of the project priority list, the Rhode Island health and educational building corporation shall award financial assistance to cities, towns, and LEAs for approved projects. The corporation may decline to award financial assistance to an approved project which the corporation determines will have a substantial adverse effect on the interests of holders of bonds or other indebtedness of the corporation or the interests of other participants in the financial assistance program, or for good and sufficient cause affecting the finances of the corporation. All financial assistance shall be made pursuant to a loan or financing agreement between the corporation and the city, town or LEA, acting by and through the officer or officers, board, committee, or other body authorized by law, or otherwise its chief executive officer, according to terms and conditions as determined by the corporation, and each loan shall be evidenced and secured by the issue to the corporation of city or town obligations in principal amount, bearing interest at the rate or rates specified in the applicable loan or financing agreement, and shall otherwise bear such terms and conditions as authorized by this chapter and/or the loan or financing agreement.

16-105-6. Inspection of approved projects. -- For any approved project, the school building authority shall have the authority to inspect the construction and operation thereof to ensure compliance with the provisions of this chapter.

16-105-7. Expenses incurred by the department. -- In order to provide for one-time or limited expenses of the department of elementary and secondary education under this chapter, the corporation shall provide funding from the school building authority capital fund. The school building authority shall, by October 1 of each year, report to the governor and the chairs of the

senate and house finance committees, the senate fiscal advisor and the house fiscal advisor the amount sought for expenses for the next fiscal year.

16-105-8. School building authority advisory board established. -- (a) There is hereby established a school building authority advisory board that shall advise the school building authority regarding the best use of the school building authority capital fund, including the setting of statewide priorities, criteria for project approval, and recommendations for project approval and prioritization.

(b) The school building authority advisory board shall consist of seven (7) members as follows:

(1) The general treasurer;

(2) The director of the department of administration, who shall serve as chair;

(3) A member of the governor's staff, as designated by the governor; and

(4) Four (4) members of the public, appointed by the governor, and who serve at the pleasure of the governor, each of whom shall have expertise in education and/or construction, real estate, or finance. At least one of these four members shall represent a local education agency.

(c) In addition to the purposes in subsection (a), the school building authority advisory board shall advise the school building authority on, including but not limited to, the following:

(1) The project priorities for the school building authority capital fund;

(2) Legislation as it may deem desirable or necessary related to the school building authority capital fund and the school housing aid program set forth in §§ 16-7-35 to 16-7-47;

(3) Policies and procedures designed to reduce borrowing for school construction programs at both state and local levels;

(4) Development of a formal enrollment projection model or consideration of using projection models already available;

(5) Processes and procedures necessary to apply for, receive, administer, and comply with the conditions and requirements respecting any grant, gift or appropriation of property, services or moneys;

(6) The collection and maintenance of a clearinghouse of prototypical school plans which may be consulted by eligible applicants and recommend incentives to utilize these prototypes;

(7) The determination of eligible cost components of projects for funding or reimbursement, including partial or full eligibility for project components for which the benefit is shared between the school and other municipal and community entities;

(8) Development of a long term capital plan in accordance with needs and projected funding;

(9) Collection and maintenance of data on all the public school facilities in the state, including information on size, usage, enrollment, available facility space and maintenance;

(10) Advising districts on the conduct of a needs survey to ascertain the capital construction, reconstruction, maintenance and other capital needs for schools across the state;

(12) The recommendation of policies, rules and regulations that move the state toward a pay-as-you-go funding system for school construction programs; and

(13) Encouraging local education agencies to investigate opportunities for the maximum utilization of space in and around the district.

16-105-9. Severability. -- If any provision of this chapter or the application of this chapter to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the chapter, which can be given effect without the invalid provision or

application, and to this end the provisions of this chapter are declared to be severable.

SECTION 3. Sections 45-38.1-4 and 45-38.1-17 of the General Laws in Chapter 45-38.1 entitled "Health and Educational Building Corporation" are hereby amended to read as follows:

45-38.1-4. Corporation established. – (a) There is hereby created a public body corporate and corporation of the state to be known as the "Rhode Island health and educational building corporation" as successor to the Rhode Island educational building corporation, previously created as a nonbusiness corporation under and pursuant to chapter 6 of title 7, as amended by chapter 121 of the Public Laws of 1966, and constituted and established as a public body corporate and corporation of the state for the exercising of the powers conferred on the corporation under and pursuant to §§ 45-38.1-1 – 45-38.1-24.

(b) All of the powers of the corporation are vested in the board of directors of the corporation elected at the first meeting of the incorporators of the Rhode Island educational building corporation, and the members of the board shall continue to serve for the duration of the terms for which they were originally elected. Successors to the members of the board of directors shall be appointed by the governor, as follows: prior to the month of June in each year, commencing in the year 1968, the governor shall appoint a member to serve on the board of directors for a term of five (5) years to succeed the member whose term will expire in June of that year. In the event of a vacancy occurring in the membership of the board of directors, the governor shall appoint a new member of the board of directors for the unexpired term. Any member of the board of directors is eligible for reappointment.

(c) Each member of the board of directors, before entering upon his or her duties, shall take an oath to administer the duties of his or her office faithfully and impartially, and the oath shall be filed in the office of the secretary of state.

(d) The board of directors shall select two (2) of its members as chairperson and vice chairperson, and also elect a secretary, assistant secretary, treasurer, and assistant treasurer, who need not be members of the board. Three (3) members of the board of directors of the corporation shall constitute a quorum, and the affirmative vote of the majority of the directors present and entitled to vote at any regular or special meeting at which a quorum is present, is necessary for any action to be taken by the corporation; except, however, that the affirmative vote of three (3) members of the board of directors is necessary for the election of officers of the corporation and to amend the bylaws of the corporation. No vacancy in the membership of the board of directors of the corporation impairs the right of a quorum to exercise all the powers of and perform the duties of the corporation.

(e) Any action taken by the corporation under the provisions of this chapter may be authorized by resolution at any regular or special meeting, and each resolution takes effect immediately and need not be published or posted.

(f) The members of the board of directors shall receive compensation at the rate of fifty dollars (\$50.00) per meeting attended; however, the compensation shall not exceed one thousand five hundred dollars (\$1,500) per fiscal year per member.

(g) Notwithstanding any other law to the contrary, it shall not be or constitute a conflict of interest for a trustee, director, officer, or employee of an institution for higher education or a health care provider to serve as a member of the board of directors of the corporation; provided, that the trustee, director, officer, or employee abstains from deliberation, action and vote by the board under this chapter in specific respect to the institution for higher education or the health care provider of which the member is a trustee, director, officer, or employee.

(h) The board and corporation shall comply with provisions of chapter 155 of title 42, the

quasi-public corporations accountability and transparency act.

45-38.1-17. Annual report and audit. -- Within four (4) months after the close of each fiscal year of the corporation, it shall make a report to the governor, the speaker of the house, the president of the senate and the secretary of state of its activities for the preceding fiscal year, and the report shall present a complete operating and financial statement covering the corporation's operations during the preceding fiscal year. In addition the report shall provide a summary of the applications received and approved loans or aid provided to the communities and a summary of the status of loans and status of the school building authority capital fund. The corporation shall cause an audit of its books and accounts to be made at least once each fiscal year by certified public accountants, and the cost of the audit shall be paid by the corporation from funds available to it pursuant to this chapter. The report shall be posted as prescribed in § 42-20-8.2. The director of the department of administration shall be responsible for the enforcement of this provision.

SECTION 4. Title 45 of the General Laws entitled "TOWNS AND CITIES" is hereby amended by adding thereto the following chapter:

CHAPTER 45-38.2

SCHOOL BUILDING AUTHORITY CAPITAL FUND

45-38.2-1. Definitions. – As used in this chapter, the following terms, unless the context requires a different interpretation, shall have the following meanings:

(1) "Application" means a project proposed by a city, town, or LEA that would make capital improvements to public school facilities consistent with project evaluation criteria and chapter 41.1 of title 16-7;

(2) "Approved project" means any project approved for financial assistance by the Council on Elementary and Secondary Education;

(3) "Corporation" means the Rhode Island health and educational building corporation as set forth in chapter 38.1 of title 42;

(4) "Department" means the department of elementary and secondary education as established under title 16;

(5) "Eligible project" means an application, or a portion of an application, that meets the project evaluation criteria and approved by the council on elementary and secondary education;

(6) "Financial assistance" means any form of financial assistance provided by the corporation to a city, town, or LEA in accordance with this chapter for all or any part of the cost of an approved project, including, without limitation, loans, guarantees, insurance, subsidies for the payment of debt service on loans, lines of credit, and similar forms of financial assistance;

(7) "Fund" means the school building authority capital fund;

(8) "LEA" means a local education agency, a public board of education, school committee or other public authority legally constituted within the state for administrative control or direction of one or more Rhode Island public elementary or secondary schools;

(9) "Market rate" means the rate the city, town, or LEA would receive on the open market at the time of the original loan agreement as determined by the corporation in accordance with its rules and regulations;

(10) "Project evaluation criteria" means the criteria used by the school building authority to evaluate applications and rank eligible projects;

(11) "Project priority list" means the list of eligible projects approved by the council on elementary and secondary education ranked in the order in which financial assistance shall be awarded by the corporation; and

(12) "Subsidy assistance" means the credit enhancements and other measures to reduce

the borrowing costs for a city, town, or LEA.

45-38.2-2. School building authority capital fund. -- (a) There is hereby established a school building authority capital fund. The corporation shall establish and set up on its books the fund, to be held in trust and to be administered by the corporation as provided in this chapter. This fund shall be in addition to the annual appropriation for committed expenses related to the repayment of housing aid commitments. The corporation shall deposit the following monies into the fund:

(1) The difference between the annual housing aid appropriation and housing aid commitment amounts appropriated or designated to the corporation by the state for the purposes of the foundation program for school housing;

(2) Loan repayments, bond refinance interest savings, and other payments received by the corporation pursuant to loan or financing agreements with cities, towns, or LEAs executed in accordance with this chapter;

(3) Investment earnings on amounts credited to the fund;

(4) Proceeds of bonds of the corporation issued in connection with this chapter to the extent required by any trust agreement for such bonds;

(5) Administrative fees levied by the corporation, with respect to financial assistance rendered under this chapter and specified in § 45-38.2-3(a)(4), less operating expenses;

(6) Other amounts required by provisions of this chapter or agreement, or any other law or any trust agreement pertaining to bonds to be credited to the fund; and

(7) Any other funds permitted by law which the corporation in its discretion shall determine to credit thereto.

(b) The corporation shall establish and maintain fiscal controls and accounting procedures conforming to generally accepted government accounting standards sufficient to ensure proper accounting for receipts in and disbursements from the school building authority capital fund.

(c) The school building authority shall establish and maintain internal controls to ensure that LEAs are providing adequate asset protection plans, all LEAs have equal access and opportunity to address facility improvements on a priority basis, and to ensure that funding from the school building authority capital fund has the greatest impact on facility gaps in state priority areas. The school building authority will also manage necessity of school construction approvals in accordance with the funding levels set forth by the general assembly.

45-38.2-3. Administration. -- (a) The corporation shall have all the powers necessary or incidental to carry out and effectuate the purposes and provisions of this chapter including:

(1) To receive and disburse such funds from the state as may be available for the purpose of the fund subject to the provisions of this chapter;

(2) To make and enter into binding commitments to provide financial assistance to cities, towns and LEAs from amounts on deposit in the fund;

(3) To enter into binding commitments to provide subsidy assistance for loans and city, town, and LEA obligations from amounts on deposit in the fund;

(4) To levy administrative fees on cities, towns, and LEAs as necessary to effectuate the provisions of this chapter; provided the fees have been previously authorized by an agreement between the corporation and the city, town, or LEA;

(5) To engage the services of third-party vendors to provide professional services;

(6) To establish one or more accounts within the fund; and

(7) Such other authority as granted to the corporation under chapter 38.1 of title 45.

(b) Subject to the provisions of this chapter, and to any agreements with the holders of any bonds of the corporation or any trustee therefor, amounts held by the corporation for the account of the fund shall be applied by the corporation, either by direct expenditure, disbursement, or transfer to one or more other funds and accounts held by the corporation or a trustee under a trust agreement or trust indenture entered into by the corporation with respect to bonds or notes issued by the corporation under this chapter or by a holder of bonds or notes issued by the corporation under this chapter, either alone or with other funds of the corporation, to the following purposes:

(1) To provide financial assistance to cities, towns and LEAs to finance costs of approved projects, and to refinance the costs of the projects, subject to such terms and conditions, if any, as are determined by the department and/or the corporation;

(2) To fund reserves for bonds of the corporation and to purchase insurance and pay the premiums therefor, and pay fees and expenses of letters or lines of credit and costs of reimbursement to the issuers thereof for any payments made thereon or on any insurance, and to otherwise provide security for, and a source of payment for obligations of the corporation, by pledge, lien, assignment, or otherwise as provided in chapter 38.1 of title 45;

(3) To pay or provide for subsidy assistance as determined by the school building authority;

(4) To provide a reserve for, or to otherwise secure, amounts payable by cities, towns, and LEAs on loans and city, town, and LEA obligations outstanding in the event of default thereof; amounts in any account in the fund may be applied to defaults on loans outstanding to the city, town, or LEA for which the account was established and, on a parity basis with all other accounts, to defaults on any loans or city, town, or LEA obligations outstanding; and

(5) To provide a reserve for, or to otherwise secure, by pledge, lien, assignment, or otherwise as provided in chapter 38.1 of title 45, any bonds or notes of the corporation issued under this chapter.

(c) The repayment obligations of the city, town, or LEA for loans shall be in accordance with its eligibility for state aid for school housing as set forth in §§ 16-7-39, 16-77.1-5, and 105-3(15).

(d) In addition to other remedies of the corporation under any loan or financing agreement or otherwise provided by law, the corporation may also recover from a city, town or LEA, in an action in superior court, any amount due the corporation together with any other actual damages the corporation shall have sustained from the failure or refusal of the city, town, or LEA to make the payments or abide by the terms of the loan or financing agreement.

45-38.2-4. Payment of state funds.-- (a) Subject to the provisions of subsection (b), upon the written request of the corporation, the general treasurer shall pay to the corporation, from time to time, from the proceeds of any bonds or notes issued by the state for the purposes of this chapter or funds otherwise lawfully payable to the corporation for the purposes of this chapter, such amounts as shall have been appropriated or lawfully designated for the fund. All amounts so paid shall be credited to the fund in addition to any other amounts credited or expected to be credited to the fund.

(b) The corporation and the state may enter into, execute, and deliver one or more agreements setting forth or otherwise determining the terms, conditions, and procedures for, and the amount, time, and manner of payment of, all amounts available from the state to the corporation under this section.

(c) The corporation, per order of the School Building Authority, is authorized to grant a

district or municipality its state share of an approved project cost, pursuant to § 16-7-39 and 16-77.1-5. Construction pay-as-you-go grants received from the school building authority capital fund shall not be considered a form of indebtedness subject to the provisions of § 16-7-44.

(d) Notwithstanding city charter provisions to the contrary, up to five hundred thousand dollars (\$500,000) may be loaned to a city or town for the LEA's share of total project costs without the requirement of voter approval.

(e) Notwithstanding any provision to the contrary, the term of any bond, capital lease or other financing instrument shall not exceed the useful life of the project being financed.

SECTION 5. This article shall take effect upon passage."

Respectfully submitted,

Representative Gallison

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LC002182/3
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Representative Jacquard discusses the amendment.

The motion to amend prevails on a roll call vote 75 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 75: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

Article 9 prevails, as amended, on a roll call vote 75 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 75: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

ARTICLE 10
RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF
FY 2015

Representative Gallison moves passage of the article seconded by Representatives Hearn, Ruggiero, Amore, Naughton, Malik, Corvese, Diaz, Slater, Barros, Abney, and Tobon.

Representative Gallison discusses the article

Article 10 prevails on a roll call vote 74 members voting in the affirmative and 1 member voting in the negative as follows:

YEAS - 74: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 1: Representative Morgan.

RECUSED - 0:

ARTICLE 11
RELATING TO REVENUES

Representative Gallison moves passage of the article seconded by Representatives Hearn, Malik, Diaz, Slater, Tobon, Barros, Abney, Morin, Canario, and O'Brien.

Representative Gallison discusses the article

By unanimous consent, Representative Gallison, seconded by Representatives Amore, Hearn, Carnevale, Slater, Tobon, and Barros offers a written motion to amend.

FLOOR AMENDMENT
TO
2015 -- H 5900 SUBSTITUTE A

AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE
FISCAL YEAR ENDING JUNE 30, 2016

Mr. Speaker:

I hereby move to amend 2015 -- H 5900 SUBSTITUTE A, entitled "AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016", as follows:

1. In Article 11, by deleting all of the language after the title "RELATING TO REVENUES" and inserting the following:

"SECTION 1. Sections 42-64.3-3 and 42-64.3-6 of the General Laws in Chapter 42-64.3 entitled "Distressed Areas Economic Revitalization Act" are hereby amended to read as follows:

42-64.3-3. Definitions. -- As used in this chapter, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

(1) "Council" or "enterprise zone council" means the governmental agency created pursuant to § 42-64.3-3.1.

(2) "Enterprise zone," "economic revitalization zone," or "zone" means an economically distressed United States bureau of the census division or delineation in need of expansion of business and industry, and the creation of jobs, which is designated to be eligible for the benefits of this chapter.

(3) "Governing authority" means the governing body of a state, city or town within which a qualified United States bureau of the census division or delineation lies.

(4) (i) "Qualified business" or "business facility" means any business corporation, sole proprietorship, partnership, or limited partnership or limited liability company which:

(A) After the date of its original application for membership in the enterprise zone program or the date annual membership is renewed creates and hires a minimum of five percent (5%) new or additional enterprise jobs or in the case of a company having twenty (20) employees or less, this requirement shall be that the company create and hire one new or additional enterprise job, in the respective zone during the same certification year; and

(B) Whose total Rhode Island wages including those Rhode Island wages for additional enterprise jobs, exceeds the total Rhode Island wages paid to its employees in the prior calendar year; and

(C) Obtains certificates of good standing from the Rhode Island division of taxation, the corporations division of the Rhode Island secretary of state and the appropriate municipal authority at the time of certification; and

(D) Provides the council with an affidavit stating under oath that the entity seeking certification as a qualified business has not within the preceding twelve (12) months from the date of application for certification changed its legal status for the purpose of gaining favorable treatment under the provisions of chapter 64.3 of this title; and

(E) Meets certain other requirements as set forth by the council; and

(F) Has received certification from the council pursuant to the rules and regulations promulgated by the council prior to July 1, 2015.

(ii) In the event that an applicant for certification meets the criteria of subdivisions (4)(i)(A) and (4)(i)(C) to (F), but fails to meet the requirements of subdivision (4)(i)(B) solely because the amount of wages paid to the owner or owners of the business has decreased from the prior calendar year, the Council may, for good cause shown, certify the applicant as a qualified business. The applicant shall have the burden to show, notwithstanding its failure to meet the requirements of subdivision (4)(i)(B) above, that the applicant has met the intent of this chapter.

For the purposes of this provision, owner shall mean a person who has at least twenty percent (20%) of the indicia of ownership of the applicant.

(5) "Effective date of certification" means the date upon which the qualified business meets the tests imposed in subdivisions (4)(i)(A) through (F) above and applies to the calendar year for which these tests were performed.

(6) "Enterprise job employees" means those full-time employees whose business activity originates and terminates from within the enterprise zone business and facility on a daily basis, and who are domiciled residents of the state (or who, in the case of employees of a high performance manufacturer as that term is defined in § 44-31-1(b)(3)(i), pay personal income taxes to the state) and hired (or transferred, in the case of existing out-of-state employees) and employed by the qualified business in the enterprise zone after the effective date of certification or annual recertification in excess of those full-time employees employed by the qualified business in any Rhode Island enterprise zone in the prior calendar year. An employee who is hired and terminated in the same certification period does not constitute an enterprise job employee.

(7) "Wages" means wages, tips and other compensation as defined in the Internal Revenue Code of 1986, 26 U.S.C. § 1 et seq.

42-64.3-6. Business tax credits. -- A qualified business in an enterprise zone is allowed a credit against the tax imposed pursuant to chapters 11, 13 (except the taxation of tangible personal property under § 44-13-13), 14, 17, and 30 of title 44:

(1) A credit equal to fifty percent (50%) of the total amount of wages paid to those enterprise job employees comprising the five percent (5%) new jobs referenced in § 42-64.3-3(4)(i)(A). The wages subject to the credit shall be reduced by any direct state or federal wage assistance paid to employers for the employee(s) in the taxable year. The maximum credit allowed per taxable year under the provisions of this subsection shall be two thousand five hundred dollars (\$2,500), per employee. A taxpayer who takes this business tax credit shall not be eligible for the resident business owner modification pursuant to § 42-64.3-7.

(2) A credit equal to seventy five percent (75%) of the total amount of wages paid to those enterprise job employees who are domiciliaries of an enterprise zone comprising the five percent (5%) new jobs referenced in § 42-64.3-3(4)(i)(A). The wages subject to the credit shall be reduced by any direct state or federal wage assistance in the taxable year. The maximum credit allowed per taxable year under the provisions of this subdivision shall be five thousand dollars (\$5,000) per employee. A taxpayer who takes this business tax credit is not eligible for the resident business owner modification. The council shall promulgate appropriate rules to certify that the enterprise job employees are domiciliaries of an enterprise zone and shall advise the qualified business and the tax administrator. A taxpayer taking a credit for employees pursuant to this subdivision (2) shall not be entitled to a credit pursuant to subdivision (1) of this section for the employees.

(3) Any tax credit as provided in subdivision (1) or (2) of this section shall not reduce the tax below the minimum tax. Fiscal year taxpayers must claim the tax credit in the year into which the December 31st of the certification year falls. The credit shall be used to offset tax liability pursuant to the provisions of either chapters 11, 13, 14, 17, or 30 of title 44, but not more than one chapter.

(4) In the case of a corporation, the credit allowed under this section is only allowed against the tax of that corporation included in a consolidated return that qualifies for the credit and not against the tax of other corporations that may join in the filing of a consolidated tax

return.

(5) In the case of multiple business owners, the credit provided in subdivision (1) or (2) of this section is apportioned according to the ownership interests of the qualified business.

(6) The tax credits established pursuant to this section may be carried forward for a period of three (3) years if in each of the three (3) calendar years a business which has qualified for tax credits under this section: (a) does not reduce the number of its employees from the last Effective Date of Certification; (b) obtains certificates of good standing from the Rhode Island division of taxation, the corporations division of the Rhode Island secretary of state and the appropriate municipal tax collector; (c) provides the council an affidavit stating under oath that this business has not within the preceding twelve (12) months changed its legal status for the purpose of gaining favorable treatment under the provisions of chapter 64.3 of this title; and (d) meets any other requirements as may be established by the council in its rules and regulations.

(7) No new credits shall be issued on or after July 1, 2015 unless the business has received certification under this chapter prior to July 1, 2015.

SECTION 2. Sections 42-63.1-2, 42-63.1-3, 42-63.1-5 and 42-63.1-12 of the General Laws in Chapter 42-63.1 entitled "Tourism and Development" are hereby amended to read as follows:

42-63.1-2. Definitions. -- For the purposes of this chapter:

(1) "Consideration" means the monetary charge for the use of space devoted to transient lodging accommodations.

(2) "Corporation" means the Rhode Island economic development corporation.

(3) "District" means the regional tourism districts set forth in § 42-63.1-5.

(4) "Hotel" means any facility offering a minimum of ~~three (3) rooms~~ one (1) room for which the public may, for a consideration, obtain transient lodging accommodations. The term "hotel" shall include hotels, motels, tourist homes, tourist camps, lodging houses, and inns ~~and shall exclude schools, hospitals, sanitariums, nursing homes and chronic care centers.~~ The term "hotel" shall also include houses, condominiums or other residential dwelling units, regardless of the number of rooms, which are used and/or advertised for rent for occupancy. The term "hotel" shall not include schools, hospitals, sanitariums, nursing homes, and chronic care centers.

(5) "Hosting Platform" means any electronic or operating system in which a person or entity provides a means through which an owner may offer a residential unit for "tourist or transient" use. This service is usually, though not necessarily, provided through an online or web-based system which generally allows an owner to advertise the residential unit through a hosted website and provides a means for a person or entity to arrange tourist or transient use in exchange for payment, whether the person or entity pays rent directly to the owner or to the hosting platform. All hosting platforms are required to collect and remit the tax owed under this section.

~~(5)~~(6) "Occupancy" means a person, firm or corporation's use of space ~~ordinarily used~~ for transient lodging accommodations not to exceed thirty (30) days. Excluded from "occupancy" is the use of space for which the occupant has a written lease for the space, which lease covers a rental period of twelve (12) months or more. Furthermore, any house, condominium or other residential dwelling rented, for which the occupant has a documented arrangement for the space covering a rental period of more than thirty (30) consecutive days or for one calendar month is excluded from the definition of occupancy.

~~(6)~~(7) "Tax" means the hotel tax imposed by subsection 44-18-36.1(a).

(8) "Owner" means any person who owns real property and is the owner of record.

Owner shall also include a lessee where the lessee is offering a residential unit for "tourist or transient" use.

(9) "Residential unit" means a room or rooms, including a condominium or a room or a dwelling unit that forms part of a single, joint or shared tenant arrangement, in any building, or portion thereof, which is designed, built, rented, leased, let, or hired out to be occupied for non-commercial use.

(10) "Tour operator" means a person that derives a majority of his or her or its revenue by providing tour operator packages.

(11) "Tour operator packages" means travel packages that include the services of a tour guide and where the itinerary encompasses five (5) or more consecutive days.

(12) "Tourist or transient" means any use of a residential unit for occupancy for less than a thirty (30) consecutive day term of tenancy, or occupancy for less than thirty (30) consecutive days of a residential unit leased or owned by a business entity, whether on a short-term or long-terms basis, including any occupancy by employee or guests of a business entity for less than thirty (30) consecutive days where payment for the residential unit is contracted for or paid by the business entity.

42-63.1-3. Distribution of tax. – (a) For returns and tax payments received on or before December 31, 2015, except ~~Except~~ as provided in § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from residential units offered for tourist or transient use through a hosting platform, shall be distributed as follows by the division of taxation and the city of Newport:

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

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

(3) Twenty-one (21%) of the hotel tax shall be given to the Rhode Island commerce corporation established in chapter 42-64, ~~deposited as general revenues~~ and seven percent (7%) to the Greater Providence-Warwick Convention and Visitors' Bureau.

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

(1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-63.1-5, forty-two percent (42%) of the tax shall be given to the Aquidneck Island district, twenty-five (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight percent (28%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 42-64.

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

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

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

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

(c) The proceeds of the hotel tax collected from residential units offered for tourist or transient use through a hosting platform shall distributed as follows by the division of taxation and the city of Newport: twenty-five percent (25%) of the tax shall be given to the city or town where the residential unit, which generated the tax, is physically located, and seventy-five percent (75%) of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title 42.

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

42-63.1-5. Regional tourism districts. – (a) The state of Rhode Island is divided into eight (8) regional tourism districts to be administered by the tourism council, convention and visitor's bureau or the Rhode Island ~~economic development corporation~~ commerce corporation

established in chapter 42-64 as designated in this section:

(1) South County district which shall include Westerly, Charlestown, Narragansett, South Kingstown, North Kingstown, Hopkinton, Exeter, Richmond, West Greenwich, East Greenwich, and Coventry to be administered by the South County tourism council, inc.;

(2) Providence district consists of the city of Providence to be administered by the Convention Authority of the City of Providence.

(3) Northern Rhode Island district consists of Pawtucket, Woonsocket, Lincoln, Central Falls, Cumberland, North Smithfield, Smithfield, Glocester and Burrillville to be administered by the Blackstone Valley tourism council, inc.;

(4) Aquidneck Island district consists of Barrington, Bristol, Warren, Newport, Jamestown, Middletown, Portsmouth, Tiverton and Little Compton to be administered by the Newport and Bristol County convention and visitors bureau;

(5) Warwick district consists of the city of Warwick to be administered by the city of Warwick department of economic development;

(6) Block Island district which shall consist of the town of New Shoreham to be administered by the New Shoreham tourism council, inc.;

(7) East Providence to be administered by an entity that shall be acceptable to the economic development corporation; provided that all funds generated in the city of East Providence shall be held by the Rhode Island division of taxation until such time as the city of East Providence elects to become a member of a regional tourism district at which time the monies held by the Rhode Island division of taxation shall be transferred to the tourism district or convention visitors' bureau selected by the city of East Providence;

(8) Statewide district consists of all cities and towns not delineated in subdivisions (1) through (7) to be administered by the Rhode Island ~~economic development corporation~~ commerce corporation established in chapter 42-64.

(b) Before receiving any funds under this chapter, the organizations designated to receive the funds on behalf of the South County regional tourism district and the Northern Rhode Island regional tourism district shall be required to apply to and receive approval from the Rhode Island ~~economic development corporation~~ commerce corporation pursuant to guidelines promulgated by the Rhode Island ~~economic development corporation~~ commerce corporation. The corporation shall review the eligibility of the regional tourism district organizations to receive the funds at least annually.

(9) On or before January 1, 2016 and every January 1 thereafter, all regional tourism districts created under these sections shall be required to seek and obtain the approval of the executive office of commerce regarding the incorporation of common statewide marketing themes, logos, and slogans, among other features, prior to the release of lodging tax funds to the districts.

42-63.1-12. Distribution of tax to Rhode Island Convention Center Authority. – (a) For returns and tax received on or before December 31, 2015, the ~~The~~ proceeds of the hotel tax generated by any and all hotels physically connected to the Rhode Island Convention Center shall be distributed as follows: twenty-seven percent (27%) shall be deposited as general revenues; thirty-one percent (31%) shall be given to the convention authority of the city of Providence; twelve percent (12%) shall be given to the greater Providence-Warwick convention and visitor's bureau; thirty percent (30%) shall be given to the Rhode Island convention center authority to be used in the furtherance of the purposes set forth in § 42-99-4.

(b) For returns and tax received after December 31, 2015, the proceeds of the hotel tax

generated by any and all hotels physically connected to the Rhode Island Convention Center shall be distributed as follows: twenty-eight percent (28%) shall be given to the convention authority of the city of Providence; twelve percent (12%) shall be given to the greater Providence-Warwick convention and visitor's bureau; and sixty percent (60%) shall be given to the Rhode Island Commerce Corporation established in § 42-64..

(b)(c) The Rhode Island Convention Center Authority is authorized and empowered to enter into contracts with the Greater Providence-Warwick Convention and Visitors' Bureau in the furtherance of the purposes set forth in this chapter.

SECTION 3. Chapter 42-63.1 of the General Laws entitled "Tourism and Development" is hereby amended to read by adding thereto the following section:

42-63.1-14. Offering residential units through a hosting platform. – For any residential unit offered for tourist or transient use on a hosting platform that collects and remits applicable sales and hotel taxes in compliance with § 44-18-7.3(b)(4)(i), § 44-18-18, and § 44-18-36.1, cities, towns or municipalities shall not prohibit the owner of such residential unit from offering the unit for tourist or transient use through such hosting platform, or prohibit such hosting platform from providing a person or entity the means to rent, pay for or otherwise reserve a residential unit for tourist or transient use. A hosting platform shall comply with the requirement imposed upon room resellers in § 44-18-7.3(b)(4)(i) and § 44-18-36.1 in order for the prohibition of this section to apply. The division of taxation shall at the request of a city, town, or municipality confirm whether a hosting platform is registered in compliance with § 44-18-7.3(b)(4)(i).

SECTION 4. Sections 44-18-7.3 and 44-18-36.1 of the General Laws in Chapter 44-18 entitled "Sales and Use Tax – Liability and Computation" are hereby amended to read as follows:

44-18-7.3. Services defined. – (a) "Services" means all activities engaged in for other persons for a fee, retainer, commission, or other monetary charge, which activities involve the performance of a service in this state as distinguished from selling property.

(b) The following businesses and services performed in this state, along with the applicable 2007 North American Industrial Classification System (NAICS) codes, are included in the definition of services:

(1) Taxicab and limousine services including but not limited to:

(i) Taxicab services including taxi dispatchers (485310); and

(ii) Limousine services (485320).

(2) Other road transportation service including but not limited to:

(i) Charter bus service (485510); and

(ii) All other transit and ground passenger transportation (485999).

(3) Pet care services (812910) except veterinary and testing laboratories services.

(4)(i) "Room reseller" or "reseller" means any person, except a tour operator as defined in § 42-63.1-2, having any right, permission, license, or other authority from or through a hotel as defined in § 42-63.1-2, to reserve, or arrange the transfer of occupancy of, accommodations the reservation or transfer of which is subject to this chapter, such that the occupant pays all or a portion of the rental and other fees to the room reseller or reseller, room reseller or reseller shall include, but not be limited to, sellers of travel packages as defined in this section. Notwithstanding the provisions of any other law, where said reservation or transfer of occupancy is done using a room reseller or reseller, the application of the sales and use under §§ 44-18-18 and 44-18-20, and the hotel tax under § 44-18-36.1 shall be as follows: The room reseller or reseller is required to register with and shall collect and pay to the tax administrator the sales and

use and hotel taxes, with said taxes being calculated upon the amount of rental and other fees paid by the occupant to the room reseller or reseller, less the amount of any rental and other fees paid by the room reseller or reseller to the hotel. The hotel shall collect and pay to the tax administrator said taxes upon the amount of rental and other fees paid to the hotel by the room reseller or reseller and/or the occupant. No assessment shall be made by the tax administrator against a hotel because of an incorrect remittance of the taxes under this chapter by a room reseller or reseller. No assessment shall be made by the tax administrator against a room reseller or reseller because of an incorrect remittance of the taxes under this chapter by a hotel. If the hotel has paid the taxes imposed under this chapter, the occupant and/or room reseller or reseller, as applicable, shall reimburse the hotel for said taxes. If the room reseller or reseller has paid said taxes, the occupant shall reimburse the room reseller or reseller for said taxes. Each hotel and room reseller or reseller shall add and collect from the occupant or the room reseller or the reseller the full amount of the taxes imposed on the rental and other fees. When added to the rental and other fees, the taxes shall be a debt owed by the occupant to the hotel or room reseller or reseller, as applicable, and shall be recoverable at law in the same manner as other debts. The amount of the taxes collected by the hotel and/or room reseller or reseller from the occupant under this chapter shall be stated and charged separately from the rental and other fees, and shall be shown separately on all records thereof, whether made at the time the transfer of occupancy occurs, or on any evidence of the transfer issued or used by the hotel or the room reseller or the reseller. A room reseller or reseller shall not be required to disclose to the occupant the amount of tax charged by the hotel; provided, however, the room reseller or reseller shall represent to the occupant that the separately stated taxes charged by the room reseller or reseller include taxes charged by the hotel. No person shall operate a hotel in this state, or act as a room reseller or reseller for any hotel in the state, unless the tax administrator has issued a permit pursuant to § 44-19-1.

(ii) "Travel package" means a room or rooms bundled with one or more other, separate components of travel such as air transportation, car rental or similar items, which travel package is charged to the customer or occupant for a single retail price. When the room occupancy is bundled for a single consideration, with other property, services, amusement charges, or any other items, the separate sale of which would not otherwise be subject to tax under this chapter, the entire single consideration shall be treated as the rental or other fees for room occupancy subject to tax under this chapter; provided, however, that where the amount of the rental or other fees for room occupancy is stated separately from the price of such other property, services, amusement charges, or other items, on any sales slip, invoice, receipt, or other statement given the occupant, and such rental and other fees are determined by the tax administrator to be reasonable in relation to the value of such other property, services, amusement charges or other items, only such separately stated rental and other fees will be subject to tax under this chapter. The value of the transfer of any room or rooms bundled as part of a travel package may be determined by the tax administrator from the room reseller's and/or reseller's and/or hotel's books and records that are kept in the regular course of business.

(c) The tax administrator is authorized to promulgate rules and regulations in accordance with the provisions of chapter 42-35 to carry out the provisions, policies, and purposes of this chapter.

44-18-36.1. Hotel tax. – (a) There is imposed a hotel tax of five percent (5%) upon the total consideration charged for occupancy of any space furnished by any hotel, travel packages, or room reseller or reseller as defined in § 44-18-7.3(b) in this state. A house, condominium, or

other resident dwelling shall be exempt from the five percent (5%) hotel tax under this subsection if the house, condominium, or other resident dwelling is rented in its entirety. The hotel tax is in addition to any sales tax imposed. This hotel tax is administered and collected by the division of taxation and unless provided to the contrary in this chapter, all the administration, collection, and other provisions of chapters 18 and 19 of this title apply. Nothing in this chapter shall be construed to limit the powers of the convention authority of the city of Providence established pursuant to the provisions of chapter 84 of the public laws of 1980, except that distribution of hotel tax receipts shall be made pursuant to chapter 63.1 of title 42 rather than chapter 84 of the public laws of 1980.

(b) There is hereby levied and imposed, upon the total consideration charged for occupancy of any space furnished by any hotel in this state, in addition to all other taxes and fees now imposed by law, a local hotel tax at a rate of one percent (1%). The local hotel tax shall be administered and collected in accordance with subsection (a).

(c) All sums received by the division of taxation from the local hotel tax, penalties or forfeitures, interest, costs of suit and fines shall be distributed at least quarterly, credited and paid by the state treasurer to the city or town where the space for occupancy that is furnished by the hotel is located. Unless provided to the contrary in this chapter, all of the administration, collection, and other provisions of chapters 18 and 19 of this title shall apply.

(d) Notwithstanding the provisions of subsection (a) of this section, the city of Newport shall have the authority to collect from hotels located in the city of Newport the tax imposed by subsection (a) of this section.

(1) Within ten (10) days of collection of the tax, the city of Newport shall distribute the tax as provided in § 42-63.1-3. No later than the first day of March and the first day of September in each year in which the tax is collected, the city of Newport shall submit to the division of taxation a report of the tax collected and distributed during the six (6) month period ending thirty (30) days prior to the reporting date.

(2) The city of Newport shall have the same authority as the division of taxation to recover delinquent hotel taxes pursuant to chapter 44-19, and the amount of any hotel tax, penalty and interest imposed by the city of Newport until collected constitutes a lien on the real property of the taxpayer.

In recognition of the work being performed by the Streamlined Sales and Use Tax Governing Board, upon any federal law which requires remote sellers to collect and remit taxes, effective the first (1st) day of the first (1st) state fiscal quarter following the change, the rate imposed under § 44-18-36.1(b) shall be one and one-half percent (1.5%).

SECTION 5. Chapter 44-1 of the General Laws entitled "State Tax Officials" is hereby amended by adding hereto the following section:

44-1-36. Contracts. - (a) Except as set forth in section (b) below, the division of taxation may enter into contracts with persons (defined herein as individuals, firms, fiduciaries, partnerships, corporations, trusts, or associations, however formed) to be paid on a contingent fee basis, for services rendered to the division of taxation where the contract is for the collection of taxes, interest, or penalty or the reduction of refunds claimed. Under such contracts the contingent fee shall be based on the actual amount of taxes, interest and/or penalties collected and/or the amount by which the claimed refund is reduced.

(b) The division of taxation may not enter into a contingent fee contract under which the person directly conducts a field audit.

(c) The division of taxation shall publish an annual report setting forth the number of

contracts entered into under paragraph (a), the amount collected and the percentage of the contingency fee arrangement of each contract.

SECTION 6. Section 44-25-1 of the General Laws in Chapter 44-25 entitled "Real Estate Conveyance Tax" is hereby amended to read as follows:

44-25-1. Tax imposed -- Payment -- Burden. -- (a) There is imposed, on each deed, instrument, or writing by which any lands, tenements, or other realty sold is granted, assigned, transferred, or conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his or her or their direction, or on any grant, assignment, transfer, or conveyance or such vesting, by such persons which has the effect of making any real estate company an acquired real estate company, when the consideration paid exceeds one hundred dollars (\$100), a tax at the rate of two dollars and thirty cents (\$2.30) for each five hundred dollars (\$500) or fractional part of it which is paid for the purchase of the property or the interest in an acquired real estate company (inclusive of the value of any lien or encumbrance remaining at the time of the sale, grant, assignment, transfer or conveyance or vesting occurs, or in the case of an interest in an acquired real estate company, a percentage of the value of such lien or encumbrance equivalent to the percentage interest in the acquired real estate company being granted, assigned, transferred, conveyed or vested), which tax is payable at the time of making, the execution, delivery, acceptance or presenting presentation for recording of the any instrument affecting such transfer grant, assignment, transfer, conveyance or vesting. In the absence of an agreement to the contrary, the tax shall be paid by the grantor, assignor, transferor or person making the conveyance or vesting.

(b) In the event no consideration is actually paid for the lands, tenements, or realty, the instrument or interest in an acquired real estate company of conveyance shall contain a statement to the effect that the consideration is such that no documentary stamps are required.

(c) The tax administrator shall contribute to the distressed community relief program the sum of thirty cents (\$.30) per two dollars and thirty cents (\$2.30) of the face value of the stamps to be distributed pursuant to § 45-13-12, and to the housing resources commission restricted receipts account the sum of thirty cents (\$.30) per two dollars and thirty cents (\$2.30) of the face value of the stamps. Funds will be administered by the ~~department of administration~~, office of housing and community development, through the housing resources commission. The state shall retain sixty cents (\$.60) for state use. The balance of the tax shall be retained by the municipality collecting the tax. Notwithstanding the above, in the case of the tax on the grant, transfer, assignment or conveyance or vesting with respect to an acquired real estate company, the tax shall be collected by the tax administrator and shall be distributed to the municipality where the real estate owned by the acquired real estate company is located provided, however, in the case of any such tax collected by the tax administrator, if the acquired real estate company owns property located in more than one municipality, the proceeds of the tax shall be allocated amongst said municipalities in the proportion the assessed value of said real estate in each such municipality bears to the total of the assessed values of all of the real estate owned by the acquired real estate company in Rhode Island. Provided, however, in fiscal years 2004 and 2005, from the proceeds of this tax, the tax administrator shall deposit as general revenues the sum of ninety cents (\$.90) per two dollars and thirty cents (\$2.30) of the face value of the stamps. The balance of the tax on the purchase of property shall be retained by the municipality collecting the tax. The balance of the tax on the transfer with respect to an acquired real estate company, shall be collected by the tax administrator and shall be distributed to the municipality where the property for which interest is sold is physically located. Provided, however, that in the case of

any tax collected by the tax administrator with respect to an acquired real estate company where the acquired real estate company owns property located in more than one municipality, the proceeds of the tax shall be allocated amongst the municipalities in proportion that the assessed value in any such municipality bears to the assessed values of all of the real estate owned by the acquired real estate company in Rhode Island.

(d) For purposes of this Section, the term "acquired real estate company" means a real estate company that has undergone a change in ownership interest if (i) such change does not affect the continuity of the operations of the company; and (ii) the change, whether alone or together with prior changes has the effect of granting, transferring, assigning or conveying or vesting, transferring directly or indirectly, 50% or more of the total ownership in the company within a period of three (3) years. For purposes of the foregoing subsection (ii) hereof, a grant, transfer, assignment or conveyance or vesting, shall be deemed to have occurred within a period of three (3) years of another grant(s), transfer(s), assignment(s) or conveyance(s) or vesting(s) if during the period the granting, transferring, assigning or conveying or party provides the receiving party a legally binding document granting, transferring, assigning or conveying or vesting said realty or a commitment or option enforceable at a future date to execute the grant, transfer, assignment or conveyance or vesting.

(e) A real estate company is a corporation, limited liability company, partnership or other legal entity which meets any of the following:

(i) Is primarily engaged in the business of holding, selling or leasing real estate, where 90% or more of the ownership of said real estate is held by 35 or fewer persons and which company either (a) derives 60% or more of its annual gross receipts from the ownership or disposition of real estate; or (b) owns real estate the value of which comprises 90% or more of the value of the entity's entire tangible asset holdings exclusive of tangible assets which are fairly transferrable and actively traded on an established market; or

(ii) 90% or more of the ownership interest in such entity is held by 35 or fewer persons and the entity owns as 90% or more of the fair market value of its assets a direct or indirect interest in a real estate company. An indirect ownership interest is an interest in an entity 90% or more of which is held by 35 or fewer persons and the purpose of the entity is the ownership of a real estate company.

(f) In the case of a grant, assignment, transfer or conveyance or vesting which results in a real estate company becoming an acquired real estate company, the grantor, assignor, transferor, or person making the conveyance or causing the vesting, shall file or cause to be filed with the division of taxation, at least five (5) days prior to the grant, transfer, assignment or conveyance or vesting, notification of the proposed grant, transfer, assignment, or conveyance or vesting, the price, terms and conditions of thereof, and the character and location of all of the real estate assets held by real estate company and shall remit the tax imposed and owed pursuant to subsection (a) hereof. Any such grant, transfer, assignment or conveyance or vesting which results in a real estate company becoming an acquired real estate company shall be fraudulent and void as against the state unless the entity notifies the tax administrator in writing of the grant, transfer, assignment or conveyance or vesting as herein required in subsection (f) hereof and has paid the tax as required in subsection (a) hereof. Upon the payment of the tax by the transferor, the tax administrator shall issue a certificate of the payment of the tax which certificate shall be recordable in the land evidence records in each municipality in which such real estate company owns real estate. Where the real estate company has assets other than interests in real estate located in Rhode Island, the tax shall be based upon the assessed value of each parcel of property

located in each municipality in the state of Rhode Island.

SECTION 7. Section 44-18-30 of General Laws in Chapter 44-18 entitled "Sales and Use Taxes – Liability and Computation" is hereby amended to read as follows:

44-18-30. Gross receipts exempt from sales and use taxes. – There are exempted from the taxes imposed by this chapter the following gross receipts:

(1) Sales and uses beyond constitutional power of state. From the sale and from the storage, use, or other consumption in this state of tangible personal property the gross receipts from the sale of which, or the storage, use, or other consumption of which, this state is prohibited from taxing under the Constitution of the United States or under the constitution of this state.

(2) Newspapers.

(i) From the sale and from the storage, use, or other consumption in this state of any newspaper.

(ii) "Newspaper" means an unbound publication printed on newsprint, that contains news, editorial comment, opinions, features, advertising matter, and other matters of public interest.

(iii) "Newspaper" does not include a magazine, handbill, circular, flyer, sales catalog, or similar item unless the item is printed for and distributed as a part of a newspaper.

(3) School meals. From the sale and from the storage, use, or other consumption in this state of meals served by public, private, or parochial schools, school districts, colleges, universities, student organizations, and parent-teacher associations to the students or teachers of a school, college, or university whether the meals are served by the educational institutions or by a food service or management entity under contract to the educational institutions.

(4) Containers.

(i) From the sale and from the storage, use, or other consumption in this state of:

(A) Non-returnable containers, including boxes, paper bags, and wrapping materials that are biodegradable and all bags and wrapping materials utilized in the medical and healing arts, when sold without the contents to persons who place the contents in the container and sell the contents with the container.

(B) Containers when sold with the contents if the sale price of the contents is not required to be included in the measure of the taxes imposed by this chapter.

(C) Returnable containers when sold with the contents in connection with a retail sale of the contents or when resold for refilling.

(ii) As used in this subdivision, the term "returnable containers" means containers of a kind customarily returned by the buyer of the contents for reuse. All other containers are "non-returnable containers."

(5)(i) Charitable, educational, and religious organizations. From the sale to, as in defined in this section, and from the storage, use, and other consumption in this state or any other state of the United States of America of tangible personal property by hospitals not operated for a profit; "educational institutions" as defined in subdivision (18) not operated for a profit; churches, orphanages, and other institutions or organizations operated exclusively for religious or charitable purposes; interest-free loan associations not operated for profit; nonprofit, organized sporting leagues and associations and bands for boys and girls under the age of nineteen (19) years; the following vocational student organizations that are state chapters of national vocational students organizations: Distributive Education Clubs of America (DECA); Future Business Leaders of America, Phi Beta Lambda (FBLA/PBL); Future Farmers of America (FFA); Future Homemakers of America/Home Economics Related Occupations (FHA/HERD); Vocational Industrial Clubs of America (VICA); organized nonprofit golden age and senior

citizens clubs for men and women; and parent-teacher associations.

(ii) In the case of contracts entered into with the federal government, its agencies or instrumentalities, this state or any other state of the United States of America, its agencies, any city, town, district, or other political subdivision of the states; hospitals not operated for profit; educational institutions not operated for profit; churches, orphanages, and other institutions or organizations operated exclusively for religious or charitable purposes; the contractor may purchase such materials and supplies (materials and/or supplies are defined as those that are essential to the project) that are to be utilized in the construction of the projects being performed under the contracts without payment of the tax.

(iii) The contractor shall not charge any sales or use tax to any exempt agency, institution, or organization but shall in that instance provide his or her suppliers with certificates in the form as determined by the division of taxation showing the reason for exemption and the contractor's records must substantiate the claim for exemption by showing the disposition of all property so purchased. If any property is then used for a nonexempt purpose, the contractor must pay the tax on the property used.

(6) Gasoline. From the sale and from the storage, use, or other consumption in this state of: (i) gasoline and other products taxed under chapter 36 of title 31 and (ii) fuels used for the propulsion of airplanes.

(7) Purchase for manufacturing purposes.

(i) From the sale and from the storage, use, or other consumption in this state of computer software, tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration, and water, when the property or service is purchased for the purpose of being manufactured into a finished product for resale and becomes an ingredient, component, or integral part of the manufactured, compounded, processed, assembled, or prepared product, or if the property or service is consumed in the process of manufacturing for resale computer software, tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration, or water.

(ii) "Consumed" means destroyed, used up, or worn out to the degree or extent that the property cannot be repaired, reconditioned, or rendered fit for further manufacturing use.

(iii) "Consumed" includes mere obsolescence.

(iv) "Manufacturing" means and includes manufacturing, compounding, processing, assembling, preparing, or producing.

(v) "Process of manufacturing" means and includes all production operations performed in the producing or processing room, shop, or plant, insofar as the operations are a part of and connected with the manufacturing for resale of tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration, or water and all production operations performed insofar as the operations are a part of and connected with the manufacturing for resale of computer software.

(vi) "Process of manufacturing" does not mean or include administration operations such as general office operations, accounting, collection or sales promotion, nor does it mean or include distribution operations that occur subsequent to production operations, such as handling, storing, selling, and transporting the manufactured products, even though the administration and distribution operations are performed by, or in connection with, a manufacturing business.

(8) State and political subdivisions. From the sale to, and from the storage, use, or other consumption by, this state, any city, town, district, or other political subdivision of this state. Every redevelopment agency created pursuant to chapter 31 of title 45 is deemed to be a subdivision of the municipality where it is located.

(9) Food and food ingredients. From the sale and storage, use, or other consumption in this state of food and food ingredients as defined in § 44-18-7.1(l).

For the purposes of this exemption "food and food ingredients" shall not include candy, soft drinks, dietary supplements, alcoholic beverages, tobacco, food sold through vending machines, or prepared food, as those terms are defined in § 44-18-7.1, unless the prepared food is:

(i) Sold by a seller whose primary NAICS classification is manufacturing in sector 311, except sub-sector 3118 (bakeries);

(ii) Sold in an unheated state by weight or volume as a single item;

(iii) Bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and is not sold with utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins, or straws.

(10) Medicines, drugs, and durable medical equipment. From the sale and from the storage, use, or other consumption in this state, of;

(i) "Drugs" as defined in § 44-18-7.1(h)(i), sold on prescriptions, medical oxygen, and insulin whether or not sold on prescription. For purposes of this exemption drugs shall not include over-the-counter drugs and grooming and hygiene products as defined in § 44-18-7.1(h)(iii).

(ii) Durable medical equipment as defined in § 44-18-7.1(k) for home use only, including, but not limited to, syringe infusers, ambulatory drug delivery pumps, hospital beds, convalescent chairs, and chair lifts. Supplies used in connection with syringe infusers and ambulatory drug delivery pumps that are sold on prescription to individuals to be used by them to dispense or administer prescription drugs, and related ancillary dressings and supplies used to dispense or administer prescription drugs, shall also be exempt from tax.

(11) Prosthetic devices and mobility enhancing equipment. From the sale and from the storage, use, or other consumption in this state, of prosthetic devices as defined in § 44-18-7.1(t), sold on prescription, including, but not limited to: artificial limbs, dentures, spectacles, eyeglasses, and artificial eyes; artificial hearing devices and hearing aids, whether or not sold on prescription; and mobility enhancing equipment as defined in § 44-18-7.1(p), including wheelchairs, crutches and canes.

(12) Coffins, caskets, and burial garments. From the sale and from the storage, use, or other consumption in this state of coffins or caskets, and shrouds or other burial garments that are ordinarily sold by a funeral director as part of the business of funeral directing.

(13) Motor vehicles sold to nonresidents.

(i) From the sale, subsequent to June 30, 1958, of a motor vehicle to a bona fide nonresident of this state who does not register the motor vehicle in this state, whether the sale or delivery of the motor vehicle is made in this state or at the place of residence of the nonresident. A motor vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption to its nonresidents is not exempt from the tax imposed under § 44-18-20. In that event, the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate that would be imposed in his or her state of residence not to exceed the rate that would have been imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed motor vehicle dealer shall add and collect the tax required under this subdivision and remit the tax to the tax administrator under the provisions of chapters 18 and 19 of this title. When a Rhode Island licensed, motor vehicle dealer is required to add and collect the sales and use tax on the

sale of a motor vehicle to a bona fide nonresident as provided in this section, the dealer in computing the tax takes into consideration the law of the state of the nonresident as it relates to the trade-in of motor vehicles.

(ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may require any licensed motor vehicle dealer to keep records of sales to bona fide nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption provided in this subdivision, including the affidavit of a licensed motor vehicle dealer that the purchaser of the motor vehicle was the holder of, and had in his or her possession a valid out of state motor vehicle registration or a valid out of state driver's license.

(iii) Any nonresident who registers a motor vehicle in this state within ninety (90) days of the date of its sale to him or her is deemed to have purchased the motor vehicle for use, storage, or other consumption in this state, and is subject to, and liable for, the use tax imposed under the provisions of § 44-18-20.

(14) Sales in public buildings by blind people. From the sale and from the storage, use, or other consumption in all public buildings in this state of all products or wares by any person licensed under § 40-9-11.1.

(15) Air and water pollution control facilities. From the sale, storage, use, or other consumption in this state of tangible personal property or supplies acquired for incorporation into or used and consumed in the operation of a facility, the primary purpose of which is to aid in the control of the pollution or contamination of the waters or air of the state, as defined in chapter 12 of title 46 and chapter 25 of title 23, respectively, and that has been certified as approved for that purpose by the director of environmental management. The director of environmental management may certify to a portion of the tangible personal property or supplies acquired for incorporation into those facilities or used and consumed in the operation of those facilities to the extent that that portion has as its primary purpose the control of the pollution or contamination of the waters or air of this state. As used in this subdivision, "facility" means any land, facility, device, building, machinery, or equipment.

(16) Camps. From the rental charged for living quarters, or sleeping, or housekeeping accommodations at camps or retreat houses operated by religious, charitable, educational, or other organizations and associations mentioned in subdivision (5), or by privately owned and operated summer camps for children.

(17) Certain institutions. From the rental charged for living or sleeping quarters in an institution licensed by the state for the hospitalization, custodial, or nursing care of human beings.

(18) Educational institutions. From the rental charged by any educational institution for living quarters, or sleeping, or housekeeping accommodations or other rooms or accommodations to any student or teacher necessitated by attendance at an educational institution. "Educational institution" as used in this section means an institution of learning not operated for profit that is empowered to confer diplomas, educational, literary, or academic degrees; that has a regular faculty, curriculum, and organized body of pupils or students in attendance throughout the usual school year; that keeps and furnishes to students and others records required and accepted for entrance to schools of secondary, collegiate, or graduate rank; and no part of the net earnings of which inures to the benefit of any individual.

(19) Motor vehicle and adaptive equipment for persons with disabilities.

(i) From the sale of: (A) Special adaptations; (B) The component parts of the special adaptations; or (C) A specially adapted motor vehicle; provided that the owner furnishes to the

tax administrator an affidavit of a licensed physician to the effect that the specially adapted motor vehicle is necessary to transport a family member with a disability or where the vehicle has been specially adapted to meet the specific needs of the person with a disability. This exemption applies to not more than one motor vehicle owned and registered for personal, noncommercial use.

(ii) For the purpose of this subsection the term "special adaptations" includes, but is not limited to: wheelchair lifts, wheelchair carriers, wheelchair ramps, wheelchair securements, hand controls, steering devices, extensions, relocations, and crossovers of operator controls, power-assisted controls, raised tops or dropped floors, raised entry doors, or alternative signaling devices to auditory signals.

(iii) From the sale of: (a) special adaptations, (b) the component parts of the special adaptations, for a "wheelchair accessible taxicab" as defined in § 39-14-1, and/or a "wheelchair accessible public motor vehicle" as defined in § 39-14.1-1.

(iv) For the purpose of this subdivision the exemption for a "specially adapted motor vehicle" means a use tax credit not to exceed the amount of use tax that would otherwise be due on the motor vehicle, exclusive of any adaptations. The use tax credit is equal to the cost of the special adaptations, including installation.

(20) Heating fuels. From the sale and from the storage, use, or other consumption in this state of every type of heating fuel used in the heating of homes and residential premises.

(21) Electricity and gas. From the sale and from the storage, use, or other consumption in this state of electricity and gas ~~furnished for domestic use by occupants of residential premises.~~

(22) Manufacturing machinery and equipment.

(i) From the sale and from the storage, use, or other consumption in this state of tools, dies, molds, machinery, equipment (including replacement parts), and related items to the extent used in an industrial plant in connection with the actual manufacture, conversion, or processing of tangible personal property, or to the extent used in connection with the actual manufacture, conversion, or processing of computer software as that term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification manual prepared by the Technical Committee on Industrial Classification, Office of Statistical Standards, Executive Office of the President, United States Bureau of the Budget, as revised from time to time, to be sold, or that machinery and equipment used in the furnishing of power to an industrial manufacturing plant. For the purposes of this subdivision, "industrial plant" means a factory at a fixed location primarily engaged in the manufacture, conversion, or processing of tangible personal property to be sold in the regular course of business;

(ii) Machinery and equipment and related items are not deemed to be used in connection with the actual manufacture, conversion, or processing of tangible personal property, or in connection with the actual manufacture, conversion, or processing of computer software as that term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification manual prepared by the Technical Committee on Industrial Classification, Office of Statistical Standards, Executive Office of the President, United States Bureau of the Budget, as revised from time to time, to be sold to the extent the property is used in administration or distribution operations;

(iii) Machinery and equipment and related items used in connection with the actual manufacture, conversion, or processing of any computer software or any tangible personal property that is not to be sold and that would be exempt under subdivision (7) or this subdivision if purchased from a vendor or machinery and equipment and related items used during any

manufacturing, converting, or processing function is exempt under this subdivision even if that operation, function, or purpose is not an integral or essential part of a continuous production flow or manufacturing process;

(iv) Where a portion of a group of portable or mobile machinery is used in connection with the actual manufacture, conversion, or processing of computer software or tangible personal property to be sold, as previously defined, that portion, if otherwise qualifying, is exempt under this subdivision even though the machinery in that group is used interchangeably and not otherwise identifiable as to use.

(23) Trade-in value of motor vehicles. From the sale and from the storage, use, or other consumption in this state of so much of the purchase price paid for a new or used automobile as is allocated for a trade-in allowance on the automobile of the buyer given in trade to the seller, or of the proceeds applicable only to the automobile as are received from the manufacturer of automobiles for the repurchase of the automobile whether the repurchase was voluntary or not towards the purchase of a new or used automobile by the buyer. For the purpose of this subdivision, the word "automobile" means a private passenger automobile not used for hire and does not refer to any other type of motor vehicle.

(24) Precious metal bullion.

(i) From the sale and from the storage, use, or other consumption in this state of precious metal bullion, substantially equivalent to a transaction in securities or commodities.

(ii) For purposes of this subdivision, "precious metal bullion" means any elementary precious metal that has been put through a process of smelting or refining, including, but not limited to, gold, silver, platinum, rhodium, and chromium, and that is in a state or condition that its value depends upon its content and not upon its form.

(iii) The term does not include fabricated precious metal that has been processed or manufactured for some one or more specific and customary industrial, professional, or artistic uses.

(25) Commercial vessels. From sales made to a commercial ship, barge, or other vessel of fifty (50) tons burden or over, primarily engaged in interstate or foreign commerce, and from the repair, alteration, or conversion of the vessels, and from the sale of property purchased for the use of the vessels including provisions, supplies, and material for the maintenance and/or repair of the vessels.

(26) Commercial fishing vessels. From the sale and from the storage, use, or other consumption in this state of vessels and other water craft that are in excess of five (5) net tons and that are used exclusively for "commercial fishing", as defined in this subdivision, and from the repair, alteration, or conversion of those vessels and other watercraft, and from the sale of property purchased for the use of those vessels and other watercraft including provisions, supplies, and material for the maintenance and/or repair of the vessels and other watercraft and the boats nets, cables, tackle, and other fishing equipment appurtenant to or used in connection with the commercial fishing of the vessels and other watercraft. "Commercial fishing" means taking or attempting to take any fish, shellfish, crustacea, or bait species with the intent of disposing of it for profit or by sale, barter, trade, or in commercial channels. The term does not include subsistence fishing, i.e., the taking for personal use and not for sale or barter; or sport fishing; but shall include vessels and other watercraft with a Rhode Island party and charter boat license issued by the department of environmental management pursuant to § 20-2-27.1 that meet the following criteria: (i) The operator must have a current U.S.C.G. license to carry passengers for hire; (ii) U.S.C.G. vessel documentation in the coast wide fishery trade; (iii)

U.S.C.G. vessel documentation as to proof of Rhode Island home port status or a Rhode Island boat registration to prove Rhode Island home port status; and (iv) The vessel must be used as a commercial passenger carrying fishing vessel to carry passengers for fishing. The vessel must be able to demonstrate that at least fifty percent (50%) of its annual gross income derives from charters or provides documentation of a minimum of one hundred (100) charter trips annually; and (v) The vessel must have a valid Rhode Island party and charter boat license. The tax administrator shall implement the provisions of this subdivision by promulgating rules and regulations relating thereto.

(27) Clothing and footwear. From the sales of articles of clothing, including footwear, intended to be worn or carried on or about the human body for sales prior to October 1, 2012. Effective October 1, 2012, the exemption will apply to the sales of articles of clothing, including footwear, intended to be worn or carried on or about the human body up to two hundred and fifty dollars (\$250) of the sales price per item. For the purposes of this section, "clothing or footwear" does not include clothing accessories or equipment or special clothing or footwear primarily designed for athletic activity or protective use as these terms are defined in section 44-18-7.1(f). In recognition of the work being performed by the streamlined sales and use tax governing board, upon passage of any federal law that authorizes states to require remote sellers to collect and remit sales and use taxes, this unlimited exemption will apply as it did prior to October 1, 2012. The unlimited exemption on sales of clothing and footwear shall take effect on the date that the state requires remote sellers to collect and remit sales and use taxes.

(28) Water for residential use. From the sale and from the storage, use, or other consumption in this state of water furnished for domestic use by occupants of residential premises.

(29) Bibles. [Unconstitutional; see *Ahlburn v. Clark*, 728 A.2d 449 (R.I. 1999); see Notes to Decisions.] From the sale and from the storage, use, or other consumption in the state of any canonized scriptures of any tax-exempt nonprofit religious organization including, but not limited to, the Old Testament and the New Testament versions.

(30) Boats.

(i) From the sale of a boat or vessel to a bona fide nonresident of this state who does not register the boat or vessel in this state or document the boat or vessel with the United States government at a home port within the state, whether the sale or delivery of the boat or vessel is made in this state or elsewhere; provided, that the nonresident transports the boat within thirty (30) days after delivery by the seller outside the state for use thereafter solely outside the state.

(ii) The tax administrator, in addition to the provisions of §§ 44-19-17 and 44-19-28, may require the seller of the boat or vessel to keep records of the sales to bona fide nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption provided in this subdivision, including the affidavit of the seller that the buyer represented himself or herself to be a bona fide nonresident of this state and of the buyer that he or she is a nonresident of this state.

(31) Youth activities equipment. From the sale, storage, use, or other consumption in this state of items for not more than twenty dollars (\$20.00) each by nonprofit Rhode Island eleemosynary organizations, for the purposes of youth activities that the organization is formed to sponsor and support; and by accredited elementary and secondary schools for the purposes of the schools or of organized activities of the enrolled students.

(32) Farm equipment. From the sale and from the storage or use of machinery and equipment used directly for commercial farming and agricultural production; including, but not

limited to: tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors, balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment, greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and other farming equipment, including replacement parts appurtenant to or used in connection with commercial farming and tools and supplies used in the repair and maintenance of farming equipment. "Commercial farming" means the keeping or boarding of five (5) or more horses or the production within this state of agricultural products, including, but not limited to, field or orchard crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or production provides at least two thousand five hundred dollars (\$2,500) in annual gross sales to the operator, whether an individual, a group, a partnership, or a corporation for exemptions issued prior to July 1, 2002. For exemptions issued or renewed after July 1, 2002, there shall be two (2) levels. Level I shall be based on proof of annual, gross sales from commercial farming of at least twenty-five hundred dollars (\$2,500) and shall be valid for purchases subject to the exemption provided in this subdivision except for motor vehicles with an excise tax value of five thousand dollars (\$5,000) or greater. Level II shall be based on proof of annual gross sales from commercial farming of at least ten thousand dollars (\$10,000) or greater and shall be valid for purchases subject to the exemption provided in this subdivision including motor vehicles with an excise tax value of five thousand dollars (\$5,000) or greater. For the initial issuance of the exemptions, proof of the requisite amount of annual gross sales from commercial farming shall be required for the prior year; for any renewal of an exemption granted in accordance with this subdivision at either level I or level II, proof of gross annual sales from commercial farming at the requisite amount shall be required for each of the prior two (2) years. Certificates of exemption issued or renewed after July 1, 2002, shall clearly indicate the level of the exemption and be valid for four (4) years after the date of issue. This exemption applies even if the same equipment is used for ancillary uses, or is temporarily used for a non-farming or a non-agricultural purpose, but shall not apply to motor vehicles acquired after July 1, 2002, unless the vehicle is a farm vehicle as defined pursuant to § 31-1-8 and is eligible for registration displaying farm plates as provided for in § 31-3-31.

(33) Compressed air. From the sale and from the storage, use, or other consumption in the state of compressed air.

(34) Flags. From the sale and from the storage, consumption, or other use in this state of United States, Rhode Island or POW-MIA flags.

(35) Motor vehicle and adaptive equipment to certain veterans. From the sale of a motor vehicle and adaptive equipment to and for the use of a veteran with a service-connected loss of or the loss of use of a leg, foot, hand, or arm, or any veteran who is a double amputee, whether service connected or not. The motor vehicle must be purchased by and especially equipped for use by the qualifying veteran. Certificate of exemption or refunds of taxes paid is granted under rules or regulations that the tax administrator may prescribe.

(36) Textbooks. From the sale and from the storage, use, or other consumption in this state of textbooks by an "educational institution", as defined in subdivision (18) of this section, and any educational institution within the purview of § 16-63-9(4), and used textbooks by any purveyor.

(37) Tangible personal property and supplies used in on-site hazardous waste recycling, reuse, or treatment. From the sale, storage, use, or other consumption in this state of tangible personal property or supplies used or consumed in the operation of equipment, the exclusive function of which is the recycling, reuse, or recovery of materials (other than precious metals, as

defined in subdivision (24)(ii) of this section) from the treatment of "hazardous wastes", as defined in § 23-19.1-4, where the "hazardous wastes" are generated in Rhode Island solely by the same taxpayer and where the personal property is located at, in, or adjacent to a generating facility of the taxpayer in Rhode Island. The taxpayer shall procure an order from the director of the department of environmental management certifying that the equipment and/or supplies as used or consumed, qualify for the exemption under this subdivision. If any information relating to secret processes or methods of manufacture, production, or treatment is disclosed to the department of environmental management only to procure an order, and is a "trade secret" as defined in § 28-21-10(b), it is not open to public inspection or publicly disclosed unless disclosure is required under chapter 21 of title 28 or chapter 24.4 of title 23.

(38) Promotional and product literature of boat manufacturers. From the sale and from the storage, use, or other consumption of promotional and product literature of boat manufacturers shipped to points outside of Rhode Island that either: (i) Accompany the product that is sold; (ii) Are shipped in bulk to out-of-state dealers for use in the sale of the product; or (iii) Are mailed to customers at no charge.

(39) Food items paid for by food stamps. From the sale and from the storage, use, or other consumption in this state of eligible food items payment for which is properly made to the retailer in the form of U.S. government food stamps issued in accordance with the Food Stamp Act of 1977, 7 U.S.C. § 2011 et seq.

(40) Transportation charges. From the sale or hiring of motor carriers as defined in § 39-12-2(1) to haul goods, when the contract or hiring cost is charged by a motor freight tariff filed with the Rhode Island public utilities commission on the number of miles driven or by the number of hours spent on the job.

(41) Trade-in value of boats. From the sale and from the storage, use, or other consumption in this state of so much of the purchase price paid for a new or used boat as is allocated for a trade-in allowance on the boat of the buyer given in trade to the seller or of the proceeds applicable only to the boat as are received from an insurance claim as a result of a stolen or damaged boat, towards the purchase of a new or used boat by the buyer.

(42) Equipment used for research and development. From the sale and from the storage, use, or other consumption of equipment to the extent used for research and development purposes by a qualifying firm. For the purposes of this subdivision, "qualifying firm" means a business for which the use of research and development equipment is an integral part of its operation and "equipment" means scientific equipment, computers, software, and related items.

(43) Coins. From the sale and from the other consumption in this state of coins having numismatic or investment value.

(44) Farm structure construction materials. Lumber, hardware, and other materials used in the new construction of farm structures, including production facilities such as, but not limited to, farrowing sheds, free stall and stanchion barns, milking parlors, silos, poultry barns, laying houses, fruit and vegetable storages, rooting cellars, propagation rooms, greenhouses, packing rooms, machinery storage, seasonal farm worker housing, certified farm markets, bunker and trench silos, feed storage sheds, and any other structures used in connection with commercial farming.

(45) Telecommunications carrier access service. Carrier access service or telecommunications service when purchased by a telecommunications company from another telecommunications company to facilitate the provision of telecommunications service.

(46) Boats or vessels brought into the state exclusively for winter storage, maintenance,

repair or sale. Notwithstanding the provisions of §§ 44-18-10, 44-18-11 and 44-18-20, the tax imposed by § 44-18-20 is not applicable for the period commencing on the first day of October in any year up to and including the 30th day of April next succeeding with respect to the use of any boat or vessel within this state exclusively for purposes of: (i) Delivery of the vessel to a facility in this state for storage, including dry storage and storage in water by means of apparatus preventing ice damage to the hull, maintenance, or repair; (ii) The actual process of storage, maintenance, or repair of the boat or vessel; or (iii) Storage for the purpose of selling the boat or vessel.

(47) Jewelry display product. From the sale and from the storage, use, or other consumption in this state of tangible personal property used to display any jewelry product; provided that title to the jewelry display product is transferred by the jewelry manufacturer or seller and that the jewelry display product is shipped out of state for use solely outside the state and is not returned to the jewelry manufacturer or seller.

(48) Boats or vessels generally. Notwithstanding the provisions of this chapter, the tax imposed by §§ 44-18-20 and 44-18-18 shall not apply with respect to the sale and to the storage, use, or other consumption in this state of any new or used boat. The exemption provided for in this subdivision does not apply after October 1, 1993, unless prior to October 1, 1993, the federal ten percent (10%) surcharge on luxury boats is repealed.

(49) Banks and regulated investment companies interstate toll-free calls. Notwithstanding the provisions of this chapter, the tax imposed by this chapter does not apply to the furnishing of interstate and international, toll-free terminating telecommunication service that is used directly and exclusively by or for the benefit of an eligible company as defined in this subdivision; provided that an eligible company employs on average during the calendar year no less than five hundred (500) "full-time equivalent employees" as that term is defined in § 42-64.5-2. For purposes of this section, an "eligible company" means a "regulated investment company" as that term is defined in the Internal Revenue Code of 1986, 26 U.S.C. § 1 et seq., or a corporation to the extent the service is provided, directly or indirectly, to or on behalf of a regulated investment company, an employee benefit plan, a retirement plan or a pension plan or a state-chartered bank.

(50) Mobile and manufactured homes generally. From the sale and from the storage, use, or other consumption in this state of mobile and/or manufactured homes as defined and subject to taxation pursuant to the provisions of chapter 44 of title 31.

(51) Manufacturing business reconstruction materials.

(i) From the sale and from the storage, use, or other consumption in this state of lumber, hardware, and other building materials used in the reconstruction of a manufacturing business facility that suffers a disaster, as defined in this subdivision, in this state. "Disaster" means any occurrence, natural or otherwise, that results in the destruction of sixty percent (60%) or more of an operating manufacturing business facility within this state. "Disaster" does not include any damage resulting from the willful act of the owner of the manufacturing business facility.

(ii) Manufacturing business facility includes, but is not limited to, the structures housing the production and administrative facilities.

(iii) In the event a manufacturer has more than one manufacturing site in this state, the sixty percent (60%) provision applies to the damages suffered at that one site.

(iv) To the extent that the costs of the reconstruction materials are reimbursed by insurance, this exemption does not apply.

(52) Tangible personal property and supplies used in the processing or preparation of floral products and floral arrangements. From the sale, storage, use, or other consumption in this

state of tangible personal property or supplies purchased by florists, garden centers, or other like producers or vendors of flowers, plants, floral products, and natural and artificial floral arrangements that are ultimately sold with flowers, plants, floral products, and natural and artificial floral arrangements or are otherwise used in the decoration, fabrication, creation, processing, or preparation of flowers, plants, floral products, or natural and artificial floral arrangements, including descriptive labels, stickers, and cards affixed to the flower, plant, floral product, or arrangement, artificial flowers, spray materials, floral paint and tint, plant shine, flower food, insecticide and fertilizers.

(53) Horse food products. From the sale and from the storage, use, or other consumption in this state of horse food products purchased by a person engaged in the business of the boarding of horses.

(54) Non-motorized recreational vehicles sold to nonresidents.

(i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle to a bona fide nonresident of this state who does not register the non-motorized recreational vehicle in this state, whether the sale or delivery of the non-motorized recreational vehicle is made in this state or at the place of residence of the nonresident; provided that a non-motorized recreational vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption to its nonresidents is not exempt from the tax imposed under § 44-18-20; provided, further, that in that event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate that would be imposed in his or her state of residence not to exceed the rate that would have been imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed, non-motorized recreational vehicle dealer shall add and collect the tax required under this subdivision and remit the tax to the tax administrator under the provisions of chapters 18 and 19 of this title. Provided, that when a Rhode Island licensed, non-motorized recreational vehicle dealer is required to add and collect the sales and use tax on the sale of a non-motorized recreational vehicle to a bona fide nonresident as provided in this section, the dealer in computing the tax takes into consideration the law of the state of the nonresident as it relates to the trade-in of motor vehicles.

(ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may require any licensed, non-motorized recreational vehicle dealer to keep records of sales to bona fide nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption provided in this subdivision, including the affidavit of a licensed, non-motorized recreational vehicle dealer that the purchaser of the non-motorized recreational vehicle was the holder of, and had in his or her possession a valid out-of-state non-motorized recreational vehicle registration or a valid out-of-state driver's license.

(iii) Any nonresident who registers a non-motorized recreational vehicle in this state within ninety (90) days of the date of its sale to him or her is deemed to have purchased the non-motorized recreational vehicle for use, storage, or other consumption in this state, and is subject to, and liable for, the use tax imposed under the provisions of § 44-18-20.

(iv) "Non-motorized recreational vehicle" means any portable dwelling designed and constructed to be used as a temporary dwelling for travel, camping, recreational, and vacation use that is eligible to be registered for highway use, including, but not limited to, "pick-up coaches" or "pick-up campers," "travel trailers," and "tent trailers" as those terms are defined in chapter 1 of title 31.

(55) Sprinkler and fire alarm systems in existing buildings. From the sale in this state of sprinkler and fire alarm systems; emergency lighting and alarm systems; and the materials

necessary and attendant to the installation of those systems that are required in buildings and occupancies existing therein in July 2003 in order to comply with any additional requirements for such buildings arising directly from the enactment of the Comprehensive Fire Safety Act of 2003 and that are not required by any other provision of law or ordinance or regulation adopted pursuant to that Act. The exemption provided in this subdivision shall expire on December 31, 2008.

(56) Aircraft. Notwithstanding the provisions of this chapter, the tax imposed by §§ 44-18-18 and 44-18-20 shall not apply with respect to the sale and to the storage, use, or other consumption in this state of any new or used aircraft or aircraft parts.

(57) Renewable energy products. Notwithstanding any other provisions of Rhode Island general laws, the following products shall also be exempt from sales tax: solar photovoltaic modules or panels, or any module or panel that generates electricity from light; solar thermal collectors, including, but not limited to, those manufactured with flat glass plates, extruded plastic, sheet metal, and/or evacuated tubes; geothermal heat pumps, including both water-to-water and water-to-air type pumps; wind turbines; towers used to mount wind turbines if specified by or sold by a wind turbine manufacturer; DC to AC inverters that interconnect with utility power lines; and manufactured mounting racks and ballast pans for solar collector, module, or panel installation. Not to include materials that could be fabricated into such racks; monitoring and control equipment, if specified or supplied by a manufacturer of solar thermal, solar photovoltaic, geothermal, or wind energy systems or if required by law or regulation for such systems but not to include pumps, fans or plumbing or electrical fixtures unless shipped from the manufacturer affixed to, or an integral part of, another item specified on this list; and solar storage tanks that are part of a solar domestic hot water system or a solar space heating system. If the tank comes with an external heat exchanger it shall also be tax exempt, but a standard hot water tank is not exempt from state sales tax.

(58) Returned property. The amount charged for property returned by customers upon rescission of the contract of sale when the entire amount exclusive of handling charges paid for the property is refunded in either cash or credit, and where the property is returned within one hundred twenty (120) days from the date of delivery.

(59) Dietary Supplements. From the sale and from the storage, use, or other consumption of dietary supplements as defined in § 44-18-7.1(l)(v), sold on prescriptions.

(60) Blood. From the sale and from the storage, use, or other consumption of human blood.

(61) Agricultural products for human consumption. From the sale and from the storage, use, or other consumption of livestock and poultry of the kinds of products that ordinarily constitute food for human consumption and of livestock of the kind the products of which ordinarily constitutes fibers for human use.

(62) Diesel emission control technology. From the sale and use of diesel retrofit technology that is required by § 31-47.3-4.

(63) Feed for certain animals used in commercial farming. From the sale of feed for animals as described in § 44-18-30(61).

(64) Alcoholic beverages. From the sale and storage, use, or other consumption in this state by a Class A licensee of alcoholic beverages, as defined in § 44-18-7.1, excluding beer and malt beverages ~~from December 1, 2013, through June 30, 2015~~; provided, further, notwithstanding § 6-13-1 or any other general or public law to the contrary, alcoholic beverages, as defined in § 44-18-7.1, shall not be subject to minimum markup ~~from December 1, 2013,~~

through June 30, 2015.

SECTION 8. Section 10 of Article 12 of Chapter 145 of the 2014 Public Laws entitled "AN ACT RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2014" is hereby amended to read as follows:

Section 10. Section 3-10-1 of the General Laws in Chapter 3-10 entitled "Taxation of Beverages" is hereby amended to read as follows:

3-10-1. Manufacturing tax rates -- Exemption of religious uses. -- (a) There shall be assessed and levied by the tax administrator on all beverages manufactured, rectified, blended, or reduced for sale in this state a tax of ~~three dollars (\$3.00)~~ three dollars and thirty cents (\$3.30) on every thirty-one (31) gallons, and a tax at a like rate for any other quantity or fractional part. On any beverage manufactured, rectified, blended, or reduced for sale in this state consisting in whole or in part of wine, whiskey, rum, gin, brandy spirits, ethyl alcohol, or other strong liquors (as distinguished from beer or other brewery products), the tax to be assessed and levied is as follows:

(1) Still wines (whether fortified or not), ~~sixty cents (\$.60)~~ one dollar and forty cents (\$1.40) per gallon;

(2) Still wines (whether fortified or not) made entirely from fruit grown in this state, thirty cents (\$.30) per gallon;

(3) Sparkling wines (whether fortified or not), seventy five cents (\$.75) per gallon;

(4) Whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in whole or in part of alcohol ~~which that~~ is the product of distillation, ~~three dollars and seventy five cents (\$3.75)~~ five dollars and forty cents (\$5.40) per gallon, except that whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in whole or in part of alcohol ~~which that~~ is the product of distillation but ~~which that~~ contains alcohol measuring thirty (30) proof or less, one dollar and ten cents (\$1.10) per gallon;

(5) Ethyl alcohol to be used for beverage purposes, seven dollars and fifty cents (\$7.50) per gallon; and

(6) Ethyl alcohol to be used for nonbeverage purposes, eight cents (\$.08) per gallon.

(b) Sacramental wines are not subject to any tax if sold directly to a member of the clergy for use by the purchaser or his or her congregation for sacramental or other religious purposes.

(c) A brewer who brews beer in this state ~~which that~~ is actively and directly owned, managed, and operated by an authorized legal entity ~~which that~~ has owned, managed, and operated a brewery in this state for at least twelve (12) consecutive months, shall receive a tax exemption on the first one hundred thousand (100,000) barrels of beer that it produces and distributes in this state in any calendar year. A barrel of beer is thirty one (31) gallons.

SECTION 9. Chapter 44-19 of the General Laws entitled "Sales and Use Taxes – Enforcement and Collection" is hereby amended by adding hereto the following section:

44-19-43. Managed Audit Program. - (a) The tax administrator may, in a written agreement with a taxpayer, authorize a taxpayer to conduct a managed audit pursuant to this section. The agreement shall specify the period to be audited and the procedure to be followed, and shall be signed by an authorized representative of the tax administrator and the taxpayer.

(b) For purposes of this section, the term "managed audit" means a review and analysis of invoices, checks, accounting records, or other documents or information to determine the correct amount of tax. A managed audit may include, but is not required to include, the following

categories of liability under this Chapter, including tax on:

(i) Sales of one or more types of taxable items.

(ii) Purchases of assets.

(iii) Purchases of expense items.

(iv) Purchases under a direct payment permit.

(v) Any other category specified in an agreement authorized by this section. It shall be in the tax administrator's sole discretion as to which categories of liability shall be included in any managed audit.

(c) The decision to authorize a managed audit rests solely with the tax administrator. In determining whether to authorize a managed audit, the tax administrator may consider, in addition to other facts the tax administrator may consider relevant, any of the following:

(i) The taxpayer's history of tax compliance.

(ii) The amount of time and resources the taxpayer has available to dedicate to the managed audit.

(iii) The extent and availability of the taxpayer's records.

(iv) The taxpayer's ability to pay any expected liability.

(d) The tax administrator may examine records and perform reviews that (s)he determines are necessary before the managed audit is finalized to verify the results of the managed audit. Unless the managed audit or information reviewed by the tax administrator discloses fraud or willful evasion of the tax, the tax administrator may not assess a penalty and may waive all or a part of the interest that would otherwise accrue on any amount identified as due in a managed audit. This subsection (d) does not apply to any amount collected by the taxpayer that was a tax or represented to be a tax that was not remitted to the state.

SECTION 10. Sections 44-20-12 and 44-20-13 of the General Laws in Chapter 44-20 entitled "Cigarette Tax" are hereby amended to read as follows:

44-20-12. Tax imposed on cigarettes sold. -- A tax is imposed on all cigarettes sold or held for sale in the state. The payment of the tax to be evidenced by stamps, which may be affixed only by licensed distributors to the packages containing such cigarettes. Any cigarettes on which the proper amount of tax provided for in this chapter has been paid, payment being evidenced by the stamp, is not subject to a further tax under this chapter. The tax is at the rate of ~~one hundred seventy five (175)~~ one hundred eighty-seven and one half (187.5) mills for each cigarette.

44-20-13. Tax imposed on unstamped cigarettes. - A tax is imposed at the rate of ~~one hundred seventy five (175)~~ one hundred eighty-seven and one half (187.5) mills for each cigarette upon the storage or use within this state of any cigarettes not stamped in accordance with the provisions of this chapter in the possession of any consumer within this state.

SECTION 11. Chapter 44-20 of the General Laws entitled "Cigarette Tax" is hereby amended by adding hereto the following section:

44-20-12.5. Floor stock tax on cigarettes and stamps. -- (a) Whenever used in this section, unless the context requires otherwise:

(1) "Cigarette" means any cigarette as defined in § 44-20-1(2);

(2) "Person" means each individual, firm, fiduciary, partnership, corporation, trust, or association, however formed.

(b) Each person engaging in the business of selling cigarettes at retail in this state shall pay a tax or excise to the state for the privilege of engaging in that business during any part of the calendar year 2015. In calendar year 2015, the tax shall be measured by the number of

cigarettes held by the person in this state at 12:01 a.m. on August 1, 2015 and is computed at the rate of twelve and one half (12.5) mills for each cigarette on August 1, 2015.

(c) Each distributor licensed to do business in this state pursuant to this chapter shall pay a tax or excise to the state for the privilege of engaging in that business during any part of the calendar year 2015. The tax is measured by the number of stamps, whether affixed or to be affixed to packages of cigarettes, as required by § 44-20-28. In calendar year 2015 the tax is measured by the number of stamps, as defined in § 44-20-1(10), whether affixed or to be affixed, held by the distributor at 12:01 a.m. on August 1, 2015, and is computed at the rate of twelve and one half (12.5) mills per cigarette in the package to which the stamps are affixed or to be affixed.

(d) Each person subject to the payment of the tax imposed by this section shall, on or before August 15, 2015, file a return, under oath or certified under the penalties of perjury, with the tax administrator on forms furnished by him or her, showing the amount of cigarettes and under subsection (b) above the number of stamps under subsection (c) above, in that person's possession in this state at 12:01 a.m. on August 1, 2015, and the amount of tax due, and shall at the time of filing the return pay the tax to the tax administrator. Failure to obtain forms shall not be an excuse for the failure to make a return containing the information required by the tax administrator.

(e) The tax administrator may prescribe rules and regulations, not inconsistent with law, with regard to the assessment and collection of the tax imposed by this section.

SECTION 12. Section 44-30-2.6 and 44-30-12 of General Laws in Chapter 44-30 entitled "Personal Income Tax" is hereby amended to read as follows:

44-30-2.6. Rhode Island taxable income – Rate of tax. – (a) "Rhode Island taxable income" means federal taxable income as determined under the Internal Revenue Code, 26 U.S.C. § 1 et seq., not including the increase in the basic standard deduction amount for married couples filing joint returns as provided in the Jobs and Growth Tax Relief Reconciliation Act of 2003 and the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), and as modified by the modifications in § 44-30-12.

(b) Notwithstanding the provisions of §§ 44-30-1 and 44-30-2, for tax years beginning on or after January 1, 2001, a Rhode Island personal income tax is imposed upon the Rhode Island taxable income of residents and nonresidents, including estates and trusts, at the rate of twenty-five and one-half percent (25.5%) for tax year 2001, and twenty-five percent (25%) for tax year 2002 and thereafter of the federal income tax rates, including capital gains rates and any other special rates for other types of income, except as provided in § 44-30-2.7, which were in effect immediately prior to enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA); provided, rate schedules shall be adjusted for inflation by the tax administrator beginning in taxable year 2002 and thereafter in the manner prescribed for adjustment by the commissioner of Internal Revenue in 26 U.S.C. § 1(f). However, for tax years beginning on or after January 1, 2006, a taxpayer may elect to use the alternative flat tax rate provided in § 44-30-2.10 to calculate his or her personal income tax liability.

(c) For tax years beginning on or after January 1, 2001, if a taxpayer has an alternative minimum tax for federal tax purposes, the taxpayer shall determine if he or she has a Rhode Island alternative minimum tax. The Rhode Island alternative minimum tax shall be computed by multiplying the federal tentative minimum tax without allowing for the increased exemptions under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (as redetermined on federal form 6251 Alternative Minimum Tax-Individuals) by twenty-five and one-half percent (25.5%) for tax year 2001, and twenty-five percent (25%) for tax year 2002 and thereafter, and comparing

the product to the Rhode Island tax as computed otherwise under this section. The excess shall be the taxpayer's Rhode Island alternative minimum tax.

(1) For tax years beginning on or after January 1, 2005 and thereafter the exemption amount for alternative minimum tax, for Rhode Island purposes, shall be adjusted for inflation by the tax administrator in the manner prescribed for adjustment by the commissioner of Internal Revenue in 26 U.S.C. § 1(f).

(2) For the period January 1, 2007 through December 31, 2007, and thereafter, Rhode Island taxable income shall be determined by deducting from federal adjusted gross income as defined in 26 U.S.C. § 62 as modified by the modifications in § 44-30-12 the Rhode Island itemized deduction amount and the Rhode Island exemption amount as determined in this section.

(A) Tax imposed.

(1) There is hereby imposed on the taxable income of married individuals filing joint returns and surviving spouses a tax determined in accordance with the following table:

If taxable income is: The tax is:

Not over \$53,150 3.75% of taxable income

Over \$53,150 but not over \$128,500 \$1,993.13 plus 7.00% of the excess over \$53,150

Over \$128,500 but not over \$195,850 \$7,267.63 plus 7.75% of the excess over \$128,500

Over \$195,850 but not over \$349,700 \$12,487.25 plus 9.00% of the excess over \$195,850

Over \$349,700 \$26,333.75 plus 9.90% of the excess over \$349,700

(2) There is hereby imposed on the taxable income of every head of household a tax determined in accordance with the following table:

If taxable income is: The tax is:

Not over \$42,650 3.75% of taxable income

Over \$42,650 but not over \$110,100 \$1,599.38 plus 7.00% of the excess over \$42,650

Over \$110,100 but not over \$178,350 \$6,320.88 plus 7.75% of the excess over \$110,100

Over \$178,350 but not over \$349,700 \$11,610.25 plus 9.00% of the excess over \$178,350

Over \$349,700 \$27,031.75 plus 9.90% of the excess over \$349,700

(3) There is hereby imposed on the taxable income of unmarried individuals (other than surviving spouses and heads of households) a tax determined in accordance with the following table:

If taxable income is: The tax is:

Not over \$31,850 3.75% of taxable income

Over \$31,850 but not over \$77,100 \$1,194.38 plus 7.00% of the excess over \$31,850

Over \$77,100 but not over \$160,850 \$4,361.88 plus 7.75% of the excess over \$77,100

Over \$160,850 but not over \$349,700 \$10,852.50 plus 9.00% of the excess over \$160,850

Over \$349,700 \$27,849.00 plus 9.90% of the excess over \$349,700

(4) There is hereby imposed on the taxable income of married individuals filing separate returns and bankruptcy estates a tax determined in accordance with the following table:

If taxable income is: The tax is:

Not over \$26,575 3.75% of taxable income

Over \$26,575 but not over \$64,250 \$996.56 plus 7.00% of the excess over \$26,575

Over \$64,250 but not over \$97,925 \$3,633.81 plus 7.75% of the excess over \$64,250

Over \$97,925 but not over \$174,850 \$6,243.63 plus 9.00% of the excess over \$97,925

Over \$174,850 \$13,166.88 plus 9.90% of the excess over \$174,850

(5) There is hereby imposed a taxable income of an estate or trust a tax determined in

accordance with the following table:

If taxable income is: The tax is:

Not over \$2,150 3.75% of taxable income

Over \$2,150 but not over \$5,000 \$80.63 plus 7.00% of the excess over \$2,150

Over \$5,000 but not over \$7,650 \$280.13 plus 7.75% of the excess over \$5,000

Over \$7,650 but not over \$10,450 \$485.50 plus 9.00% of the excess over \$7,650

Over \$10,450 \$737.50 plus 9.90% of the excess over \$10,450

(6) Adjustments for inflation. The dollars amount contained in paragraph (A) shall be increased by an amount equal to:

(a) Such dollar amount contained in paragraph (A) in the year 1993, multiplied by;

(b) The cost-of-living adjustment determined under section (J) with a base year of 1993;

(c) The cost-of-living adjustment referred to in subparagraph (a) and (b) used in making adjustments to the nine percent (9%) and nine and nine tenths percent (9.9%) dollar amounts shall be determined under section (J) by substituting "1994" for "1993."

(B) Maximum capital gains rates

(1) In general If a taxpayer has a net capital gain for tax years ending prior to January 1, 2010, the tax imposed by this section for such taxable year shall not exceed the sum of:

(a) 2.5 % of the net capital gain as reported for federal income tax purposes under section 26 U.S.C. 1(h)(1)(a) and 26 U.S.C. 1(h)(1)(b).

(b) 5% of the net capital gain as reported for federal income tax purposes under 26 U.S.C. 1(h)(1)(c).

(c) 6.25% of the net capital gain as reported for federal income tax purposes under 26 U.S.C. 1(h)(1)(d).

(d) 7% of the net capital gain as reported for federal income tax purposes under 26 U.S.C. 1(h)(1)(e).

(2) For tax years beginning on or after January 1, 2010 the tax imposed on net capital gain shall be determined under subdivision 44-30-2.6(c)(2)(A).

(C) Itemized deductions.

(1) In general

For the purposes of section (2) "itemized deductions" means the amount of federal itemized deductions as modified by the modifications in § 44-30-12.

(2) Individuals who do not itemize their deductions In the case of an individual who does not elect to itemize his deductions for the taxable year, they may elect to take a standard deduction.

(3) Basic standard deduction. The Rhode Island standard deduction shall be allowed in accordance with the following table:

Filing status Amount

Single \$5,350

Married filing jointly or qualifying widow(er) \$8,900

Married filing separately \$4,450

Head of Household \$7,850

(4) Additional standard deduction for the aged and blind. An additional standard deduction shall be allowed for individuals age sixty-five (65) or older or blind in the amount of \$1,300 for individuals who are not married and \$1,050 for individuals who are married.

(5) Limitation on basic standard deduction in the case of certain dependents. In the case of an individual to whom a deduction under section (E) is allowable to another taxpayer, the

basic standard deduction applicable to such individual shall not exceed the greater of:

- (a) \$850;
- (b) The sum of \$300 and such individual's earned income;
- (6) Certain individuals not eligible for standard deduction. In the case of:
 - (a) A married individual filing a separate return where either spouse itemizes deductions;
 - (b) Nonresident alien individual;
 - (c) An estate or trust;

The standard deduction shall be zero.

(7) Adjustments for inflation. Each dollars amount contained in paragraphs (3), (4) and (5) shall be increased by an amount equal to:

- (a) Such dollar amount contained in paragraphs (3), (4) and (5) in the year 1988, multiplied by
 - (b) The cost-of-living adjustment determined under section (J) with a base year of 1988.
- (D) Overall limitation on itemized deductions
 - (1) General rule.

In the case of an individual whose adjusted gross income as modified by § 44-30-12 exceeds the applicable amount, the amount of the itemized deductions otherwise allowable for the taxable year shall be reduced by the lesser of:

- (a) Three percent (3%) of the excess of adjusted gross income as modified by § 44-30-12 over the applicable amount; or
- (b) Eighty percent (80%) of the amount of the itemized deductions otherwise allowable for such taxable year.

(2) Applicable amount.

(a) In general.

For purposes of this section, the term "applicable amount" means \$156,400 (\$78,200 in the case of a separate return by a married individual)

(b) Adjustments for inflation. Each dollar amount contained in paragraph (a) shall be increased by an amount equal to:

- (i) Such dollar amount contained in paragraph (a) in the year 1991, multiplied by
- (ii) The cost-of-living adjustment determined under section (J) with a base year of 1991.

(3) Phase-out of Limitation.

(a) In general.

In the case of taxable year beginning after December 31, 2005, and before January 1, 2010, the reduction under section (1) shall be equal to the applicable fraction of the amount which would be the amount of such reduction.

(b) Applicable fraction.

For purposes of paragraph (a), the applicable fraction shall be determined in accordance with the following table:

For taxable years beginning in calendar year The applicable fraction is

2006 and 2007 $\frac{2}{3}$

2008 and 2009 $\frac{1}{3}$

(E) Exemption amount

(1) In general.

Except as otherwise provided in this subsection, the term "exemption amount" mean \$3,400.

(2) Exemption amount disallowed in case of certain dependents.

In the case of an individual with respect to whom a deduction under this section is allowable to another taxpayer for the same taxable year, the exemption amount applicable to such individual for such individual's taxable year shall be zero.

(3) Adjustments for inflation.

The dollar amount contained in paragraph (1) shall be increased by an amount equal to:

- (a) Such dollar amount contained in paragraph (1) in the year 1989, multiplied by
- (b) The cost-of-living adjustment determined under section (J) with a base year of 1989.

(4) Limitation.

(a) In general.

In the case of any taxpayer whose adjusted gross income as modified for the taxable year exceeds the threshold amount shall be reduced by the applicable percentage.

(b) Applicable percentage. In the case of any taxpayer whose adjusted gross income for the taxable year exceeds the threshold amount, the exemption amount shall be reduced by two (2) percentage points for each \$2,500 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds the threshold amount. In the case of a married individual filing a separate return, the preceding sentence shall be applied by substituting "\$1,250" for "\$2,500." In no event shall the applicable percentage exceed one hundred percent (100%).

(c) Threshold Amount. For the purposes of this paragraph, the term "threshold amount" shall be determined with the following table:

Filing status	Amount
Single	\$156,400
Married filing jointly of qualifying widow(er)	\$234,600
Married filing separately	\$117,300
Head of Household	\$195,500

(d) Adjustments for inflation.

Each dollars amount contain in paragraph (b) shall be increased by an amount equal to:

- (i) Such dollar amount contained in paragraph (b) in the year 1991, multiplied by
- (ii) The cost-of-living adjustment determined under section (J) with a base year of 1991.

(5) Phase-out of Limitation.

(a) In general.

In the case of taxable years beginning after December 31, 2005, and before January 1, 2010, the reduction under section 4 shall be equal to the applicable fraction of the amount which would be the amount of such reduction.

(b) Applicable fraction.

For the purposes of paragraph (a), the applicable fraction shall be determined in accordance with the following table:

For taxable years beginning in calendar year The applicable fraction is

2006 and 2007 $\frac{2}{3}$

2008 and 2009 $\frac{1}{3}$

(F) Alternative minimum tax

(1) General rule. - There is hereby imposed (in addition to any other tax imposed by this subtitle) a tax equal to the excess (if any) of:

- (a) The tentative minimum tax for the taxable year, over
- (b) The regular tax for the taxable year.

(2) The tentative minimum tax for the taxable year is the sum of:

- (a) 6.5 percent of so much of the taxable excess as does not exceed \$175,000, plus

(b) 7.0 percent of so much of the taxable excess above \$175,000.

(3) The amount determined under the preceding sentence shall be reduced by the alternative minimum tax foreign tax credit for the taxable year.

(4) Taxable excess. - For the purposes of this subsection the term "taxable excess" means so much of the federal alternative minimum taxable income as modified by the modifications in § 44-30-12 as exceeds the exemption amount.

(5) In the case of a married individual filing a separate return, subparagraph (2) shall be applied by substituting "\$87,500" for \$175,000 each place it appears.

(6) Exemption amount. For purposes of this section "exemption amount" means:

Filing status Amount

Single \$39,150

Married filing jointly or qualifying widow(er) \$53,700

Married filing separately \$26,850

Head of Household \$39,150

Estate or trust \$24,650

(7) Treatment of unearned income of minor children

(a) In general.

In the case of a minor child, the exemption amount for purposes of section (6) shall not exceed the sum of:

(i) Such child's earned income, plus

(ii) \$6,000.

(8) Adjustments for inflation.

The dollar amount contained in paragraphs (6) and (7) shall be increased by an amount equal to:

(a) Such dollar amount contained in paragraphs (6) and (7) in the year 2004, multiplied by

(b) The cost-of-living adjustment determined under section (J) with a base year of 2004.

(9) Phase-out.

(a) In general.

The exemption amount of any taxpayer shall be reduced (but not below zero) by an amount equal to twenty-five percent (25%) of the amount by which alternative minimum taxable income of the taxpayer exceeds the threshold amount.

(b) Threshold amount. For purposes of this paragraph, the term "threshold amount" shall be determined with the following table:

Filing status Amount

Single \$123,250

Married filing jointly or qualifying widow(er) \$164,350

Married filing separately \$82,175

Head of Household \$123,250

Estate or Trust \$82,150

(c) Adjustments for inflation

Each dollar amount contained in paragraph (9) shall be increased by an amount equal to:

(i) Such dollar amount contained in paragraph (9) in the year 2004, multiplied by

(ii) The cost-of-living adjustment determined under section (J) with a base year of 2004.

(G) Other Rhode Island taxes

(1) General rule. - There is hereby imposed (in addition to any other tax imposed by this

subtitle) a tax equal to twenty-five percent (25%) of:

- (a) The Federal income tax on lump-sum distributions.
- (b) The Federal income tax on parents' election to report child's interest and dividends.
- (c) The recapture of Federal tax credits that were previously claimed on Rhode Island

return.

(H) Tax for children under 18 with investment income

(1) General rule. – There is hereby imposed a tax equal to twenty-five percent (25%) of:

(a) The Federal tax for children under the age of 18 with investment income.

(I) Averaging of farm income

(1) General rule. - At the election of an individual engaged in a farming business or fishing business, the tax imposed in section 2 shall be equal to twenty-five percent (25%) of:

(a) The Federal averaging of farm income as determined in IRC section 1301.

(J) Cost-of-living adjustment

(1) In general.

The cost-of-living adjustment for any calendar year is the percentage (if any) by which:

(a) The CPI for the preceding calendar year exceeds

(b) The CPI for the base year.

(2) CPI for any calendar year. For purposes of paragraph (1), the CPI for any calendar year is the average of the Consumer Price Index as of the close of the twelve (12) month period ending on August 31 of such calendar year.

(3) Consumer Price Index

For purposes of paragraph (2), the term "consumer price index" means the last consumer price index for all urban consumers published by the department of labor. For purposes of the preceding sentence, the revision of the consumer price index which is most consistent with the consumer price index for calendar year 1986 shall be used.

(4) Rounding.

(a) In general.

If any increase determined under paragraph (1) is not a multiple of \$50, such increase shall be rounded to the next lowest multiple of \$50.

(b) In the case of a married individual filing a separate return, subparagraph (a) shall be applied by substituting "\$25" for \$50 each place it appears.

(K) Credits against tax. - For tax years beginning on or after January 1, 2001, a taxpayer entitled to any of the following federal credits enacted prior to January 1, 1996 shall be entitled to a credit against the Rhode Island tax imposed under this section:

(1) [Deleted by P.L. 2007, ch. 73, art. 7, § 5].

(2) Child and dependent care credit;

(3) General business credits;

(4) Credit for elderly or the disabled;

(5) Credit for prior year minimum tax;

(6) Mortgage interest credit;

(7) Empowerment zone employment credit;

(8) Qualified electric vehicle credit.

(L) Credit against tax for adoption. - For tax years beginning on or after January 1, 2006, a taxpayer entitled to the federal adoption credit shall be entitled to a credit against the Rhode Island tax imposed under this section if the adopted child was under the care, custody, or supervision of the Rhode Island department of children, youth and families prior to the adoption.

(M) The credit shall be twenty-five percent (25%) of the aforementioned federal credits provided there shall be no deduction based on any federal credits enacted after January 1, 1996, including the rate reduction credit provided by the federal Economic Growth and Tax Reconciliation Act of 2001 (EGTRRA). In no event shall the tax imposed under this section be reduced to less than zero. A taxpayer required to recapture any of the above credits for federal tax purposes shall determine the Rhode Island amount to be recaptured in the same manner as prescribed in this subsection.

(N) Rhode Island earned income credit

(1) In general.

For tax years beginning on or after January 1, 2015 and before January 1, 2016, A a taxpayer entitled to a federal earned income credit shall be allowed a Rhode Island earned income credit equal to ten percent (10%) of the federal earned income credit. Such credit shall not exceed the amount of the Rhode Island income tax.

For tax years beginning on or after January, 1, 2016, a taxpayer entitled to a federal earned income credit shall be allowed a Rhode Island earned income credit equal to twelve and one-half percent (12.5%) of the federal earned income credit. Such credit shall not exceed the amount of the Rhode Island income tax.

(2) Refundable portion.

In the event the Rhode Island earned income credit allowed under section (J) exceeds the amount of Rhode Island income tax, a refundable earned income credit shall be allowed.

(a) For purposes of paragraph (2) refundable earned income credit means one hundred percent (100%) of the amount by which the Rhode Island earned income credit exceeds the Rhode Island income tax.

(O) The tax administrator shall recalculate and submit necessary revisions to paragraphs (A) through (J) to the general assembly no later than February 1, 2010 and every three (3) years thereafter for inclusion in the statute.

(3) For the period January 1, 2011 through December 31, 2011, and thereafter, "Rhode Island taxable income" means federal adjusted gross income as determined under the Internal Revenue Code, 26 U.S.C. 1 et seq., and as modified for Rhode Island purposes pursuant to § 44-30-12 less the amount of Rhode Island Basic Standard Deduction allowed pursuant to subparagraph 44-30-2.6(c)(3)(B), and less the amount of personal exemption allowed pursuant of subparagraph 44-30-2.6(c)(3)(C).

(A) Tax imposed.

(I) There is hereby imposed on the taxable income of married individuals filing joint returns, qualifying widow(er), every head of household, unmarried individuals, married individuals filing separate returns and bankruptcy estates, a tax determined in accordance with the following table:

RI Taxable Income	RI Income Tax
Over But not Over	Pay + % On Excess On The Amount Over
\$0 - \$55,000	\$0 + 3.75% \$0
55,000 - 125,000	2,063 + 4.75% 55,000
125,000 -	5,388 + 5.99% 125,000

(II) There is hereby imposed on the taxable income of an estate or trust a tax determined in accordance with the following table:

RI Taxable Income	RI Income Tax
Over But not Over	Pay + % On Excess On The Amount Over

\$0 - \$2,230 \$0 + 3.75% \$0
2,230 - 7,022 84 + 4.75% 2,230
7,022 - 312 + 5.99% 7,022

(B) Deductions:

(I) Rhode Island Basic Standard Deduction. Only the Rhode Island standard deduction shall be allowed in accordance with the following table:

Filing status: Amount

Single \$7,500

Married filing jointly or qualifying widow(er) \$15,000

Married filing separately \$7,500

Head of Household \$11,250

(II) Nonresident alien individuals, estates and trusts are not eligible for standard deductions.

(III) In the case of any taxpayer whose adjusted gross income, as modified for Rhode Island purposes pursuant to § 44-30-12, for the taxable year exceeds one hundred seventy-five thousand dollars (\$175,000), the standard deduction amount shall be reduced by the applicable percentage. The term "applicable percentage" means twenty (20) percentage points for each five thousand dollars (\$5,000) (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds one hundred seventy-five thousand dollars (\$175,000).

(C) Exemption Amount:

(I) The term "exemption amount" means three thousand five hundred dollars (\$3,500) multiplied by the number of exemptions allowed for the taxable year for federal income tax purposes.

(II) Exemption amount disallowed in case of certain dependents. In the case of an individual with respect to whom a deduction under this section is allowable to another taxpayer for the same taxable year, the exemption amount applicable to such individual for such individual's taxable year shall be zero.

(D) In the case of any taxpayer whose adjusted gross income, as modified for Rhode Island purposes pursuant to § 33-30-12, for the taxable year exceeds one hundred seventy-five thousand dollars (\$175,000), the exemption amount shall be reduced by the applicable percentage. The term "applicable percentage" means twenty (20) percentage points for each five thousand dollars (\$5,000) (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds one hundred seventy-five thousand dollars (\$175,000).

(E) Adjustment for inflation. - The dollar amount contained in subparagraphs 44-30-2.6(c)(3)(A), 44-30-2.6(c)(3)(B) and 44-30-2.6(c)(3)(C) shall be increased annually by an amount equal to:

(I) Such dollar amount contained in subparagraphs 44-30-2.6(c)(3)(A), 44-30-2.6(c)(3)(B) and 44-30-2.6(c)(3)(C) adjusted for inflation using a base tax year of 2000, multiplied by;

(II) The cost-of-living adjustment with a base year of 2000.

(III) For the purposes of this section the cost-of-living adjustment for any calendar year is the percentage (if any) by which the consumer price index for the preceding calendar year exceeds the consumer price index for the base year. The consumer price index for any calendar year is the average of the consumer price index as of the close of the twelve (12) month period ending on August 31, of such calendar year.

(IV) For the purpose of this section the term "consumer price index" means the last

consumer price index for all urban consumers published by the department of labor. For the purpose of this section the revision of the consumer price index which is most consistent with the consumer price index for calendar year 1986 shall be used.

(V) If any increase determined under this section is not a multiple of fifty dollars (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the case of a married individual filing separate return, if any increase determined under this section is not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower multiple of twenty-five dollars (\$25.00).

(E) Credits against tax.

(I) Notwithstanding any other provisions of Rhode Island Law, for tax years beginning on or after January 1, 2011, the only credits allowed against a tax imposed under this chapter shall be as follows:

(a) Rhode Island Earned Income Credit: Credit shall be allowed for earned income credit pursuant to subparagraph 44-30-2.6(c)(2)(N).

(b) Property Tax Relief Credit: Credit shall be allowed for property tax relief as provided in § 44-33-1 et seq.

(c) Lead Paint Credit: Credit shall be allowed for residential lead abatement income tax credit as provided in § 44-30.3-1 et seq.

(d) Credit for income taxes of other states. - Credit shall be allowed for income tax paid to other states pursuant to § 44-30-74.

(e) Historic Structures Tax Credit: Credit shall be allowed for historic structures tax credit as provided in § 44-33.2-1 et seq.

(f) Motion Picture Productions Tax Credit: Credit shall be allowed for motion picture production tax credit as provided in § 44-31.2-1 et seq.

(g) Child and Dependent Care: Credit shall be allowed for twenty-five percent (25%) of the federal child and dependent care credit allowable for the taxable year for federal purposes; provided, however, such credit shall not exceed the Rhode Island tax liability.

(h) Tax credits for contributions to Scholarship Organizations: Credit shall be allowed for contributions to scholarship organizations as provided in § 44-62 et seq.

(i) Credit for tax withheld. - Wages upon which tax is required to be withheld shall be taxable as if no withholding were required, but any amount of Rhode Island personal income tax actually deducted and withheld in any calendar year shall be deemed to have been paid to the tax administrator on behalf of the person from whom withheld, and the person shall be credited with having paid that amount of tax for the taxable year beginning in that calendar year. For a taxable year of less than twelve (12) months, the credit shall be made under regulations of the tax administrator.

(j) Stay Invested in RI Wavemaker Fellowship: Credit shall be allowed for stay invested in RI wavemaker fellowship program as provided in § 42-64.26-1 et seq.

(k) Rebuild Rhode Island: Credit shall be allowed for rebuild RI tax credit as provided in § 42-64.20-1 et seq.

(l) Rhode Island Qualified Jobs Incentive Program: Credit shall be allowed for Rhode Island new qualified jobs incentive program credit as provided in § 44-48.3-1 et seq.

(2) Except as provided in section 1 above, no other state and federal tax credit shall be available to the taxpayers in computing tax liability under this chapter.

44-30-12. Rhode Island income of a resident individual. -- (a) General. The Rhode Island income of a resident individual means his or her adjusted gross income for federal income tax

purposes, with the modifications specified in this section.

(b) Modifications increasing federal adjusted gross income. There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state, or its political subdivisions, other than Rhode Island or its political subdivisions;

(2) Interest or dividend income on obligations or securities of any authority, commission, or instrumentality of the United States, but not of Rhode Island or its political subdivisions, to the extent exempted by the laws of the United States from federal income tax but not from state income taxes;

(3) The modification described in § 44-30-25(g);

(4)(i) The amount defined below of a nonqualified withdrawal made from an account in the tuition savings program pursuant to § 16-57-6.1. For purposes of this section, a nonqualified withdrawal is:

(A) A transfer or rollover to a qualified tuition program under Section 529 of the Internal Revenue Code, 26 U.S.C. § 529, other than to the tuition savings program referred to in § 16-57-6.1; and

(B) A withdrawal or distribution which is:

(I) Not applied on a timely basis to pay "qualified higher education expenses" as defined in § 16-57-3(12) of the beneficiary of the account from which the withdrawal is made;

(II) Not made for a reason referred to in § 16-57-6.1(e); or

(III) Not made in other circumstances for which an exclusion from tax made applicable by Section 529 of the Internal Revenue Code, 26 U.S.C. § 529, pertains if the transfer, rollover, withdrawal or distribution is made within two (2) taxable years following the taxable year for which a contributions modification pursuant to subdivision (c)(4) of this section is taken based on contributions to any tuition savings program account by the person who is the participant of the account at the time of the contribution, whether or not the person is the participant of the account at the time of the transfer, rollover, withdrawal or distribution;

(ii) In the event of a nonqualified withdrawal under subparagraphs (i)(A) or (i)(B) of this subdivision, there shall be added to the federal adjusted gross income of that person for the taxable year of the withdrawal an amount equal to the lesser of:

(A) The amount equal to the nonqualified withdrawal reduced by the sum of any administrative fee or penalty imposed under the tuition savings program in connection with the nonqualified withdrawal plus the earnings portion thereof, if any, includible in computing the person's federal adjusted gross income for the taxable year; and

(B) The amount of the person's contribution modification pursuant to subdivision (c)(4) of this section for the person's taxable year of the withdrawal and the two (2) prior taxable years less the amount of any nonqualified withdrawal for the two (2) prior taxable years included in computing the person's Rhode Island income by application of this subsection for those years. Any amount added to federal adjusted gross income pursuant to this subdivision shall constitute Rhode Island income for residents, nonresidents and part-year residents; and

(5) The modification described in § 44-30-25.1(d)(3)(i).

(6) The amount equal to any unemployment compensation received but not included in federal adjusted gross income.

(7) The amount equal to the deduction allowed for sales tax paid for a purchase of a qualified motor vehicle as defined by the Internal Revenue Code § 164(a)(6).

(c) Modifications reducing federal adjusted gross income. There shall be subtracted from

federal adjusted gross income:

(1) Any interest income on obligations of the United States and its possessions to the extent includible in gross income for federal income tax purposes, and any interest or dividend income on obligations, or securities of any authority, commission, or instrumentality of the United States to the extent includible in gross income for federal income tax purposes but exempt from state income taxes under the laws of the United States; provided, that the amount to be subtracted shall in any case be reduced by any interest on indebtedness incurred or continued to purchase or carry obligations or securities the income of which is exempt from Rhode Island personal income tax, to the extent the interest has been deducted in determining federal adjusted gross income or taxable income;

(2) A modification described in § 44-30-25(f) or § 44-30-1.1(c)(1);

(3) The amount of any withdrawal or distribution from the "tuition savings program" referred to in § 16-57-6.1 which is included in federal adjusted gross income, other than a withdrawal or distribution or portion of a withdrawal or distribution that is a nonqualified withdrawal;

(4) Contributions made to an account under the tuition savings program, including the "contributions carryover" pursuant to paragraph (iv) of this subdivision, if any, subject to the following limitations, restrictions and qualifications:

(i) The aggregate subtraction pursuant to this subdivision for any taxable year of the taxpayer shall not exceed five hundred dollars (\$500) or one thousand dollars (\$1,000) if a joint return;

(ii) The following shall not be considered contributions:

(A) Contributions made by any person to an account who is not a participant of the account at the time the contribution is made;

(B) Transfers or rollovers to an account from any other tuition savings program account or from any other "qualified tuition program" under section 529 of the Internal Revenue Code, 26 U.S.C. § 529; or

(C) A change of the beneficiary of the account;

(iii) The subtraction pursuant to this subdivision shall not reduce the taxpayer's federal adjusted gross income to less than zero (0);

(iv) The contributions carryover to a taxable year for purpose of this subdivision is the excess, if any, of the total amount of contributions actually made by the taxpayer to the tuition savings program for all preceding taxable years for which this subsection is effective over the sum of:

(A) The total of the subtractions under this subdivision allowable to the taxpayer for all such preceding taxable years; and

(B) That part of any remaining contribution carryover at the end of the taxable year which exceeds the amount of any nonqualified withdrawals during the year and the prior two (2) taxable years not included in the addition provided for in this subdivision for those years. Any such part shall be disregarded in computing the contributions carryover for any subsequent taxable year;

(v) For any taxable year for which a contributions carryover is applicable, the taxpayer shall include a computation of the carryover with the taxpayer's Rhode Island personal income tax return for that year, and if for any taxable year on which the carryover is based the taxpayer filed a joint Rhode Island personal income tax return but filed a return on a basis other than jointly for a subsequent taxable year, the computation shall reflect how the carryover is being

allocated between the prior joint filers; and

(5) The modification described in § 44-30-25.1(d)(1).

(6) Amounts deemed taxable income to the taxpayer due to payment or provision of insurance benefits to a dependent, including a domestic partner pursuant to chapter 12 of title 36 or other coverage plan.

(7) Modification for organ transplantation. (i) An individual may subtract up to ten thousand dollars (\$10,000) from federal adjusted gross income if he or she, while living, donates one or more of his or her human organs to another human being for human organ transplantation, except that for purposes of this subsection, "human organ" means all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow. A subtract modification that is claimed hereunder may be claimed in the taxable year in which the human organ transplantation occurs.

(ii) An individual may claim that subtract modification hereunder only once, and the subtract modification may be claimed for only the following unreimbursed expenses that are incurred by the claimant and related to the claimant's organ donation:

(A) Travel expenses.

(B) Lodging expenses.

(C) Lost wages.

(iii) The subtract modification hereunder may not be claimed by a part-time resident or a nonresident of this state.

(8) Modification for taxable Social Security income. (i) For tax years beginning on or after January 1, 2016: (A) For a person who has attained the age used for calculating full or unreduced social security retirement benefits who files a return as an unmarried individual, head of household or married filing separate whose federal adjusted gross income for such taxable year is less than eighty thousand dollars (\$80,000); or

(B) A married individual filing jointly or individual filing qualifying widow(er) who has attained the age used for calculating full or unreduced social security retirement benefits whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars (\$100,000), an amount equal to the social security benefits includable in federal adjusted gross income.

(ii) Adjustment for inflation. The dollar amount contained in subparagraphs 44-30-12(c)(8)(i)(A) and 44-30-12(c)(8)(i)(B) shall be increased annually by an amount equal to:

(A) Such dollar amount contained in subparagraphs 44-30-12(c)(8)(i)(A) and 44-30-12(c)(8)(i)(B) adjusted for inflation using a base tax year of 2000, multiplied by:

(B) The cost-of-living adjustment with a base year of 2000.

(iii) For the purposes of this section the cost-of-living adjustment for any calendar year is the percentage (if any) by which the consumer price index for the preceding calendar year exceeds the consumer price index for the base year. The consumer price index for any calendar year is the average of the consumer price index as of the close of the twelve (12) month period ending on August 31, of such calendar year.

(iv) For the purpose of this section the term "consumer price index" means the last consumer price index for all urban consumers published by the department of labor. For the purpose of this section the revision of the consumer price index which is most consistent with the consumer price index for calendar year 1986 shall be used.

(v) If any increase determined under this section is not a multiple of fifty dollars (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the case of a married individual filing separate return, if any increase determined under this

section is not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower multiple of twenty-five dollars (\$25.00).

(d) Modification for Rhode Island fiduciary adjustment. There shall be added to or subtracted from federal adjusted gross income (as the case may be) the taxpayer's share, as beneficiary of an estate or trust, of the Rhode Island fiduciary adjustment determined under § 44-30-17.

(e) Partners. The amounts of modifications required to be made under this section by a partner, which relate to items of income or deduction of a partnership, shall be determined under § 44-30-15.

SECTION 13. Section 44-64-3 of General Laws in Chapter 44-64 entitled "The Outpatient Health Care Facility Surcharge" is hereby repealed.

~~44-64-3. Imposition of surcharge—Outpatient health care facility.—~~ (a) For the purposes of this section, an "outpatient health care facility" means a person or governmental unit that is licensed to establish, maintain, and operate a free-standing ambulatory surgery center or a physician ambulatory surgery center or a podiatry ambulatory surgery center, in accordance with chapter 17 of title 23.

~~(b) A surcharge at a rate of two percent (2.0%) shall be imposed upon the net patient services revenue received each month by every outpatient health care facility. Every provider shall pay the monthly surcharge no later than the twenty-fifth (25th) day of the month following the month that the gross patient revenue is received. This surcharge shall be in addition to any other authorized fees that have been assessed upon outpatient facilities.~~

SECTION 14. Section 44-65-3 of General Laws in Chapter 44-64 entitled "Imaging Services Surcharge" is hereby repealed.

~~44-65-3. Imposition of surcharge.—~~ (a) A surcharge shall be imposed upon the net patient revenue received by every provider in each month at a rate of two percent (2.0%). Every provider shall pay the monthly surcharge no later than the twenty-fifth (25th) day of each month following the month of receipt of net patient services revenue. This surcharge shall be in addition to any other fees or assessments upon the provider allowable by law.

SECTION 15. Section 44-11-2 of the General Laws in Chapter 44-11 entitled "Business Corporation Tax" is hereby amended to read as follows:

44-11-2. Imposition of tax. -- (a) Each corporation shall annually pay to the state a tax equal to nine percent (9%) of net income, as defined in § 44-11-11, qualified in § 44-11-12, and apportioned to this state as provided in §§ 44-11-13 -- 44-11-15, for the taxable year. For tax years beginning on or after January 1, 2015, each corporation shall annually pay to the state a tax equal to seven percent (7.0%) of net income, as defined in § 44-11-13 - 44-11-15, for the taxable year.

(b) A corporation shall pay the amount of any tax as computed in accordance with subsection (a) of this section after deducting from "net income," as used in this section, fifty percent (50%) of the excess of capital gains over capital losses realized during the taxable year, if for the taxable year:

(1) The corporation is engaged in buying, selling, dealing in, or holding securities on its own behalf and not as a broker, underwriter, or distributor;

(2) Its gross receipts derived from these activities during the taxable year amounted to at least ninety percent (90%) of its total gross receipts derived from all of its activities during the year. "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable consideration, received during the taxable year in connection with the conduct of the

taxpayer's activities.

(c) A corporation shall not pay the amount of the tax computed on the basis of its net income under subsection (a) of this section, but shall annually pay to the state a tax equal to ten cents (\$.10) for each one hundred dollars (\$100) of gross income for the taxable year or a tax of one hundred dollars (\$100), whichever tax shall be the greater, if for the taxable year the corporation is either a "personal holding company" registered under the federal Investment Company Act of 1940, 15 U.S.C. § 80a-1 et seq., "regulated investment company", or a "real estate investment trust" as defined in the federal income tax law applicable to the taxable year. "Gross income" means gross income as defined in the federal income tax law applicable to the taxable year, plus:

(1) Any interest not included in the federal gross income; minus

(2) Interest on obligations of the United States or its possessions, and other interest exempt from taxation by this state; and minus

(3) Fifty percent (50%) of the excess of capital gains over capital losses realized during the taxable year.

(d) (1) A small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1361 et seq., shall not be subject to the Rhode Island income tax on corporations, except that the corporation shall be subject to the provisions of subsection (a), to the extent of the income that is subjected to federal tax under subchapter S. Effective for tax years beginning on or after January 1, 2015, a small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1261 et seq., shall be subject to the minimum tax under § 44-11-2(e).

(2) The shareholders of the corporation who are residents of Rhode Island shall include in their income their proportionate share of the corporation's federal taxable income.

(3) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

(4) [Deleted by P.L. 2004, ch. 595, art. 29, § 1.]

(e) Minimum tax. - The tax imposed upon any corporation under this section, including a small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1361 et seq., shall not be less than ~~five hundred dollars (\$500)~~ four hundred fifty dollars (\$450).

SECTION 16. Unless otherwise amended by this act, Chapter 151, Article 25 of the Public Laws of 2011, Chapter 289 of the Public Laws of 2012 or Chapter 145, Article 13 of the Public Laws of 2014, the terms, conditions, provisions and definitions of Chapter 16 of the Public Laws of 2010 are hereby incorporated by reference and shall remain in full force and effect.

SECTION 17. Chapter 16 of the Public Laws of 2010, entitled "An Act Relating to Authorizing the First Amendments to the Master Video Lottery Terminal Contracts," as amended, is hereby further amended as follows: Part B, Section 4(a)(i) is hereby amended to read as follows:

(i) to provide for a Newport Grand Term commencing on the effective date of the Newport Grand Master Contract and continuing through and including the fifth (5th) anniversary of such effective date; provided that Newport Grand shall have two (2) successive five (5) years extension options with the First Extension Term, as defined in the Newport Grand Master Contract, commencing on November 23, 2010 and the Second Extension Term, commencing on November 23, 2015. Except as otherwise provided herein in section 4(a)(vii), the exercise of the option to extend said Master Contract shall be subject to the terms and conditions of section 2.3 of the Newport Grand Master Contract; provided however, section 2.3B of the Newport Grand's Master Contract shall be amended such that with respect to UTGR's Newport Grand's exercise of

its option to extend for the Second Extension Term, Newport Grand shall be required to certify to the Division that (i) there are ~~180~~ one hundred (100) full-time equivalent employees at the Newport Grand facility on the date of the exercise of the option for the Second Extension Term; and (ii) for the one-year period preceding the date said Second Extension Term option is exercised, there had been ~~180~~ one hundred (100) full-time equivalent employees on average, as the term full-time equivalent employee is defined in section 2.3B of the Newport Grand Master Contract and as confirmed by the Rhode Island department of labor and training. In the event that Newport Grand is licensed to host video lottery games and table games at a facility relocated to a location outside the City of Newport and actually offers video lottery games and table games to patrons at such relocated facility, then Newport Grand shall, no later than the six (6) month anniversary of all such events occurring, certify to the Division that there are one hundred eighty (180) full-time equivalent employees at the relocated Newport Grand facility on such date, and in the event Newport Grand is unable to timely make the foregoing certification, the Newport Grand Master Contract shall automatically terminate as of the one year anniversary of all such events occurring.

SECTION 18. Authorized Procurement of Fourth Amendment to the Newport Grand Master Contract. Notwithstanding any provision of the general or Public Laws to the contrary, the Division is hereby expressly authorized and directed to enter into with Newport Grand a Fourth Amendment to the Newport Grand Master Contract to make the Newport Grand Master Contract consistent with the provisions of this act, as follows:

(a) To require that Newport Grand, in connection with exercising its option to extend for the Second Extension Term, certify to the Division that: (i) There are one hundred (100) full-time equivalent employees at the Newport Grand facility on the date of the exercise of the option for the Second Extension Term; and (ii) For the one-year period preceding the date said Second Extension Term option is exercised, there had been one hundred (100) full-time equivalent employees on average, as the term full-time equivalent employee is defined in section 2.3B of the Newport Grand Master Contract and as confirmed by the Rhode Island Department of Labor and Training. In the event that Newport Grand is licensed to host video lottery games and table games at a facility relocated to a location outside the City of Newport and actually offers video lottery games and table games to patrons at such relocated facility, then Newport Grand shall, no later than the six (6) month anniversary of all such events occurring, certify to the Division that there are one hundred eighty (180) full-time equivalent employees at the relocated Newport Grand facility on such date, and in the event Newport Grand is unable to timely make the foregoing certification, the Newport Grand Master Contract shall automatically terminate as of the one year anniversary of all such events occurring.

SECTION 19. Section 41-7-3 of the General Laws in Chapter 41-7 entitled "Jai Alai" is hereby amended to read as follows:

41-7-3. Regulation of operations -- Licensing. -- (a) The division of racing and athletics is hereby authorized to license jai alai in the city of Newport. The operation of a fronton shall be under the division's supervision. The division is hereby authorized to issue rules and regulations for the supervision of the operations.

(b) Any license granted under the provisions of this chapter shall be subject to the rules and regulations promulgated by the division and shall be subject to suspension or revocation for any cause which the division shall deem sufficient after giving the licensee a reasonable opportunity for a hearing at which he or she shall have the right to be represented by counsel. If any license is suspended or revoked, the division shall state the reasons for the suspension or

revocation and cause an entry of the reasons to be made on the record books of the division.

(c) Commencing July 1, 2003, the division of racing and athletics shall be prohibited to license jai alai in the city of Newport. Any license having been issued and in effect as of that date shall be null and void and any licensee shall be prohibited from operating thereunder; provided, however, that any entity having been issued a license to operate a jai alai fronton prior to July 1, 2003, and any successor in interest to such entity by reason of acquiring the stock or substantially all of the assets of such entity, shall be deemed a pari-mutuel licensee as defined in § 42-61.2-1 et seq., and a licensee as defined in § 41-11-1 et seq.

SECTION 20. Section 42-61.2-1 of the General Laws in Chapter 42-61.2 entitled "Video Lottery Terminal" is hereby amended to read as follows:

42-61.2-1. Definitions. -- For the purpose of this chapter, the following words shall mean:

(1) "Central communication system" means a system approved by the lottery division, linking all video lottery machines at a licensee location to provide auditing program information and any other information determined by the lottery. In addition, the central communications system must provide all computer hardware and related software necessary for the establishment and implementation of a comprehensive system as required by the division. The central communications licensee may provide a maximum of fifty percent (50%) of the video lottery terminals.

(2) "Licensed video lottery retailer" means a pari-mutuel licensee specifically licensed by the director subject to the approval of the division to become a licensed video lottery retailer.

(3) "Net terminal income" means currency placed into a video lottery terminal less credits redeemed for cash by players.

(4) "Pari-mutuel licensee" means an entity licensed and authorized to conduct:

(i) Dog racing, pursuant to chapter 3.1 of title 41; and/or

(ii) Jai-alai games, pursuant to chapter 7 of title 41.

(5) "Technology provider" means any individual, partnership, corporation, or association that designs, manufactures, installs, maintains, distributes, or supplies video lottery machines or associated equipment for the sale or use in this state.

(6) "Video lottery games" means lottery games played on video lottery terminals controlled by the lottery division.

(7) "Video lottery terminal" means any electronic computerized video game machine that, upon the insertion of cash or any other representation of value that has been approved by the division of lotteries, is available to play a video game authorized by the lottery division, and that uses a video display and microprocessors in which, by chance, the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens.

(8) "Casino gaming" means any and all table and casino-style games played with cards, dice, or equipment, for money, credit, or any representative of value; including, but not limited to, roulette, blackjack, big six, craps, poker, baccarat, paigow, any banking or percentage game, or any other game of device included within the definition of Class III gaming as that term is defined in Section 2703(8) of Title 25 of the United States Code and that is approved by the state through the division of state lottery.

(9) "Net table game revenue" means win from table games minus counterfeit currency.

(10) "Rake" means a set fee or percentage of cash and chips representing cash wagered in the playing of a nonbanking table game assessed by a table games retailer for providing the services of a dealer, gaming table or location, to allow the play of any nonbanking table game.

(11) "Table game" or "Table gaming" means that type of casino gaming in which table games are played for cash or chips representing cash, or any other representation of value that has been approved by the division of lotteries, using cards, dice, or equipment and conducted by one or more live persons.

(12) "Table game retailer" means a retailer authorized to conduct table gaming pursuant to §§ 42-61.2-2.1 and 42-61.2-2.2.

(13) "Credit facilitator" means any employee of Twin River approved in writing by the division whose responsibility is to, among other things, review applications for credit by players, verify information on credit applications, grant, deny and suspend credit, establish credit limits, increase and decrease credit limits, and maintain credit files, all in accordance with this chapter and rules and regulations approved by the division.

(14) "Newport Grand" means Newport Grand, LLC, a Rhode Island limited liability company, successor to Newport Grand Jai Alai, LLC, and each permitted successor to and assignee of Newport Grand, LLC under the Newport Grand Master Contract, provided it is a pari-mutuel licensee as defined in § 42-61.2-1 et seq.; provided, however, where the context indicates that the term is referring to the physical facility, then it shall mean the gaming and entertainment facility located at 150 Admiral Kalbfus Road, Newport, Rhode Island.

(15) "Newport Grand Marketing Year" means each fiscal year of the state or a portion thereof between November 23, 2010 and the termination date of the Newport Grand Master Contract.

(16) "Newport Grand Master Contract" means that certain master video lottery terminal contract made as of November 23, 2005 by and between the Division of Lotteries of the Rhode Island Department of Administration and Newport Grand, as amended and extended from time to time as authorized therein and/or as such Newport Grand Master Contract may be assigned as permitted therein.

SECTION 21. Section 42-61.2-7 of the General Laws in Chapter 42-61.2 entitled "Video Lottery Terminal" is hereby amended to read as follows:

42-61.2-7. Division of revenue. [Contingent effective date; see note.] -- (a) Notwithstanding the provisions of § 42-61-15, the allocation of net, terminal income derived from video lottery games is as follows:

(1) For deposit in the general fund and to the state lottery division fund for administrative purposes: Net, terminal income not otherwise disbursed in accordance with subdivisions (a)(2) -- (a)(6) inclusive;

(i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one percent (0.19%), up to a maximum of twenty million dollars (\$20,000,000), shall be equally allocated to the distressed communities as defined in § 45-13-12 provided that no eligible community shall receive more than twenty-five percent (25%) of that community's currently enacted municipal budget as its share under this specific subsection. Distributions made under this specific subsection are supplemental to all other distributions made under any portion of general laws § 45-13-12. For the fiscal year ending June 30, 2008, distributions by community shall be identical to the distributions made in the fiscal year ending June 30, 2007, and shall be made from general appropriations. For the fiscal year ending June 30, 2009, the total state distribution shall be the same total amount distributed in the fiscal year ending June 30, 2008, and shall be made from general appropriations. For the fiscal year ending June 30, 2010, the total state distribution shall be the same total amount distributed in the fiscal year ending June 30, 2009, and shall be made from general appropriations, provided, however, that seven hundred

eighty-four thousand four hundred fifty-eight dollars (\$784,458) of the total appropriation shall be distributed equally to each qualifying distressed community. For each of the fiscal years ending June 30, 2011, June 30, 2012, and June 30, 2013, seven hundred eighty-four thousand four hundred fifty-eight dollars (\$784,458) of the total appropriation shall be distributed equally to each qualifying distressed community.

(ii) Five one hundredths of one percent (0.05%), up to a maximum of five million dollars (\$5,000,000), shall be appropriated to property tax relief to fully fund the provisions of § 44-33-2.1. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum amount to the nearest five dollar (\$5.00) increment within the allocation until a maximum credit of five hundred dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be less than the prior fiscal year.

(iii) One and twenty-two one hundredths of one percent (1.22%) to fund § 44-34.1-1, entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum amount to the nearest two hundred fifty dollar (\$250) increment within the allocation. In no event shall the exemption in any fiscal year be less than the prior fiscal year.

(iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent (0.10%), to a maximum of ten million dollars (\$10,000,000), for supplemental distribution to communities not included in subsection (a)(1)(i) above distributed proportionately on the basis of general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008, distributions by community shall be identical to the distributions made in the fiscal year ending June 30, 2007, and shall be made from general appropriations. For the fiscal year ending June 30, 2009, no funding shall be disbursed. For the fiscal year ending June 30, 2010, and thereafter, funding shall be determined by appropriation.

(2) To the licensed, video-lottery retailer:

(a) (i) Prior to the effective date of the NGJA Newport Grand Master Contract, Newport ~~Jai Alh~~ Grand twenty-six percent (26%), minus three hundred eighty-four thousand nine hundred ninety-six dollars (\$384,996);

(ii) On and after the effective date of the NGJA Newport Grand Master Contract, to the licensed, video-lottery retailer who is a party to the NGJA Newport Grand Master Contract, all sums due and payable under said Master Contract, minus three hundred eighty four thousand nine hundred ninety-six dollars (\$384,996).

(iii) Effective July 1, 2013, the rate of net, terminal income payable to Newport Grand, LLC under the Newport Grand master contract shall increase by two and one quarter percent (2.25%) points. The increase herein shall sunset and expire on June 30, 2015, and the rate in effect as of June 30, 2013, shall be reinstated.

(iv)(A) Effective July 1, 2015, the rate of net, terminal income payable to Newport Grand, under the Newport Grand Master Contract shall increase by one and nine-tenths (1.9%) percentage points. (i.e., x% plus 1.9 percentage points equals (x + 1.9)%, where "x%" is the current rate of net terminal income payable to Newport Grand). The dollar amount of additional net terminal income paid to Newport Grand with respect to any Newport Grand Marketing Year as a result of such increase in rate shall be referred to as "Additional Newport Grand Marketing NTI."

(B) The excess, if any, of Newport Grand's marketing expenditures with respect to a Newport Grand Marketing Year over one million four hundred thousand dollars (\$1,400,000) shall be referred to as the "Newport Grand Marketing Incremental Spend." Beginning with the Newport Grand Marketing Year that starts on July 1, 2015, after the end of each Newport Grand

Marketing Year, Newport Grand shall pay to the Division the amount, if any, by which the Additional Newport Grand Marketing NTI for such Newport Grand Marketing Year exceeds the Newport Grand Marketing Incremental Spend for such Newport Grand Marketing Year; provided however, that Newport Grand's liability to the Division hereunder with respect to any Newport Grand Marketing Year shall never exceed the Additional Newport Grand Marketing NTI paid to Newport Grand with respect to such Newport Grand Marketing Year.

The increase herein shall sunset and expire on June 30, 2017, and the rate in effect as of June 30, 2013 shall be reinstated.

(b) (i) Prior to the effective date of the UTGR master contract, to the present licensed, video-lottery retailer at Lincoln Park, which is not a party to the UTGR, master contract, twenty-eight and eighty-five one hundredths percent (28.85%), minus seven hundred sixty-seven thousand six hundred eighty-seven dollars (\$767,687);

(ii) On and after the effective date of the UTGR master contract, to the licensed, video-lottery retailer that is a party to the UTGR master contract, all sums due and payable under said master contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars (\$767,687).

(3) (i) To the technology providers that are not a party to the GTECH Master Contract as set forth and referenced in Public Law 2003, Chapter 32, seven percent (7%) of the net, terminal income of the provider's terminals; in addition thereto, technology providers that provide premium or licensed proprietary content or those games that have unique characteristics, such as 3D graphics; unique math/game play features; or merchandising elements to video lottery terminals; may receive incremental compensation, either in the form of a daily fee or as an increased percentage, if all of the following criteria are met:

(A) A licensed, video-lottery retailer has requested the placement of premium or licensed proprietary content at its licensed, video-lottery facility;

(B) The division of lottery has determined in its sole discretion that the request is likely to increase net, terminal income or is otherwise important to preserve or enhance the competitiveness of the licensed, video-lottery retailer;

(C) After approval of the request by the division of lottery, the total number of premium or licensed, propriety-content video-lottery terminals does not exceed ten percent (10%) of the total number of video-lottery terminals authorized at the respective licensed, video-lottery retailer; and

(D) All incremental costs are shared between the division and the respective licensed, video-lottery retailer based upon their proportionate allocation of net terminal income. The division of lottery is hereby authorized to amend agreements with the licensed, video-lottery retailers, or the technology providers, as applicable, to effect the intent herein.

(ii) To contractors that are a party to the master contract as set forth and referenced in Public Law 2003, Chapter 32, all sums due and payable under said master contract; and

(iii) Notwithstanding paragraphs (i) and (ii) above, there shall be subtracted proportionately from the payments to technology providers the sum of six hundred twenty-eight thousand seven hundred thirty-seven dollars (\$628,737).

(4) (A) To the city of Newport one and one hundredth percent (1.01%) of net terminal income of authorized machines at Newport Grand, except that:

(i) Effective November 9, 2009 until June 30, 2013, the allocation shall be one and two tenths percent (1.2%) of net terminal income of authorized machines at Newport Grand for each week the facility operates video lottery games on a twenty-four-hour (24) basis for all eligible

hours authorized; and

(ii) Effective July 1, 2015, provided that both:

(I) The referendum measure authorizing casino gaming at Newport Grand is approved statewide and by the city of Newport at the statewide general election to be held in November of 2014; and

(II) The proposed amendment to the Rhode Island Constitution requiring that prior to a change in location where casino gaming is permitted in any city or town, there must be a referendum in said city or town and approval by the majority of those electors voting in said referendum on said proposed change in location in said city or town, is approved statewide at the statewide general election to be held in November of 2014, then then the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal income of authorized video lottery terminals at Newport Grand.

(iii) If, effective July 1, 2015, the conditions established in subsections (4)(A)(ii)(I and II) are met, and the following conditions in subsections (4)(A)(iii)(I through III) are met:

(I) NGJA or its successor has made an investment of no less than forty million dollars (\$40,000,000) exclusive of acquisition costs within three (3) years, and a certificate of completion and final approval from the city building inspector has been issued for the facility upgraded through this investment; and

(II) The number of video lottery terminals in operation is no fewer than those in operation as of January 1, 2014; and

(III) Table gaming has commenced in Newport;

Then in such event the allocation shall be the greater of one million dollars (\$1,000,000), or one and forty-five hundredths percent (1.45%) of net terminal income of authorized video lottery terminals at Newport Grand, except that for six (6) consecutive, full-fiscal years immediately thereafter, the allocation shall be the greater of one million five hundred thousand dollars (\$1,500,000), or one and forty-five hundredths percent (1.45%) of net-terminal income of authorized video lottery terminals at Newport Grand. Such minimum distribution shall be distributed in twelve (12) equal payments during the fiscal year.

(B) To the town of Lincoln one and twenty-six hundredths percent (1.26%) of net terminal income of authorized machines at Twin River except that;

(i) Effective November 9, 2009 until June 30, 2013, the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal income of authorized machines at Twin River for each week video lottery games are offered on a twenty-four-hour (24) basis for all eligible hours authorized; and

(ii) Effective July 1, 2013, provided that the referendum measure authorized by Article 25, Chapter 151, Section 4 of the Public Laws of 2011 is approved statewide and in the Town of Lincoln, the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal income of authorized video lottery terminals at Twin River; and

(5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net terminal income of authorized machines at Lincoln Park, up to a maximum of ten million dollars (\$10,000,000) per year, that shall be paid to the Narragansett Indian Tribe for the account of a Tribal Development Fund to be used for the purpose of encouraging and promoting: home ownership and improvement; elderly housing; adult vocational training; health and social services; childcare; natural resource protection; and economic development consistent with state law. Provided, however, such distribution shall terminate upon the opening of any gaming facility in which the Narragansett Indians are entitled to any payments or other incentives; and

provided further, any monies distributed hereunder shall not be used for, or spent on, previously contracted debts; and

(6) Unclaimed prizes and credits shall remit to the general fund of the state; and

(7) Payments into the state's general fund specified in subdivisions (a)(1) and (a)(6) shall be made on an estimated monthly basis. Payment shall be made on the tenth day following the close of the month except for the last month when payment shall be on the last business day.

(b) Notwithstanding the above, the amounts payable by the division to UTGR related to the marketing program shall be paid on a frequency agreed by the division, but no less frequently than annually.

(c) Notwithstanding anything in this chapter 61.2 of this title to the contrary, the director is authorized to fund the marketing program as described above in regard to the first amendment to the UTGR master contract.

(d) Notwithstanding the above, the amounts payable by the division to Newport Grand related to the marketing program shall be paid on a frequency agreed by the division, but no less frequently than annually.

(e) Notwithstanding anything in this chapter 61.2 of this title to the contrary, the director is authorized to fund the marketing program as described above in regard to the first amendment to the Newport Grand master contract.

(f) Notwithstanding the provisions of § 42-61-15, the allocation of net, table-game revenue derived from table-games at Twin River is as follows:

(1) For deposit into the state lottery fund for administrative purposes and then the balance remaining into the general fund:

(i) Sixteen percent (16%) of net, table-game revenue, except as provided in § 42-61.2-7(f)(1)(ii);

(ii) An additional two percent (2%) of net, table-game revenue generated at Twin River shall be allocated starting from the commencement of table games activities by such table-game retailer and ending, with respect to such table-game retailer, on the first date that such table-game retailer's net terminal income for a full state fiscal year is less than such table-game retailer's net terminal income for the prior state fiscal year, at which point this additional allocation to the state shall no longer apply to such table-game retailer.

(2) To UTGR, net, table-game revenue not otherwise disbursed pursuant to above subsection (f)(1); provided, however, on the first date that such table-game retailer's net terminal income for a full state fiscal year is less than such table-game retailer's net terminal income for the prior state fiscal year, as set forth in subsection (f)(1)(ii) above, one percent (1%) of this net, table-game revenue shall be allocated to the town of Lincoln for four (4), consecutive state fiscal years.

(g) Notwithstanding the provisions of § 42-61-15, the allocation of net, table-game revenue derived from table games at Newport Grand is as follows:

(1) For deposit into the state lottery fund for administrative purposes and then the balance remaining into the general fund: eighteen percent (18%) of net, table-game revenue.

(2) [Deleted by P.L. 2014, ch. 436, § 1].SECTION 22. This act shall take effect upon passage.

SECTION 22. Sections 10 and 11 shall take effect as of August 1, 2015. Section 15 shall take effect for tax years beginning on or after January 1, 2016. The remainder of this article shall take effect as of July 1, 2015."

Respectfully submitted,

Representative Gallison

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LC002184/15
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Representatives Gallison, MacBeth, and McLaughlin discuss the amendment.

The motion to amend prevails on a roll call vote 74 members voting in the affirmative and 1 member voting in the negative as follows:

YEAS - 74: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 1: Representative McLaughlin.

RECUSED - 0:

Representative Giarrusso discusses the article, as amended.

By unanimous consent, Representative Giarrusso, seconded by Representatives Newberry, Costa, Filippi, Tobon, and Barros offers a written motion to amend.

FLOOR AMENDMENT
TO
2015 -- H 5900 SUBSTITUTE A

AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE
FISCAL YEAR ENDING JUNE 30, 2016

Mr. Speaker:

I hereby move to amend 2015 -- H 5900 SUBSTITUTE A, entitled "AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016", as follows:

1. In Article 11, page 11, line 28, by inserting the following language after the period at the end of the line: "Provided, the local hotel tax provided for by this subsection shall not be due,

collected or be imposed prior to January 1, 2016, on any house, condominium, or other residential dwelling that is rented in its entirety."

2. In Article 11, page 31, by inserting the following language between lines 23 and 24:

"(65) Delay of sales tax on certain hotels. The sales tax imposed for rentals of living quarters in hotels pursuant to § 44-18-18 shall not be due, collected or be imposed prior to January 1, 2016, on any house, condominium, or other residential dwelling that is rented in its entirety."

3. In Article 1, page 2, line 15, by deleting the language "20,201,589" and inserting in place thereof the language "17,001,589".

4. In Article 1, page 2, line 19, by deleting the language "39,971,076" and inserting in place thereof the language "36,771,076".

5. In Article 1, page 28, line 3, by deleting the language "3,552,919,556", and by inserting in place thereof the language "3,549,719,556".

6. In Article 1, page 28, line 7, by deleting the language "8,665,284,941 and inserting in place thereof the language "8,662,084,941".

Respectfully submitted,

Representative Giarrusso

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LC002184/10
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Representatives Giarrusso, Gallison, MacBeth, Filippi, Chippendale, and DeSimone discuss the amendment.

The motion to amend fails on a roll call vote 15 members voting in the affirmative and 60 members voting in the negative as follows:

YEAS - 15: Representatives Chippendale, Costa, Filippi, Giarrusso, Kazarian, Lancia, McLaughlin, Morgan, Nardolillo, Newberry, Price, Reilly, Roberts, Tanzi, Trillo.

NAYS - 60: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Corvese, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Fogarty, Gallison, Handy, Hearn, Hull, Jacquard, Johnston, Keable, Kennedy, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McNamara, Melo, Messier, Morin, Naughton, Nunes, O'Brien, O'Grady, Palangio, Phillips, Regunberg, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tobon, Ucci, Williams, Winfield.

RECUSED - 0:

Representative Giarrusso discusses the Article, as amended.

By unanimous consent, Representative Filippi, seconded by Representatives Roberts, Newberry, Trillo, Giarrusso, Morgan, Reilly, Chippendale, Price, and Lancia offers a written motion to amend.

**FLOOR AMENDMENT
TO
2015 -- H 5900 SUBSTITUTE A**

AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE
FISCAL YEAR ENDING JUNE 30, 2016

Mr. Speaker:

I hereby move to amend 2015 -- H 5900 SUBSTITUTE A, entitled "AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016", as follows:

1. In Article 11, on page 11, line 28, after the period ".", by inserting the following language:

"A city or town may, by a vote of its city or town council, forego its one percent (1%) share by majority vote. In the event of such a vote, the division of taxation shall not collect the tax from any individual or entity located within said city or town."

Respectfully submitted,

Representative Filippi

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LC002184/2
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Representatives Filippi and Lima discuss the amendment.

The motion to amend fails on a roll call vote 12 members voting in the affirmative and 63 members voting in the negative as follows:

YEAS - 12: Representatives Chippendale, Filippi, Giarrusso, Lancia, McLaughlin, Morgan, Nardolillo, Newberry, Price, Reilly, Roberts, Trillo.

NAYS - 63: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Fogarty, Gallison, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McNamara, Melo, Messier, Morin, Naughton, Nunes, O'Brien, O'Grady, Palangio, Phillips, Regunberg, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Ucci, Williams, Winfield.

RECUSED - 0:

By unanimous consent, Representative Morgan, seconded by Representatives Giarrusso and Reilly offers a written motion to amend.

**FLOOR AMENDMENT
TO
2015 -- H 5900 SUBSTITUTE A**

AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE
FISCAL YEAR ENDING JUNE 30, 2016

Mr. Speaker:

I hereby move to amend 2015 -- H 5900 SUBSTITUTE A, entitled "AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016", as follows:

1. In Article 11, page 59, line 26 after the language "Grand)", by inserting the language "provided the total money paid to Newport Grand shall not exceed two hundred sixty thousand dollars (\$260,000)".

2. In Article 1, page 10, line 9 by deleting the language "4,653,467" and inserting in place thereof the language "5,153,467".

3. In Article 1, page 10, line 11 by deleting the language "4,903,467" and inserting in place thereof the language "5,403,467".

4. In Article 1, page 28, line 3 by deleting the language "3,552,919,556" and inserting in place thereof the language "3,553,419,556".

5. In Article 1, page 28, line 7 by deleting the language "8,665,284,941" and inserting in place thereof the language "8,665,784,941".

Respectfully submitted,

Representative Morgan

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LC002184/7
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Representatives Morgan, MacBeth, Abney, and Phillips discuss the amendment.

Representative Melo requests a ruling from the chair on whether the amendment is germane to the article. The Honorable Speaker rules the amendment is germane.

Representatives Marshall, Serpa, Canario, McLaughlin, Jacquard, Palangio, and DeSimone discuss the amendment.

The motion to amend fails on a roll call vote 4 members voting in the affirmative and 71 members voting in the negative as follows:

YEAS - 4: Representatives Filippi, Giarrusso, Morgan, Reilly.

NAYS - 71: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Fogarty, Gallison, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia,

Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

RECUSED - 0:

Leader Newberry requests to vote in sections: sections 2, 3, 4, 6, 10, and 11 in one bundle, and the remainder of the article in a separate bundle. The Honorable Speaker rules it is divisible.

Representatives Marcello and Serpa discuss article 11, as amended.

By unanimous consent, Representative Morgan, seconded by Representative Giarrusso offers a written motion to amend.

Representative Morgan discusses the amendment.

Leader DeSimone requests a ruling from the chair on whether the amendment is germane to the article. The Honorable Speaker rules the amendment is not germane.

Representative Morgan challenges the ruling of the chair.

The motion to uphold the ruling of the chair prevails on a roll call vote 64 members voting in the affirmative and 2 members voting in the negative as follows:

YEAS - 64: The Honorable Speaker Mattiello and Representatives Abney, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Fogarty, Gallison, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morin, Naughton, Nunes, O'Brien, O'Grady, Palangio, Phillips, Regunberg, Reilly, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Ucci, Williams, Winfield.

NAYS - 2: Representatives Giarrusso, Morgan.

RECUSED - 0:

Representative Chippendale continues discussion on article 11, as amended.

Sections 2, 3, 4, 6, 10, and 11 prevail on a roll call vote 56 members voting in the affirmative and 17 members voting in the negative as follows:

YEAS - 56: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Casey, Corvese, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Gallison, Handy, Hearn, Hull,

Jacquard, Johnston, Kazarian, Keable, Kennedy, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McKiernan, McLaughlin, McNamara, Messier, Morin, Naughton, O'Brien, O'Grady, Palangio, Phillips, Regunberg, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tobon, Ucci, Williams.

NAYS - 17: Representatives Carson, Chippendale, Costa, Filippi, Fogarty, Giarrusso, Lancia, McEntee, Morgan, Nardolillo, Newberry, Nunes, Price, Reilly, Roberts, Tanzi, Trillo.

RECUSED - 0:

Remainder of the Article 11, as amended prevails prevail on a roll call vote 74 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 74: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

ARTICLE 2

RELATING TO DEBT MANAGEMENT

Moved and seconded supra.

By unanimous consent, Representative Gallison, seconded by Representatives DeSimone, Marshall, Corvese, Tobon, Barros, Abney, Phillips, Fogarty, Amore, and Naughton offers a written motion to amend.

FLOOR AMENDMENT TO

2015 -- H 5900 SUBSTITUTE A

AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE
FISCAL YEAR ENDING JUNE 30, 2016

Mr. Speaker:

I hereby move to amend 2015 -- H 5900 SUBSTITUTE A, entitled "AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR

ENDING JUNE 30, 2016”, as follows:

1. In Article 2, page 4, lines 3 and 4, by deleting the language "one hundred fifty million two hundred fifty thousand dollars "and by inserting in place thereof the language "one hundred fifty-two million two hundred fifty thousand dollars."

Respectfully submitted,

Representative Gallison

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LC002175/2
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The motion to amend prevails on a roll call vote 74 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 74: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

Article 2 prevails, as amended, on a roll call vote 75 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 75: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

ARTICLE 12

RELATING TO STATE POLICE PENSIONS

Representative Carnevale moves passage of the article seconded by Representatives Ruggiero, O'Brien, Almeida, McKiernan, Amore, Marshall, Nunes, Tanzi, Corvese, Azzinaro, Diaz, Slater, Kennedy, Hearn, Nardolillo, Chippendale, Reilly, Phillips, Lancia, Roberts, Tobon, Barros, Abney, and Casey.

Representative Carnevale discusses the article

Article 12 prevails on a roll call vote 75 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 75: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

ARTICLE 13

RELATING TO BUDGET ACCOUNTS

Representative Gallison moves passage of the article seconded by Representatives Naughton, and Hearn.

Representative Gallison discusses the article

By unanimous consent, Representative Gallison, seconded by Representative Naughton offers a written motion to amend.

FLOOR AMENDMENT TO

2015 -- H 5900 SUBSTITUTE A

**AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE
FISCAL YEAR ENDING JUNE 30, 2016**

Mr. Speaker:

I hereby move to amend 2015 -- H 5900 SUBSTITUTE A, entitled "AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016", as follows:

In Article 13, page 2, between lines 32 and 33, by inserting:
"Department of Revenue
Jobs Tax Credit Redemption Fund"

Respectfully submitted,

Representative Gallison

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LC002186/2
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Representative Gallison discusses the amendment.

The motion to amend prevails on a roll call vote 74 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 74: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

Article 13 prevails, as amended, on a roll call vote 63 members voting in the affirmative and 12 members voting in the negative as follows:

YEAS - 63: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Corvese, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Fogarty, Gallison, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morin, Naughton, Nunes, O'Brien, O'Grady, Palangio, Phillips, Regunberg, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 12: Representatives Chippendale, Costa, Costantino, Filippi, Giarrusso, Lancia, Morgan, Nardolillo, Newberry, Price, Reilly, Roberts.

RECUSED - 0:

ARTICLE 14

RELATING TO INFRASTRUCTURE BANK

Representative Gallison moves passage of the article seconded by Representatives Regunberg, Amore, Handy, Canario, Tanzi, Carson, Ruggiero, Palangio, Naughton, Hearn, Tobon, Barros, Abney, and Marshall

Representative Gallison discusses the article

By unanimous consent, Representative Gallison, seconded by Representatives Hearn, Tobon, Barros, Phillips, and Marshall offers a written motion to amend.

FLOOR AMENDMENT

TO

2015 -- H 5900 SUBSTITUTE A

AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE
FISCAL YEAR ENDING JUNE 30, 2016

Mr. Speaker:

I hereby move to amend 2015 -- H 5900 SUBSTITUTE A, entitled "AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016", as follows:

1. In Article 14, on page 11, line 9, by striking the language "2017", and by inserting in place thereof the language "2024".

2. In Article 14, on page 11, line 21, by deleting the language "2030", and by inserting in place thereof the language "2024".

3. In Article 14, on page 13, line 27, by deleting the language "twenty-one (21)", and by inserting in place thereof the language "fifteen (15)".

4. In Article 14, on page 15, line 9, by deleting the language "twenty-two (22)", and by inserting in place thereof the language "sixteen (16)".

5. In Article 14, on page 32, line 5, by restoring the deleted language.

6. In Article 14, on page 32, line 5, by inserting after the restored language the following language ", and, effective September 1, 2015 and thereafter, shall mean the".

Respectfully submitted,

Representative Gallison

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LC002187/4
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Representative Gallison discusses the amendment.

The motion to amend prevails on a roll call vote 74 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 74: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

Article 14 prevails, as amended, on a roll call vote 64 members voting in the affirmative and 11 members voting in the negative as follows:

YEAS - 64: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Corvese, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Fogarty, Gallison, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morin, Naughton, O'Brien, O'Grady, Palangio, Phillips, Regunberg, Reilly, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 11: Representatives Chippendale, Costa, Filippi, Giarrusso, Lancia, Morgan, Nardolillo, Newberry, Nunes, Price, Roberts.

RECUSED - 0:

ARTICLE 15

RELATING TO GOVERNMENT ORGANIZATION

Representative Gallison moves passage of the article seconded by Representatives Naughton, Malik, Ajello, Melo, Tobon, Barros, Abney, Casey, Keable, Blazejewski, Lancia, Hull, Reilly, Costantino, Maldonado, Fogarty, Amore, Lombardi, McEntee, Marshall, and Carson.

Representative Gallison discusses the article

By unanimous consent, Representative Gallison, seconded by Representatives Naughton, Tobon, Barros, Coughlin, and Marshall offers a written motion to amend.

**FLOOR AMENDMENT
TO
2015 -- H 5900 SUBSTITUTE A**

AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE
FISCAL YEAR ENDING JUNE 30, 2016

Mr. Speaker:

I hereby move to amend 2015 -- H 5900 SUBSTITUTE A, entitled "AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016", as follows:

1. In Article 15, by deleting all the language after the Title "RELATING TO GOVERNMENT ORGANIZATION", and by adding thereto the following:

"SECTION 1. Section 8-8-1 of the General Laws in Chapter 8-8 entitled "District Court" is hereby amended to read as follows:

8-8-1. District Court established -- Chief and associate justices. -- There is established a district court for the state of Rhode Island which shall consist of a chief judge and ~~twelve (12)~~ thirteen (13) associate judges. The district court shall be a court of record and shall have a seal with such words and devices as it shall adopt.

SECTION 2. Chapter 8-8 of the General Laws entitled "District Court" is hereby amended by adding thereto the following section:

8-8-1.1. Veterans' treatment calendar. -- (a) Findings and declarations. The general assembly finds and declares as follows:

(1) Veterans and active military, Reserve and National Guard service members have provided or are currently providing an invaluable service to our country. In doing so, many return and suffer from mental health injuries, including, but not limited to, post-traumatic stress disorder, depression, anxiety, acute stress and other injuries that may affect brain function and may also suffer drug and alcohol dependency or co-occurring mental illness and substance abuse problems.

(2) The call back to active duty status rate of Rhode Island's National Guard is the second highest in the entire United States with over ten thousand (10,000) unit deployments.

(3) The number of veterans living in Rhode Island who have served in the Gulf Wars is three (3) times higher than the national per capita average and is expected to grow as troops continue to withdraw from Afghanistan.

(4) While the vast majority of returning military do not have contact with the justice system and are well adjusted, contributing members of society, there exists a growing number of defendants appearing in the district court who have served in the United States armed forces and are involved in the criminal justice system as a result of the above referenced diagnoses.

(5) As a grateful state, we must continue to honor the service of these participants by providing them an alternative to incarceration when feasible, permitting them instead to obtain proper treatment for mental health and substance abuse problems that have resulted from military service through a jail diversion program/treatment program that recognizes their special set of circumstances while at the same time providing accountability for their wrong-doing and providing for the safety of the public.

(b) Declaration of policy. It is hereby declared to be the policy of the state of Rhode

Island to successfully rehabilitate participants by providing the tools and skills necessary to address their unique challenges and to develop the insight to reintegrate successfully into society and maintain a productive and law abiding lifestyle within the community.

(c) Establishment. To accomplish this purpose in an effort to direct defendants who have served in the United States armed forces into a court program which integrates support and treatment plans with the judicial process that will result in potential jail diversion, possible reduction of charges or alternatives in sentencing, there shall be established a separate calendar within the jurisdiction of the district court for hearing, trial and disposition of certain offenses.

(d) Veterans' treatment calendar. The chief judge of the district court shall create a veterans' treatment calendar in the district court and shall assign personnel to the extent warranted to exclusively hear and decide all criminal actions involving offenses committed by defendants accepted into the program, and the calendar shall be referred to as the "veterans' treatment court".

(e) Use of section. Under no circumstances shall the defendant(s) be permitted to use this section as a basis for a dismissal of an action, as this section is enacted for the benefit and convenience of the district court.

SECTION 3. Sections 36-4-2 and 36-4-16.4 of the General Laws in Chapter 36-4 entitled "Merit System" are hereby amended to read as follows:

36-4-2. Positions in unclassified service. -- (a) The classified service shall comprise all positions in the state service now existing or hereinafter established, except the following specific positions which with other positions heretofore or hereinafter specifically exempted by legislative act shall constitute the unclassified service:

(1) Officers and legislators elected by popular vote and persons appointed to fill vacancies in elective offices.

(2) Employees of both houses of the general assembly.

(3) Officers, secretaries, and employees of the office of the governor, office of the lieutenant governor, department of state, department of the attorney general, and the treasury department.

(4) Members of boards and commissions appointed by the governor, members of the state board of elections and the appointees of the board, members of the commission for human rights and the employees of the commission, and directors of departments.

(5) The following specific offices:

(i) In the department of administration: director, chief information officer; director of office of management and budget, ~~and~~ director of performance management, deputy director, chief of staff, public information officer and legislative/policy director; and within the health benefits exchange: director, deputy director, administrative assistant, senior policy analyst, and chief strategic planning monitoring and evaluation;

(ii) In the department of business regulation: director;

(iii) In the department of elementary and secondary education: commissioner of elementary and secondary education;

(iv) In the department of higher education: commissioner of ~~higher~~ postsecondary education;

(v) In the department of health: director, executive director, and deputy director;

(vi) In the department of labor and training: director, administrative assistant, administrator of the labor board and legal counsel to the labor board, executive director and communications director;

- (vii) In the department of environmental management: director;
- (viii) In the department of transportation: director, chief operating officer, administrator/division of project management, administrator/division of planning, chief of staff, communications director, legislative director and policy director;
- (ix) In the department of human services: director and director of veterans' affairs;
- (x) In the state properties committee: secretary;
- (xi) In the workers' compensation court: judges, administrator, deputy administrator, clerk, assistant clerk, clerk secretary;
- (xii) In the division of elderly affairs: director;
- (xiii) In the department of behavioral healthcare, developmental disabilities and hospitals: director;
- (xiv) In the department of corrections: director, assistant director (institutions/operations), assistant director (rehabilitative services), assistant director (administration), and wardens;
- (xv) In the department of children, youth and families: director, one assistant director, one associate director, ~~and~~ one executive director, and a chief of staff;
- (xvi) In the public utilities commission: public utilities administrator;
- (xvii) In the water resources board: general manager;
- (xviii) In the human resources investment council: executive director.
- (xix) In the office of health and human services: secretary of health and human services.
- (xx) In the office of commerce: secretary, deputy secretary, chief of staff, communications director, legislative director, and policy director.
- (6) Chief of the hoisting engineers, licensing division, and his or her employees; executive director of the veterans memorial building and his or her clerical employees.
- (7) One confidential stenographic secretary for each director of a department and each board and commission appointed by the governor.
- (8) Special counsel, special prosecutors, regular and special assistants appointed by the attorney general, the public defender and employees of his or her office, and members of the Rhode Island bar occupying a position in the state service as legal counsel to any appointing authority.
- (9) The academic and/or commercial teaching staffs of all state institution schools, with the exception of those institutions under the jurisdiction of the board of regents for elementary and secondary education and the board of governors for higher education.
- (10) Members of the military or naval forces, when entering or while engaged in the military or naval service.
- (11) Judges, referees, receivers, clerks, assistant clerks, and clerical assistants of the supreme, superior, family, and district courts, the traffic tribunal, security officers of the traffic tribunal, jurors and any persons appointed by any court.
- (12) Election officials and employees.
- (13) Deputy sheriffs and other employees of the sheriffs division within the department of public safety.
- (14) Patient or inmate help in state charitable, penal, and correctional institutions and religious instructors of these institutions and student nurses in training, residents in psychiatry in training, and clinical clerks in temporary training at the institute of mental health within the state of Rhode Island medical center.
- (15) (i) Persons employed to make or conduct a temporary and special inquiry,

investigation, project or examination on behalf of the legislature or a committee therefor, or on behalf of any other agency of the state if the inclusion of these persons in the unclassified service is approved by the personnel administrator. The personnel administrator shall notify the house fiscal advisor and the senate fiscal advisor whenever he or she approves the inclusion of a person in the unclassified service.

(ii) The duration of the appointment of a person, other than the persons enumerated in this section, shall not exceed ninety (90) days or until presented to the department of administration. The department of administration may extend the appointment another ninety (90) days. In no event shall the appointment extend beyond one hundred eighty (180) days.

(16) Members of the division of state police within the department of public safety.

(17) Executive secretary of the Blackstone Valley district commission.

(18) Artist and curator of state owned art objects.

(19) Mental health advocate.

(20) Child advocate.

(21) The position of aquaculture coordinator and marine infrastructure specialist within the coastal resources management council.

(22) Employees of the office of the health insurance commissioner.

(23) In the department of revenue: the director, secretary, attorney.

(24) In the department of public safety: the director.

(b) Provided however that, if any position added to the unclassified service by legislative act after January 1, 2015, is occupied by a classified employee on June 30, 2015, such position shall remain in the classified service until such position becomes vacant.

36-4-16.4. Salaries of directors. -- (a) In the month of March of each year, the department of administration shall conduct a public hearing to determine salaries to be paid to directors of all state executive departments for the following year, at which hearing all persons shall have the opportunity to provide testimony, orally and in writing. In determining these salaries, the department of administration will take into consideration the duties and responsibilities of the aforementioned officers, as well as such related factors as salaries paid executive positions in other states and levels of government, and in comparable positions anywhere which require similar skills, experience, or training. Consideration shall also be given to the amounts of salary adjustments made for other state employees during the period that pay for directors was set last.

(b) Each salary determined by the department of administration will be in a flat amount, exclusive of such other monetary provisions as longevity, educational incentive awards, or other fringe additives accorded other state employees under provisions of law, and for which directors are eligible and entitled.

(c) In no event will the department of administration lower the salaries of existing directors during their term of office.

(d) Upon determination by the department of administration, the proposed salaries of directors will be referred to the general assembly by the last day in April of that year to go into effect thirty (30) days hence, unless rejected by formal action of the house and the senate acting concurrently within that time.

(e) Notwithstanding the provisions of this section, for 2015 only, the time period for the Department of Administration to conduct the public hearing shall be extended to July and the proposed salaries shall be referred to the general assembly by August 30. The salaries may take effect before next year, but all other provisions of this section shall apply.

SECTION 4. Section 37-5-5 of the General Laws in Chapter 37-5 entitled "Department

of Transportation" is hereby repealed.

~~37-5-5. Highway engineer as deputy director.— The director of transportation shall appoint a deputy director who shall be a highway engineer.~~

SECTION 5. Section 42-13-2 of the General Laws in Chapter 42-13 entitled "Department of Transportation" is hereby amended to read as follows:

~~42-13-2. Organization and functions of the department. -- (a) The department shall be organized into such divisions as are described in this section and such other divisions, subdivisions, and agencies as the director shall find are necessary to carry out the responsibilities of the department.~~

~~(1) Division of administration.— This division shall be headed by an assistant director for administration. The division shall provide assistance to the director in managing and controlling the work of the department, shall collect bridge tolls and administer any financial support made available to support railroad passenger or freight service. The division of administration shall include:~~

~~(i) A business management office which shall provide central personnel, financial programming, payroll, and other management services to all divisions and agencies of the department.~~

~~(ii) A legal counsel who shall prepare or review any legislation pertaining to the department, assist in preparing contracts, handle claims against the department, and provide other legal services as required.~~

~~(iii) A public information office which shall inform the public of the programs and projects of the department, answer inquiries by the public, prepare and release progress reports and other publications, and provide photographic services.~~

~~(iv) An audits office which shall continuously audit all of the activities of the department and insure compliance with state and federal laws and administrative regulations.~~

~~(v) A property management office which shall acquire all real property for the department, make appraisals of property, manage real property under the department's jurisdiction, and operate a family and business relocation program. The property management office shall manage those state piers and related facilities which are used for port or waterways transportation purposes.~~

~~(2) Planning division.— This division shall be headed by a chief of transportation planning. The division shall assist the division of planning in the department of administration to prepare transportation elements of the long range state guide plan. The division will prepare functional and area plans, project plans, improvement programs, and implementation programs which are consistent with the long range state guide plan. The division will undertake corridor, route location, feasibility, facility needs, and other studies as required to support the work of the department. The division shall collect and analyze statistical and other data on all types of transportation needs and facilities.~~

~~(3) Public works division.— This division shall be headed by a chief engineer. The division shall be responsible for the design and engineering of roads, bridges, transit facilities, airport facilities, port and waterways facilities, and all other transportation facilities. The division shall prepare contracts and specifications for all construction projects undertaken by the department. The division shall supervise the execution of all construction projects. The division shall perform traffic engineering functions, make surveys and soil studies, test materials, and perform other functions necessary to support the department's design and construction activities.~~

~~(4) Maintenance division.— This division shall be headed by a maintenance engineer.~~

~~The division shall maintain all roads, bridges, airports, piers, port terminal facilities, and other transportation facilities and landscaped areas which are under the jurisdiction of the department of transportation. The division shall install and maintain traffic control signs and signals.~~

~~(5) Airports division. — This division shall be headed by an assistant director for airports. The division shall operate all state-owned airports, heliports, and other facilities for air transportation, including passenger and cargo terminals, parking facilities and other supporting facilities, emergency services, and security services. The division shall regulate aeronautical matters and shall supervise the location, maintenance, operation, and use of privately owned civil airports, landing areas, navigation facilities, air schools, and flying clubs.~~

~~(b) The director may assign such other responsibilities to the divisions and agencies as he or she shall find appropriate and may reassign functions to divisions and agencies other than as set out in this section if he or she shall find this reassignment necessary to the proper and efficient functioning of the department or of the state's transportation system. (a) The department shall be organized in accordance with a project management-based program and shall utilize an asset management system.~~

(1) A project management-based program, manages the delivery of the department's portfolio of transportation improvement projects from project conception to the project completion. Project management activities include:

(i) Managing and reporting on the delivery status of portfolio projects;
(ii) Developing overall workload and budget for the portfolio;
(iii) Developing and implementing the tools to estimate the resources necessary to deliver the projects; and

(iv) Developing and implementing processes and tools to improve the management of the projects.

(2) Asset management is the process used for managing transportation infrastructure by improving decision making for resource allocation. Asset management activities include a systemic process based on economic, engineering and business principles which includes the following functions:

(i) Completing a comprehensive inventory of system assets;
(ii) Monitoring system performance; and
(iii) Performing analysis utilizing accurate data for managing various assets within the transportation network.

(b) The director of transportation shall appoint a chief operating officer to oversee the day-to-day operations of the department.

(c) The department shall be organized into such divisions as are described in this section and such other divisions, subdivision, and agencies as the director shall find are necessary to carry out the responsibilities of the department, including: office of audit; division of finance; division of planning; division of project management; division of operations and maintenance; office of civil rights; office of safety; office of external affairs; office of legal; office of personnel; office of information services.

(d) The director may assign such other responsibilities as he or she shall find appropriate and may reassign functions other than as set out in this section if he or she finds the reassignment necessary to the proper and efficient functioning of the department or of the state's transportation system.

(e) The department shall submit a report annually no later than March 31 to the speaker of the house, the president of the senate, and the house and senate fiscal advisors concerning the

status of the ten (10) year transportation plan.

SECTION 6. Section 42-75-12 of the General Laws in Chapter 42-75 entitled "Council on the Arts" is hereby amended to read as follows:

42-75-12. Rhode Island film and television office. -- Within the ~~department of administration~~ Rhode Island Council on the Arts there is established a separate, distinct office entitled the "Rhode Island film and television office." This office is established in order to promote and encourage film and television productions within the state of Rhode Island. This office is also responsible for the review of applications of motion picture productions pursuant to the requirements of chapter 31.2 of title 44.

SECTION 7. This article shall take effect upon passage."

Respectfully submitted,

Representative Gallison

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LC002188/3
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The motion to amend prevails on a roll call vote 74 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 74: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

Representatives Keable discusses the article, as amended.

Article 15 prevails, as amended, on a roll call vote 75 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 75: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

ARTICLE 16

RELATING TO BAYS, RIVERS AND WATERSHEDS

Representative Ruggiero moves passage of the article seconded by Representatives Barros, Abney, Marshall, and Tobon

Representative Ruggiero discusses the article

By unanimous consent, Representative Ruggiero, seconded by Representative Gallison offers a written motion to amend.

FLOOR AMENDMENT

TO

2015 -- H 5900 SUBSTITUTE A

AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016

Mr. Speaker:

I hereby move to amend 2015 -- H 5900 SUBSTITUTE A, entitled "AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016", as follows:

1. In Article 16, page 1, line 5, by deleting the stricken language "~~46-31.1-10~~", and by inserting the following language "~~46-31-1~~".
2. In Article 16, page 13, line 17, by deleting the language "46-31.1-10" and by inserting the following language: "46-31.1-1".

Respectfully submitted,

Representative Gallison

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LC002189/2
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The motion to amend prevails on a roll call vote 74 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 74: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela,

Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

Article 16 prevails, as amended, on a roll call vote 75 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 75: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

ARTICLE 17

RELATING TO HUMAN SERVICES -- CHILD CARE--STATE SUBSIDIES

Representative Naughton moves passage of the article seconded by Representatives McLaughlin, Diaz, Slater, Bennett, Tobon, Barros, Abney, Ajello, Hearn, Maldonado, Fogarty, Ackerman, Regunberg, Amore, Tanzi, Canario, Ruggiero, Carson, McEntee, and Blazejewski.

Article 17 prevails on a roll call vote 74 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 74: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

ARTICLE 18

RELATING TO HEALTH REFORM ASSESSMENT AND HEALTH BENEFIT EXCHANGE

Representative Gallison moves passage of the article seconded by Representatives Ruggiero, Amore, Corvese, Azzinaro, Edwards, Abney, Marcello, and Diaz.

Representative Gallison discusses the Article.

By unanimous consent, Representative Gallison, seconded by Representatives Corvese, Phillips, Lancia, MacBeth, Chippendale, Price, Costa, Reilly, Edwards, Keable, Blazejewski, Azzinaro, Jacquard, Ruggiero, Handy, Casey offers a written motion to amend.

FLOOR AMENDMENT TO

2015 -- H 5900 SUBSTITUTE A

AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016

Mr. Speaker:

I hereby move to amend 2015 -- H 5900 SUBSTITUTE A, entitled "AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016", as follows:

1. In Article 18, page 5, line 29, after the period "." by inserting the following language:

"Except for Religious Employers (as defined in Section 6033(a)(3)(A)(i) of the Internal Revenue Code), employers selecting a plan under this religious exemption subsection may not designate it as the single plan for employees, but shall offer their employees full-choice of small employer plans on the exchange, using the employer-selected plan as the base plan for coverage. The employer is not responsible for payment that exceeds that designated for the employer-selected plan."

2. In Article 18, page 5, between lines 32 and 33, by inserting the following language:

"(f) An employer who elects a religious exemption variation shall provide written notice to prospective enrollees prior to enrollment that the plan excludes coverage for abortion services as defined in 45 CFR § 156.280(d)(1). The carrier must include notice that the plan excludes coverage for abortion services as part of the Summary of Benefits and Coverage required by 42 U.S.C. § 300gg-15."

Respectfully submitted,

Representative Gallison

LC002191/3

The motion to amend prevails on a roll call vote 73 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 73: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

Representatives Filippi, Ruggiero, Giarrusso, Edwards, Newberry, Corvese, Trillo, Jacquard, DeSimone, MacBeth, Gallison, and McLaughlin discuss the article, as amended

Article 18 prevails, as amended, on a roll call vote 62 members voting in the affirmative and 13 members voting in the negative as follows:

YEAS - 62: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Corvese, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Fogarty, Gallison, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morin, Naughton, Nunes, O'Brien, O'Grady, Palangio, Phillips, Regunberg, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Ucci, Williams, Winfield.

NAYS - 13: Representatives Chippendale, Costa, Costantino, Filippi, Giarrusso, Lancia, Morgan, Nardolillo, Newberry, Price, Reilly, Roberts, Trillo.

RECUSED - 0:

ARTICLE 19**RELATING TO COMMERCE CORPORATION AND ECONOMIC DEVELOPMENT**

Representative Gallison moves passage of the article seconded by Representatives Amore, Fogarty, Ackerman, O'Grady, Tanzi, Ruggiero, Carson, McEntee, Almeida, O'Brien, Carnevale, Winfield, Costantino, Shekarchi, Kennedy, Hearn, Azzinaro, Slater, Bennett, Almeida, Tobon, Barros, Abney, Phillips, Reilly, Solomon, Casey, Johnston, Blazejewski, Corvese, and Maldonado.

Representative Gallison discusses the Article.

By unanimous consent, Representative Gallison, seconded by Representatives Naughton, Hearn, Carnevale, Tobon, Barros offers a written motion to amend.

**FLOOR AMENDMENT
TO**

2015 -- H 5900 SUBSTITUTE A

AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016

Mr. Speaker:

I hereby move to amend 2015 -- H 5900 SUBSTITUTE A, entitled "AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016", as follows:

1. In Article 19, by deleting the language after the title "Relating To Commerce Corporation and Economic Development", by inserting in place thereof the following language:

"SECTION 1. Section 42-64-13 of the General Laws in Chapter 42-64 entitled "Rhode Island Commerce Corporation" is hereby amended to read as follows:

42-64-13. Relations with municipalities. -- (a) (1) With respect to projects situated on federal land, the Rhode Island commerce corporation is authorized to plan, construct, reconstruct, rehabilitate, alter, improve, develop, maintain, and operate projects: (i) in conformity with the applicable provisions of chapter 1 of title 2 except that the projects shall not require the approval of a town or city council provided for in § 2-1-21, and (ii) without regard to the zoning or other land use ordinances, codes, plans, or regulations of any municipality or political subdivision; provided, however, that the exemption from the zoning or other land use ordinances, codes, plans, or regulations shall be subject to the corporation's compliance with the provisions of this subsection. Projects which are planned, constructed, reconstructed, rehabilitated, altered, improved, or developed by the corporation on federal land in accordance with the provisions of this subsection may be maintained and operated by lessees from and successors in interest to the corporation in the same manner as if the projects had been in existence prior to the enactment of the zoning or other land use ordinances, codes, plans, or regulations which, but for this chapter, would otherwise be applicable. With respect to other projects of the commerce corporation, or

projects receiving state incentives as administered by the commerce corporation, developers are authorized to plan, construct, reconstruct, rehabilitate, alter, improve, develop, maintain, and operate a project subject only to the state building code and the state fire code, and all inspections regarding any such project shall be conducted by the state building commissioner or his designee without regard to the building and fire codes of any municipality or political subdivision; provided, however, that the exemption from the building and fire codes shall be subject to the corporation's compliance with the provisions of this subsection.

(2) As used in this section, "the comprehensive plan" means a comprehensive plan adopted pursuant to chapter 22 of title 45 by a planning board or commission; "the applicable comprehensive plan" shall mean the comprehensive plan of any municipality within which any project is to be situated, in whole or in part; and "the project plan" shall mean a general description of a proposed project situated on federal land, describing in reasonable detail its location, nature, and size. A zoning ordinance adopted by a municipality pursuant to chapter 24 of title 45 shall not be deemed to be a comprehensive plan nor a statement of the land use goals, objectives, and standards.

(3) If any project plan of the corporation with respect to projects situated on federal land conforms to the land use goals, objectives, and standards of the applicable comprehensive plan as of the time of the corporation's adoption of the project plan, or if there is no applicable comprehensive plan, then before proceeding with the project described in the project plan, the corporation shall refer the project plan to the appropriate community advisory committee which may thereafter hold any public hearings as it may deem to be desirable for the purpose of permitting the public to comment on the project plan. The community advisory committee shall not later than forty-five (45) days after its receipt of the project plan, transmit its comments on the project plan, in either written or oral form, to the corporation and thereupon, or upon the community advisory committee's failure to take any action within the time specified, the corporation shall be authorized to proceed with the project described in the project plan without regard to the zoning or other land use ordinances, codes, plans, or regulations of a municipality within which the project is to be situated in whole or in part.

(4) If any project plan of the corporation with respect to projects situated on federal land does not conform to the land use goals, objectives, and standards of the applicable comprehensive plan as of the time of the corporation's adoption of the project plan, then, before proceeding with the project described in the project plan, the corporation shall refer the project plan to the local governing body of any municipality within which any project is to be situated, in whole or in part. The local governing body may thereafter hold any public hearings as it may deem to be desirable for the purpose of permitting the public to comment on the project plan. The local governing body shall, not later than forty-five (45) days after its receipt of the project plan, advise the corporation of its approval or disapproval of that plan. If it shall disapprove the project plan, the corporation shall nevertheless be authorized to proceed with the project described in the project plan (without regard to the zoning or other land use ordinances, codes, plans, or regulations of a municipality within which the project is to be situated in whole or in part) upon the subsequent affirmative vote of a majority of the members of the board of directors then holding office as directors taken at a meeting open to the public. If the local governing body approves the project plan or fails to take any action within the time specified, the corporation shall be authorized to proceed with the project described in the project plan without regard to the zoning or other land use ordinances, codes, plans, or regulations of a municipality within which the project is to be situated in whole or in part.

(5) The project plan's conformity with the applicable comprehensive plan shall be determined by the board of directors of the corporation and its determination shall be binding and conclusive for all purposes.

(b) With respect to projects situated on real property other than federal land, the corporation shall plan, construct, reconstruct, rehabilitate, alter, improve, develop, maintain, and operate projects in conformity with the applicable zoning or other land use ordinances, codes, plans, or regulations of any municipality or political subdivision of the state in which those projects are situated.

(c) The corporation shall, in planning, constructing, reconstructing, rehabilitating, altering, or improving any project, comply with all requirements of state and federal laws, codes, or regulations applicable to that planning, construction, reconstruction, rehabilitation, alteration, or improvement. The corporation shall adopt a comprehensive building code (which may, but need not be, the BOCA Code) with which all projects shall comply. That adoption shall not preclude the corporation's later adoption of a different comprehensive building code or of its alteration, amendment, or supplementation of any comprehensive building code so adopted. Except as otherwise specifically provided to the contrary, no municipality or other political subdivision of the state shall have the power to modify or change in whole or in part the drawings, plans, or specifications for any project of the corporation; nor to require that any person, firm, or corporation employed with respect to that project perform work in any other or different manner than that provided by those drawings, plans, and specifications; nor to require that any such person, firm, or corporation obtain any approval, permit, or certificate from the municipality or political subdivision in relation to the project; and the doing of that work by any person, firm, or corporation in accordance with the terms of those drawings, plans, specifications, or contracts shall not subject the person, firm, or corporation to any liability or penalty, civil or criminal, other than as may be stated in the contracts or may be incidental to the proper enforcement thereof; nor shall any municipality or political subdivision have the power to require the corporation, or any lessee or successor in interest, to obtain any approval, permit, or certificate from the municipality or political subdivision as a condition of owning, using, maintaining, operating, or occupying any project acquired, constructed, reconstructed, rehabilitated, altered, or improved by the corporation or pursuant to drawings, plans, and specifications made or approved by the corporation; provided, however, that nothing contained in this subsection shall be deemed to relieve any person, firm, or corporation from the necessity of obtaining from any municipality or other political subdivision of the state any license which, but for the provisions of this chapter, would be required in connection with the rendering of personal services or sale at retail of tangible personal property.

(d) Except to the extent that the corporation shall expressly otherwise agree, a municipality or political subdivision, including, but not limited to, a county, city, town, or district, in which a project of the corporation is located, shall provide for the project, whether then owned by the corporation or any successor in interest, police, fire, sanitation, health protection, and other municipal services of the same character and to the same extent as those provided for other residents of that municipality or political subdivision, but nothing contained in this section shall be deemed to require any municipality or political subdivision to make capital expenditures for the sole purpose of providing any of these services for that project.

(e) In carrying out a project, the corporation shall be empowered to enter into contractual agreements with municipalities and public corporations and those municipalities and public corporations are authorized and empowered, notwithstanding any other law, to enter into any

contractual agreements with the corporation and to do all things necessary to carry out their obligations under the agreements.

(f) Notwithstanding the provisions of any general, special, or local law or charter, municipalities and public corporations are empowered to purchase, or to lease for a term not exceeding ninety-nine (99) years, projects of the corporation, upon any terms and conditions as may be agreed upon by the municipality or public corporation and the corporation.

SECTION 2. Section 42-64.16-2 of the General Laws in Chapter 42-64.16 entitled "The Innovate Rhode Island Small Business Program" is hereby amended to read as follows:

42-64.16-2. Establishment of matching funds program. -- (a) There is established the Rhode Island SBIR/STTR Matching Funds Program to be administered by STAC. In order to foster job creation and economic development in the state, STAC may provide grants to eligible businesses to match funds received by a business as a SBIR or STTR Phase I or II award, ~~loans to eligible businesses to match funds received by a business as a SBIR or STTR Phase II award,~~ and to encourage businesses to apply for further ~~Phase II and Phase III~~ SBIR or STTR awards, ~~respectively~~ and commercialize their technology and research.

(b) Eligibility. - In order to be eligible for a grant under this section, a business must satisfy all of the following conditions:

(1) The business must be a for-profit, Rhode Island-based business with fifty (50) or fewer employees. For the purposes of this section, Rhode Island-based business is one that has its principal place of business and at least fifty-one percent (51%) of its employees residing in this state.

(2) The business must have received an SBIR/STTR Phase I award from a participating federal agency in response to a specific federal solicitation. To receive the full Phase I matching grant, the business must also have submitted a final Phase I report, demonstrated that the sponsoring agency has interest in the Phase II proposal, and submitted a Phase II proposal to the agency. To receive the full Phase II matching ~~loan grant,~~ the business must also have submitted a final Phase II report, ~~demonstrated that the sponsoring agency has interest in the Phase III proposal, and submitted a Phase III proposal to the agency.~~

(3) The business must satisfy all federal SBIR/STTR requirements.

(4) The business shall not receive concurrent funding support from other sources that duplicates the purpose of this section.

(5) For a Phase I and II matching grant, the business must certify that at least fifty-one percent (51%) of the research described in the federal SBIR/STTR Phase I, II and any further SBIR/STTR proposal proposals and commercialization will be conducted in this state and that the business will remain a Rhode Island-based business for the duration of the SBIR/STTR Phase I, II any further SBIR/STTR project projects and commercialization. ~~For a Phase II matching loan, the business must certify that at least fifty one percent (51%) of the research described in the federal SBIR/STTR Phase III proposal will be conducted in this state and that the business will remain a Rhode Island-based business for the duration of the SBIR/STTR Phase III project.~~

(6) For a Phase I and II matching grant, the business must demonstrate its ability to conduct research in its SBIR/STTR Phase II proposal. ~~For a Phase II matching loan, the business must demonstrate its ability to conduct research in its SBIR/STTR Phase III proposal.~~

(c) Phase I and II Matching Grant. - STAC may award grants to match the funds received by a business through a SBIR/STTR Phase I or II proposal up to a maximum of ~~one hundred thousand dollars (\$100,000)~~ one hundred fifty thousand dollars (\$150,000). Seventy-five percent (75%) of the total grant shall be remitted to the business upon receipt of the

SBIR/STTR Phase I or II award and application for funds under this section. Twenty-five percent (25%) of the total grant shall be remitted to the business upon submission by the business of the Phase II application to the funding agency and acceptance of the Phase I or II report by the funding agency. A business may receive only one grant under this section per year. A business may receive only one grant under this section with respect to each federal proposal submission. Over its lifetime, a business may receive a maximum of six (6) awards under this section.

~~(d) Phase II Matching Loan. — STAC may award loans to match the funds received by a business through a SBIR/STTR Phase II proposal up to a maximum of three hundred thousand dollars (\$300,000) that must be secured by sufficient assets of the business. Seventy-five percent (75%) of the total loan shall be remitted to the business upon receipt of the SBIR/STTR Phase II award and application for funds under this section. Twenty-five percent (25%) of the total loan shall be remitted to the business upon submission by the business of the Phase III application to the funding agency and acceptance of the Phase I report by the funding agency. A business may receive only one loan under this section per year. A business may receive only one loan under this section with respect to each federal proposal submission. Over its lifetime, a business may receive a maximum of six (6) loans under this section.~~

~~(e)~~(d) Application. - A business shall apply, under oath, to STAC for a grant ~~or loan~~ under this section on a form prescribed by STAC that includes at least all of the following:

(1) The name of the business, the form of business organization under which it is operated, and the names and addresses of the principals or management of the business.

(2) For a Phase I or II matching grant, an acknowledgement of receipt of the Phase I or II report and Phase II proposal by the relevant federal agency. ~~For a Phase II matching loan, an acknowledgement of receipt of the Phase II report and Phase III proposal by the relevant federal agency.~~

(3) Any other information necessary for STAC to evaluate the application.

SECTION 3. Title 42 of the General Laws entitled "STATE AFFAIRS AND GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 64.20

REBUILD RHODE ISLAND TAX CREDIT

42-64.20-1. Short title. -- This chapter shall be known and may be cited as the "Rebuild Rhode Island Tax Credit Act."

42-64.20-2. Findings and declarations. -- (a) It is hereby found and declared that due to long-term and short-term stagnant or declining economic trends in Rhode Island, businesses in the state have found it difficult to make investments that would stimulate economic activity and create new jobs for the citizens of the state. Moreover, such economic trends have caused business closures or out-of-state business relocations, while other out-of-state businesses are deterred from relocating to this state. This situation has contributed to a high rate of unemployment in the state. Consequently, a need exists to promote the retention and expansion of existing jobs, stimulate the creation of new jobs, attract new business and industry to the state, and stimulate growth in real estate developments and/or businesses that are prepared to make meaningful investment and foster job creation in Rhode Island.

(b) Through the establishment of a rebuild Rhode Island tax credit program, Rhode Island can take steps to stimulate business development; retain and attract new business and industry to the state; create good-paying jobs for its residents; assist with business, commercial, and industrial real estate development; and generate revenues for necessary state and local governmental services.

42-64.20-3. Definitions. -- As used in this chapter:

(1) "Adaptive Reuse" means the conversion of an existing structure from the use for which it was constructed to a new use by maintaining elements of the structure and adapting such elements to a new use.

(2) "Affiliate" means an entity that directly or indirectly controls, is under common control with, or is controlled by the business. Control exists in all cases in which the entity is a member of a controlled group of corporations as defined pursuant to § 1563 of the Internal Revenue Code of 1986 (26 U.S.C. § 1563) or the entity is an organization in a group of organizations under common control as defined pursuant to subsection (b) or (c) of § 414 of the Internal Revenue Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and convincing evidence, as determined by the tax administrator, that control exists in situations involving lesser percentages of ownership than required by those statutes. An affiliate of a business may contribute to meeting either the capital investment or full-time employee requirements of a business that applies for a credit under this chapter.

(3) "Affordable housing" means housing for sale or rent with combined rental costs or combined mortgage loan debt service, property taxes, and required insurance that do not exceed thirty percent (30%) of the gross annual income of a household earning up to eighty percent (80%) of the area median income, as defined annually by the United States Department of Housing and Urban Development.

(4) "Applicant" means a developer applying for a rebuild Rhode Island tax credit under this chapter.

(5) "Business" means a corporation as defined in general laws § 44-11-1(4), or a partnership, an S corporation, a non-profit corporation, a sole proprietorship, or a limited liability corporation. A business shall include an affiliate of the business if that business applies for a credit based upon any capital investment made by an affiliate.

(6) "Capital investment" in a real estate project means expenses by a developer incurred after application for:

(i) Site preparation and construction, repair, renovation, improvement, equipping, or furnishing on real property or of a building, structure, facility, or improvement to real property;

(ii) Obtaining and installing furnishings and machinery, apparatus, or equipment, including but not limited to material goods for the operation of a business on real property or in a building, structure, facility, or improvement to real property.

In addition to the foregoing, if a developer acquires or leases a qualified development project, the capital investment made or acquired by the seller or owner, as the case may be, if pertaining primarily to the premises of the qualified development project, shall be considered a capital investment by the developer and, if pertaining generally to the qualified development project being acquired or leased, shall be allocated to the premises of the qualified development project on the basis of the gross leasable area of the premises in relation to the total gross leasable area in the qualified development project. The capital investment described herein shall be defined through rules and regulations promulgated by the commerce corporation.

(7) "Certified historic structure" means a property which is located in the state of Rhode Island and is

(i) Listed individually on the national register of historic places; or

(ii) Listed individually in the state register of historic places; or

(iii) Located in a registered historic district and certified by either the Rhode Island historical preservation and heritage commission created pursuant to § 42-45-2 or the Secretary of

the Interior as being of historic significance to the district.

(8) "Commerce corporation" means the Rhode Island commerce corporation established pursuant to general laws § 42-64-1 et. seq.

(9) "Commercial" shall mean non-residential development.

(10) "Developer" means a person, firm, business, partnership, association, political subdivision, or other entity that proposes to divide, divides, or causes to be divided real property into a subdivision or proposes to build, or builds a building or buildings or otherwise improves land or existing structures, which division, building, or improvement qualifies for benefits under this chapter.

(11) "Development" means the improvement of land through the carrying out of building, engineering, or other operations in, on, over, or under land, or the making of any material change in the use of any buildings or land for the purposes of accommodating land uses.

(13) "Eligibility period" means the period in which a developer may claim a tax credit under this act, beginning with the tax period in which the commerce corporation accepts certification from the developer that it has met the requirements of the act and extending thereafter for a term of five (5) years.

(14) "Full-time employee" means a person who is employed by a business for consideration for a minimum of at least thirty-five (35) hours per week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, or who is employed by a professional employer organization pursuant to an employee leasing agreement between the business and the professional employer organization for a minimum of thirty-five (35) hours per week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, and whose wages are subject to withholding.

(15) "Hope community" means a municipality for which the five (5) year average percentage of families with income below the federal poverty level exceeds the state five (5) year average percentage, both as most recently reported by the U.S. Department of Commerce, Bureau of the Census.

(16) "Mixed use" means a development comprising both commercial and residential components.

(17) "Partnership" means an entity classified as a partnership for federal income tax purposes.

(18) "Placed in service" means the earlier of i) substantial construction or rehabilitation work has been completed which would allow for occupancy of an entire structure or some identifiable portion of a structure, as established in the application approved by the commerce corporation board or ii) receipt by the developer of a certificate, permit or other authorization allowing for occupancy of the project or some identifiable portion of the project by the municipal authority having jurisdiction.

(19) "Project" means qualified development project as defined under subsection (23) of this chapter.

(20) "Project area" means land or lands under common ownership or control in which a qualified development project is located.

(21) "Project cost" means the costs incurred in connection with the qualified development project or qualified residential or mixed use project by the applicant until the issuance of a permanent certificate of occupancy, or until such other time specified by the commerce corporation, for a specific investment or improvement, as defined through rules and regulations promulgated by the commerce corporation.

(22) "Project financing gap" means

(i) The part of the total project cost that remains to be financed after all other sources of capital have been accounted for (such sources will include, but not be limited to, developer-contributed capital), which shall be defined through rules and regulations promulgated by the commerce corporation, or

(ii) The amount of funds that the state may invest in a project to gain a competitive advantage over a viable and comparable location in another state by means described in this chapter.

(23) "Qualified development project" means a specific construction project or improvement, including lands, buildings, improvements, real and personal property or any interest therein, including lands under water, riparian rights, space rights and air rights, acquired, owned, leased, developed or redeveloped, constructed, reconstructed, rehabilitated or improved, undertaken by a developer, owner or tenant, or both, within a specific geographic area, meeting the requirements of this chapter, as set forth in an application made to the commerce corporation.

(24) "Recognized historical structure" means a property which is located in the state of Rhode Island and is commonly considered to be of historic or cultural significance as determined by the commerce corporation in consultation with the state historic preservation officer.

(25) "Residential" means a development of residential dwelling units.

(26) "Targeted industry" means any advanced, promising or otherwise prioritized industry identified in the economic development vision and policy promulgated pursuant General Laws § 42-64.17-1 or, until such time as any such economic development vision and policy is promulgated, as identified by the commerce corporation.

(27) "Transit oriented development area" means an area in proximity to transit infrastructure that will be further defined by regulation of the commerce corporation in consultation with the Rhode Island department of transportation.

(28) "Workforce housing" means housing for sale or rent with combined rental costs or combined mortgage loan debt service, property taxes, and required insurance that do not exceed thirty percent (30%) of the gross annual income of a household earning between eighty percent (80%) and one hundred and forty percent (140%) of the area median income, as defined annually by the United States Department of Housing and Urban Development.

42-64.20-4. Establishment of program. -- The rebuild Rhode Island tax credit program is hereby established as a program under the jurisdiction and administration of the commerce corporation. The program may provide tax credits to applicants meeting the requirements of this chapter for an eligibility period of five (5) years. On an annual basis, the commerce corporation shall confer with the executive office of commerce, the department of administration, and the division of taxation regarding the availability of funds for the award of new tax credits.

42-64.20-5. Tax credits. -- (a) An applicant meeting the requirements of this chapter may be allowed a credit as set forth hereinafter against taxes imposed upon such person under applicable provisions of title 44 of the general laws for a qualified development project.

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

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

(2) There is a project financing gap in which after taking into account all available private and public funding sources, the project is not likely to be accomplished by private enterprise

without the tax credits described in this chapter; and

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

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

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

(iii) Involves a total project cost of not less than \$5,000,000, except for a qualified development project located in a hope community or redevelopment area designated under § 45-32-4 of the general laws in which event the commerce corporation shall have the discretion to modify the minimum project cost requirement.

(c) Applicants qualifying for a tax credit pursuant to chapter 44-33.6 of the General Laws shall be exempt from the requirements of subsections (b)(3)(ii) and (b)(3)(iii) of this section. The following procedure shall apply to such applicants:

(1) The division of taxation shall remain responsible for determining the eligibility of an applicant for tax credits awarded under chapter 44-33.6 of the General Laws;

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

(3) The commerce corporation shall not award in excess of fifteen percent (15%) of the annual amount appropriated in any fiscal year to applicants seeking tax credits pursuant to this subsection (c).

(d) Maximum project credit. (i) For qualified development projects, the maximum tax credit allowed under this chapter shall be the lesser of (1) thirty percent (30%) of the total project cost; or (2) the amount needed to close a project financing gap (after taking into account all other private and public funding sources available to the project), as determined by the commerce corporation.

(ii) The credit allowed pursuant to this chapter shall not exceed fifteen million dollars (\$15,000,000) for any qualified development project under this chapter. No building or qualified development project to be completed in phases or in multiple projects shall exceed the maximum project credit of fifteen million dollars (\$15,000,000) for all phases or projects involved in the rehabilitation of such building.

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

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

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

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

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

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

(6) The project includes commercial facilities constructed in accordance with the minimum environmental and sustainability standards, as certified by the commerce corporation pursuant to LEED or other equivalent standards.

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

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

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

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

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

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

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

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

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

(o) The commerce corporation shall promulgate rules and regulations for the administration and certification of additional tax credit under subsection (e) of this section, including criteria for the eligibility, evaluation, prioritization, and approval of projects that qualify for such additional tax credit.

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

42-64.20-6. Administration. -- (a) To obtain the tax credit authorized in this chapter, applicants shall apply to the commerce corporation board for approval of a qualified development project for credits under this chapter. Such approval shall at a minimum require:

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

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

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

(4) That the director of the office of management and budget provide (i) written confirmation to the commerce corporation board that the total credits recommended by the commerce corporation do not exceed the existing and anticipated revenue capacity of the state and its funding commitment described in 42-64.20-7; and (ii) an analysis of the fiscal impact, if any, in the year of application and any subsequent year. Such determination shall be made in a timely manner.

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

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

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

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

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

42-64.20-7. Rebuild Rhode Island tax credit fund. -- There is hereby established at the commerce corporation a restricted account known as the rebuild Rhode Island tax credit fund (the "fund") in which all amounts appropriated for the redemption and/or reimbursement of tax credits under this chapter shall be deposited. The Fund shall be used to pay for the redemption of tax credits or reimbursement to the state for tax credits applied against a taxpayer's liability. The Fund shall be exempt from attachment, levy or any other process at law or in equity. The director of the department of revenue shall make a requisition to the commerce corporation for funding during any fiscal year as may be necessary to pay for the redemption of tax credits presented for redemption or to reimburse the state for tax credits applied against a taxpayer's tax liability. The commerce corporation shall pay from the Fund such amounts as requested by the director of the department of revenue necessary for redemption or reimbursement in relation to tax credits granted under this chapter.

42-64.20-8. Program integrity. -- (a) Program integrity being of paramount importance, the commerce corporation shall establish procedures to ensure ongoing compliance with the terms and conditions of the program established herein, including procedures to safeguard the expenditure of public funds and to ensure that the funds further the objectives of the program.

(b) The commerce corporation shall adopt implementation guidelines, directives, criteria, and rules and regulations pursuant to § 42-35-3 of the general laws, as are necessary to implement this chapter, including, but not limited to: examples of the enumeration of specific targeted industries; specific delineation of incentive areas; the determination of additional limits; the promulgation of procedures and forms necessary to apply for a tax credit, including the enumeration of the certification procedures; the allocation of new tax credits in consultation with the executive office of commerce, division of taxation and department of administration; and provisions for tax credit applicants to be charged an initial application fee, and ongoing service fees, to cover the administrative costs related to the tax credit.

42-64.20-9. Reporting requirements. -- (a) By August 1st of each year, each applicant receiving credits under this chapter shall report to the commerce corporation and the division of taxation the following information:

(1) The number of total full-time employees employed at the development;

(2) The total project cost;

(3) The total cost of materials or products purchased from Rhode Island businesses; and

(4) Such other reasonable information deemed necessary by the secretary of commerce.

(b) By September 1, 2016 and each year thereafter, the commerce corporation shall report the name, address, and amount of tax credit for each credit recipient during the previous state fiscal year to the governor, the speaker of the house of representatives, the president of the senate, and the chairpersons of the house and senate finance committees, the house and senate fiscal advisors, and the department of revenue. Such report shall include any determination regarding the potential impact on an approved qualified development project's ability to stimulate business development; retain and attract new business and industry to the state; create good-paying jobs for its residents; assist with business, commercial, and industrial real estate development; and generate revenues for necessary state and local governmental services.

(c) By October 1, 2016 and each year thereafter, the commerce corporation shall report the total number of approved projects, project costs, and associated amount of approved tax credits approved during the prior fiscal year. This report shall be available to the public for inspection by any person and shall be published by the commerce corporation on its website and by the secretary of commerce on the executive office of commerce website.

(d) By October 1st of each year the division of taxation shall report the name, address, and amount of tax credit received for each credit recipient during the previous state fiscal year to the governor, the chairpersons of the house and senate finance committees, the house and senate fiscal advisors, and the department of labor and training.

(e) By November 1st of each year the division of taxation shall report in the aggregate the information required under subsection 42-64.20-9(a). This report shall be available to the public for inspection by any person and shall be published by the tax administrator on the tax division website.

42-64.20-10. Sunset. -- No credits shall be authorized to be reserved pursuant to this chapter after December 31, 2018.

SECTION 4. Title 42 of the General Laws entitled "STATE AFFAIRS AND GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 64.21

RHODE ISLAND TAX INCREMENT FINANCING

42-64.21-1. Short title. -- This act shall be known and may be cited as the "Rhode Island Tax Increment Financing Act of 2015."

42-64.21-2. Legislative findings. -- (a) It is hereby found and declared that due to long-term and short-term stagnant or declining economic trends in Rhode Island, businesses in the state have found it difficult to make investments that would stimulate economic activity and create new jobs for the citizens of the state. Moreover, such economic trends have caused business closures or out-of-state business relocations, while other out-of-state businesses are deterred from relocating to this state. This situation has contributed to a high rate of unemployment in the state. Consequently, a need exists to promote the retention and expansion of existing jobs, stimulate the creation of new jobs, attract new business and industry to the state, and stimulate growth in real estate developments and/or businesses that are prepared to make meaningful investment and foster job creation in Rhode Island.

(b) Through the establishment of a tax increment financing program, Rhode Island can take steps to stimulate business development; retain and attract new business and industry to the state; create good-paying jobs for its residents; assist with business, commercial, and industrial real estate development; and generate revenues for necessary state and local governmental services.

42-64.21-3. Definitions. -- as used in this chapter:

(1) "Applicant" means a developer proposing to enter into a tax increment financing agreement under this chapter.

(2) "Commerce corporation" means the Rhode Island commerce corporation established pursuant to general laws § 42-64-1 et. seq.

(3) "Developer" means a person, firm, corporation, partnership, association, political subdivision, or other entity that proposes to divide, divides, or causes to be divided real property into a subdivision or proposes to build, or builds a building or buildings or otherwise improves land or existing structures, which division, building, or improvement qualifies for benefits under this chapter.

(4) "Hope Community" means a municipality for which the five (5) year average percentage of families with income below the federal poverty level exceeds the state five (5) year average percentage, both most recently reported by the U.S. Department of Commerce, Bureau of the Census.

(5) "Eligible revenue" means the incremental revenues set forth in § 42-64.21-5 of this chapter.

(6) "Incremental" means (i) net new revenue to the State of Rhode Island as defined by the commerce corporation, in consultation with the department of revenue as established in Chapter 42-142 of the general laws, or (ii) existing revenue at substantial risk of loss to the State of Rhode Island as defined by the commerce corporation in consultation with the department of revenue.

(7) "Project area" means land or lands under common ownership or control as certified by the commerce corporation.

(8) "Project financing gap" means:

(i) The part of the total project cost that remains to be financed after all other sources of capital have been accounted for, including, but not limited to, developer-contributed capital, which shall be defined through rules and regulations promulgated by the commerce corporation;
or

(ii) The amount of funds that the state may invest in a project to gain a competitive advantage over a viable and comparable location in another state by means described in this chapter.

(9) "Qualified development project" means a specific construction project or improvement, including lands, buildings, improvements, real and personal property or any interest therein, including lands under water, riparian rights, space rights and air rights, acquired, owned, leased, developed or redeveloped, constructed, reconstructed, rehabilitated or improved, undertaken by a developer, owner or tenant, or both, within a specific geographic area, meeting the requirements of this chapter, as set forth in an application made to the commerce corporation.

(10) "Qualifying TIF area" shall mean an area containing a qualified development project identified by the commerce corporation as a priority because of its potential to generate, preserve or otherwise enhance jobs or its potential to produce, preserve or otherwise enhance housing units. The commerce corporation shall take into account the following factors in determining whether a qualified development project is a priority:

(i) Generation or preservation of manufacturing jobs;

(ii) Promotion of targeted industries;

(iii) Location in a port or airport district;

(iv) Location in an industrial or research park;

(v) Location in a transit oriented development area;

(vi) Location in a hope community;

(vii) Location in an area designated by a municipality as a redevelopment area under § 45-32-4 of the general laws; and

(viii) Location in an area located within land approved for closure under any federal commission on base realignment and closure action.

(11) "Revenue increment base" means the amounts of all eligible revenues from sources within the qualifying TIF area in the calendar year preceding the year in which the TIF agreement is executed, as certified by the division of taxation.

(12) "TIF agreement" means an agreement between the commerce corporation and a developer, under which, in exchange for the benefits of the funding derived from qualification under this chapter, the developer agrees to perform any work or undertaking necessary for a qualified development project, including the clearance, development or redevelopment, construction, or rehabilitation of any structure or improvement of commercial, industrial, or residential property; public infrastructure; preexisting municipally-owned stadium of 10,000 seats or greater; or utilities within a qualifying TIF area.

(13) "TIF payment" means reimbursement of all or a portion of the project financing gap of a qualified development project from the division of taxation as provided under this chapter.

(14) "Targeted industry" means any advanced, promising or otherwise prioritized industry identified in the economic development vision and policy promulgated pursuant General Laws § 42-64.17-1 or, until such time as any such economic development vision and policy is promulgated, as identified by the commerce corporation.

(15) "Transit oriented development area" means an area in proximity to transit infrastructure that will be further defined by regulation of the commerce corporation in consultation with the Rhode Island department of transportation.

42-64.21-4. TIF program. -- The commerce corporation shall establish a tax increment financing program for the purpose of encouraging qualified development projects in qualifying TIF areas.

42-64.21-5. Financing. -- (a) Up to the limits established in subsection (b) of this section and in accordance with a TIF agreement, the division of taxation shall pay to the developer incremental state revenues directly realized from projects or businesses operating in the qualifying TIF area from the taxes assessed and collected under chapters 11, 13, 14, 17, 18, 19, and 30 of Title 44 of the general laws or realized from such venue ticket sales or parking taxes as may be established and levied under state law.

(b) Up to 75 percent of the projected annual incremental revenues may be allocated under a TIF agreement. The incremental revenue for the revenues listed in subsection (a) of this section shall be calculated as the difference between the amount collected in any fiscal year from any eligible revenue source included in the TIF agreement, less the revenue increment base for that eligible revenue.

(c) The division of taxation is hereby authorized and empowered to segregate the annual incremental revenues allocated under a TIF agreement and transfer such amounts to the general treasurer for deposit in a restricted account known as the TIF fund. The TIF fund shall be used solely to pay for the incentives granted under this chapter. The director of the department of revenue shall annually determine if a surplus exists in the TIF fund over amounts necessary to fund incentives under this chapter in a fiscal year and may authorize the general treasurer to transfer any surplus to the general fund. The unexpended balance of such sum of money received

and appropriated for the TIF fund remaining in the treasury at the close of each fiscal year, shall be continued to and is hereby annually appropriated for the same account for the ensuing year.

(d) Under conditions defined by the commerce corporation and in consultation with the department of revenue, those taxes eligible for inclusion in this TIF program may instead be exempted up to the levels permitted by this act in cases of significant taxpayers. Such significant taxpayers may instead be required to contribute payments in lieu of taxes (PILOTs) into a dedicated fund established by the commerce corporation. Such payments shall be up to 75 percent of the amount that would otherwise be due to the state in the form of taxation as per the provisions of this statute. Such dedicated funds must be used for the purposes described in this act. The commerce corporation may issue revenue bonds secured by this dedicated fund. Such bonds shall not be a general obligation of the state.

(e) The commerce corporation shall promulgate an application form and procedure for the program.

42-64.21-6. Agreements permitted. -- (a) The commerce corporation is authorized to enter into a TIF agreement with a developer for any qualified development project located within a qualifying TIF area. The TIF agreement between the commerce corporation and the developer shall contain a provision acknowledging that the benefits of said agreement, with the exception of 42-64.21-5 (d) of this chapter, are subject to such annual appropriation.

(b) The decision whether or not to enter into a TIF agreement is solely within the discretion of the commerce corporation. However, to enter into an agreement with the commerce corporation as authorized in this chapter, applicants shall apply:

(1) To the commerce corporation for approval of the proposed project. Such approval shall require:

(i) That the applicant has submitted a completed application as developed by the commerce corporation;

(ii) That the chief executive officer of the commerce corporation provide written confirmation to the commerce corporation board that (A) the commerce corporation has reviewed the application and any determination regarding the potential impact on the project's ability to promote the retention and expansion of existing jobs, stimulate the creation of new jobs, including good-paying jobs, attract new business and industry to the state, and stimulate growth in real estate developments and/or businesses that are prepared to make meaningful investment and foster job creation in the state; and (B) the length of the TIF agreement and the percentage of incremental revenues to be allocated under the TIF agreement.

(iii) That the secretary of commerce provide written confirmation to the commerce corporation board that the recommendation of the commerce corporation is consistent with the purposes of this chapter.

(c) A developer that has entered into a TIF agreement with the commerce corporation pursuant to this section may, upon notice to and consent of the corporation, pledge and assign as security for any loan, any or all of its right, title and interest in and to the TIF agreement and in the TIF payments due thereunder, and the right to receive same, along with the rights and remedies provided to the developer under such agreement. Any such assignment shall be an absolute assignment for all purposes, including the federal bankruptcy code.

(d) Any pledge of TIF payments made by the developer shall be valid and binding from the time when the pledge is made and filed in the records of the commerce corporation. The TIF agreement and payments so pledged and thereafter received by the developer shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the

lien of any pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the developer irrespective of whether the parties have notice thereof.

(e) The commerce corporation shall be entitled to impose an application fee and impose other charges upon developers associated with the review of a project and the administration of the program.

(f) Maximum agreement amount. (a) In no event shall the amount of the reimbursements under a TIF agreement exceed 30 percent of the total cost of the project and provided further, that the commerce corporation may exempt public infrastructure, a preexisting municipally-owned stadium of 10,000 seats or greater, or utilities from said 30 percent cap.

42-64.21-7. Program integrity. -- Program integrity being of paramount importance, the commerce corporation shall establish procedures to ensure ongoing compliance with the terms and conditions of the program established herein, including procedures to safeguard the expenditure of public funds and to ensure that the funds further the objectives of the program.

42-64.21-8. Reporting requirements. -- (a) By September 1, 2016 and each year thereafter, the commerce corporation shall report the name, address, and incentive amount of each agreement entered into during the previous state fiscal year to the division of taxation.

(b) By December 1, 2016 and each year thereafter, the division of taxation shall provide the governor with the sum, if any, to be appropriated to fund the program. The governor shall submit to the general assembly printed copies of a budget including the total of the sums, if any, as part of the governor's budget required to be appropriated for the program created under this chapter.

(c) By January 1, 2017 and each year thereafter, the commerce corporation shall report to the governor, the speaker of the house, the president of the senate, the chairpersons of the house and senate finance committees, and the house and senate fiscal advisors the address and incentive amount of each agreement entered into during the previous state fiscal year as well as any determination regarding the measurable impact of each and every agreement on the retention and expansion of existing jobs, stimulation of the creation of new jobs, attraction of new business and industry to the state, and stimulation of growth in real estate developments and/or businesses that are prepared to make meaningful investment and foster job creation in the state.

42-64.21-9. Sunset. -- The commerce corporation shall enter into no agreement under this chapter after December 31, 2018.

SECTION 5. Title 42 of the General Laws entitled "STATE AFFAIRS AND GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 64.22

TAX STABILIZATION INCENTIVE

42-64.22-1. Findings and declarations. -- The general assembly finds and declares:

(a) The general assembly seeks to enact several economic stimulus laws to assist Rhode Island businesses and municipalities, including legislation providing incentives to encourage economic and real estate development and to create jobs throughout this state.

(b) In order to encourage this economic growth, the general assembly seeks to enhance and strengthen several of the current statutes governing economic development in this state. The general assembly's goal is to create an economic stimulus program to promote development and growth and address the economic challenges currently impacting the State and local municipalities.

42-64.22-2. Definitions. -- As used in this chapter:

(1) "Adaptive reuse" means the conversion of an existing structure from the use for which it was constructed to a new use by maintaining elements of the structure and adapting such elements to a new use.

(2) "Affiliate" means an entity that directly or indirectly controls, is under common control with, or is controlled by the business. Control exists in all cases in which the entity is a member of a controlled group of corporations as defined pursuant to § 1563 of the Internal Revenue Code of 1986 (26 U.S.C. § 1563) or the entity is an organization in a group of organizations under common control as defined pursuant to subsection (b) or (c) of § 414 of the Internal Revenue Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and convincing evidence, as determined by the tax administrator, that control exists in situations involving lesser percentages of ownership than required by those statutes. An affiliate of a business may contribute to meeting either the capital investment or full-time employee requirements of a business that applies for a credit under this chapter.

(3) "Affordable housing" means housing for sale or rent with combined rental costs or combined mortgage loan debt service, property taxes, and required insurance that do not exceed thirty percent (30%) of the gross annual income of a household earning up to eighty percent (80%) of the Providence-Fall River, RI-MA metropolitan area median income, as defined annually by the United States Department of Housing and Urban Development.

(4) "Applicant" means a qualifying community or hope community applying for incentives under this chapter.

(5) "Business" means a corporation as defined in general laws § 44-11-1(4), or a partnership, an S corporation, a non-profit corporation, a sole proprietorship, or a limited liability corporation. A business shall include an affiliate of the business if that business applies for a tax stabilization agreement based upon any capital investment made by an affiliate.

(6) "Capital investment" in a qualified development project means expenses by a business or any affiliate of the business incurred after application for:

(i) Site preparation and construction, repair, renovation, improvement, equipping, or furnishing on real property or of a building, structure, facility, or improvement to real property; and/or

(ii) Obtaining and installing furnishings and machinery, apparatus, or equipment, including but not limited to material goods for the operation of a business on real property or in a building, structure, facility, or improvement to real property.

In addition to the foregoing, if a business acquires or leases a qualified business facility, the capital investment made or acquired by the seller or owner, as the case may be, if pertaining primarily to the premises of the qualified business facility, shall be considered a capital investment by the business and, if pertaining generally to the qualified business facility being acquired or leased, shall be allocated to the premises of the qualified business facility on the basis of the gross leasable area of the premises in relation to the total gross leasable area in the qualified business facility. The capital investment described herein may include any capital investment made or acquired within twenty-four (24) months prior to the date of application so long as the amount of capital investment made or acquired by the business, any affiliate of the business, or any owner after the date of application equals at least fifty percent (50%) of the amount of capital investment, allocated to the premises of the qualified business facility being acquired or leased on the basis of the gross leasable area of such premises in relation to the total gross leasable area in the qualified business facility made or acquired prior to the date of application.

(3) "Certified historic structure" means a property which is located in the state of Rhode Island and is

(i) Listed individually on the national register of historic places; or

(ii) Listed individually in the state register of historic places; or

(iii) Located in a registered historic district and certified by either the commission or Secretary of the Interior as being of historic significance to the district.

(4) "Commerce corporation" means the Rhode Island commerce corporation established pursuant to general laws § 42-64-1 et. seq.

(5) "Commercial" means non-residential development.

(6) "Developer" means a person, firm, corporation, partnership, association, political subdivision, or other entity that proposes to divide, divides, or causes to be divided real property into a subdivision or proposes to build, or builds a building or buildings or otherwise improves land or existing structures, which division, building, or improvement qualifies for benefits under this chapter.

(7) "Development" means the improvement of land through the carrying out of building, engineering, or other operations in, on, over, or under land, or the making of any material change in the use of any buildings or land for the purposes of accommodating land uses.

(8) "Eligibility period" means the period in which a qualified community and/or Hope Community may apply for reimbursement under this chapter. The eligibility period shall be subject to the term defined in the qualifying tax stabilization agreement granted by said community. The amounts subject to reimbursement shall cease upon any termination or cessation of the underlying qualified tax stabilization agreement.

(9) "Forgone tax revenue" means the amount of revenue that a municipality would have received from a qualified development project had a tax stabilization agreement not been in place, less the amount of revenue the municipality would be expected to receive from that qualified development project with a tax stabilization agreement in place.

(10) "Full-time job" means a position for which a person is employed by a business for consideration for a minimum of at least thirty-five (35) hours per week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, or who is employed by a professional employer organization pursuant to an employee leasing agreement between the business and the professional employer organization for a minimum of thirty-five (35) hours per week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, and whose wages are subject to withholding.

(11) "Hope community" means a municipality for which the five (5) year average percentage of families with income below the federal poverty level exceeds the state five (5) year average percentage, both as most recently reported by the U.S. Department of Commerce, Bureau of the Census.

(12) "Project" means qualified development project as defined under subsection (16) of this chapter.

(13) "Project cost" means the costs incurred in connection with the qualified development project by the applicant until the issuance of a permanent certificate of occupancy, or until such other time specified by the commerce corporation, for a specific investment or improvement, as defined through rules and regulations promulgated by the commerce corporation.

(14) "Recognized historical structure" means a property which is located in the state of Rhode Island and is commonly considered to be of historic or cultural significance as determined by the commerce corporation in consultation with the state historic preservation officer.

(15) "Qualifying communities" are those municipalities within the state that are not defined as a hope community.

(16) "Qualified development project" includes:

(i) Rehabilitation of an existing structure where the total cost of development budget exceeds fifty percent (50%) of adjusted basis in such a qualifying property as of the date that the parties applied for said qualifying tax stabilization agreement; or

(ii) Construction of a new building wherein:

(a) The subject community has issued a tax stabilization agreement, as set forth herein and pursuant to § 44-3-9 of the general laws as well as other applicable rules, regulations and procedures;

(b) Construction commences within twelve (12) months of the subject tax stabilization agreement being approved; and

(c) Completion of the proposed development project occurs within thirty six (36) months, subject to the approval of qualifying or hope communities.

(17) "Qualifying property" means any building or structure used or intended to be used essentially for offices or commercial enterprises or residential purposes.

(18) "Qualifying tax stabilization agreement" are those tax stabilization agreements with a minimum term of twelve (12) years, granted by a qualified and/or hope community in connection with a qualifying project.

(19) "Workforce housing" means housing for sale or rent with combined rental costs or combined mortgage loan debt service, property taxes, and required insurance that do not exceed thirty percent (30%) of the gross annual income of a household earning between eighty percent (80%) and one hundred and forty percent (140%) of the Providence-Fall River, RI-MA metropolitan area median income, as defined annually by the United States Department of Housing and Urban Development.

42-64.22-3. Establishment of program. -- (a) The Tax Stabilization Incentive Program is hereby created to provide incentives to Rhode Island municipalities to enter into qualifying property tax stabilization agreements in connection with qualifying projects set forth herein.

(b) Under the program, qualified and Hope Communities in the state of Rhode Island that grant qualifying tax stabilization agreements, subject to the provisions of § 44-3-9 of the Rhode Island general laws, in connection with a qualifying project, may apply to the commerce corporation for certification for partial reimbursement of the amount of real estate taxes and/or personal property taxes that would have otherwise been paid had the qualified and/or hope communities not granted said tax stabilization agreement.

42-64.22-4. Incentives for municipalities. -- The qualifying community or hope community grants a qualifying tax stabilization agreement in connection with a qualifying project, upon certification by the commerce corporation and subject to availability of appropriated funds, the commerce corporation shall provide a partial reimbursement of no more than ten percent (10%) of the qualifying community and/or hope community's forgone tax revenue. The qualification for reimbursement shall cease upon any termination or cessation of the underlying tax stabilization agreement or upon exhaustion of funds appropriated pursuant to this section.

42-64.22-5. Eligibility requirements for qualifying communities. -- In order for a qualifying community to be eligible to receive incentives under this chapter, in addition to the provisions set forth herein, the tax stabilization agreement must be for a qualified development project resulting in the creation of at least fifty (50) new full-time jobs, and the developer must

commit a capital investment of not less than ten million dollars (\$10,000,000.00) towards the project cost.

42-64.22-6. Eligibility requirements for hope communities. -- In order for a hope community to be eligible to receive incentives under this chapter, in addition to the provisions set forth herein, the tax stabilization agreement must be for a qualified development project resulting in the creation of at least twenty-five (25) new full-time jobs, and the developer must commit a capital investment of not less than five million dollars (\$5,000,000.00) towards the project cost.

42-64.22-7. Alternative eligibility requirements. -- (a) Qualifying communities may receive incentives under this chapter, where the tax stabilization agreement is for a qualified development project involving an adaptive reuse of a recognized historical structure or results in the creation of at least twenty (20) units of residential housing; provided that at least twenty percent (20%) of the residential units are for affordable or workforce housing.

(b) Qualifying communities may receive incentives under this chapter, where the tax stabilization agreement is for a qualified development project involving an adaptive reuse of a certified historic structure, if such qualified development project:

(i) Has been certified by the state historic preservation officer that the adaptive reuse will be consistent with the standards of the Secretary of the United States Department of the Interior for rehabilitation; and

(ii) Results in the creation of at least twenty (20) units of residential housing; provided that at least twenty percent (20%) of the residential units are for affordable or workforce housing.

(c) Hope communities may receive incentives under this chapter, where the tax stabilization agreement for a qualified development project results in the creation of at least twenty (20) units of residential housing.

42-64.22-8. Reimbursement. -- The aggregate value of all reimbursements approved by the commerce corporation pursuant to this chapter during the eligibility period shall not exceed the lesser of ten (10%) percent of the qualifying and/or hope communities' forgone tax revenue or annual appropriations received by the commerce corporation for the program.

42-64.22-9. Applicability. -- The amounts subject to reimbursement under this chapter shall apply to any real and/or personal property tax abatement provided pursuant to a tax stabilization agreement, granted pursuant to § 44-3-9 of the general laws, after January 1, 2015. The amounts subject to reimbursement shall also include any reduction in the then current real property taxes and/or personal property taxes, as well as a reduction in the prospective amounts that would be due in connection with the completion of the project.

42-64.22-10. Approval. -- The commerce corporation's approval of reimbursement to the qualifying or hope communities may be made in accordance with or conditional upon the conditions set forth under § 44-3-9 of the general laws and other guidelines, criteria, and priorities that may be adopted by the commerce corporation. In order to distribute funds under the chapter, the commerce corporation shall enter into an agreement with the community setting forth the terms of the reimbursements subject hereto. The commerce corporation may require communities to provide reports and documentation regarding any reimbursements provided under this chapter.

42-64.22-11. Restrictions. -- Nothing in this section shall be construed to interfere, restrict or prevent any qualifying community or hope community from granting tax stabilization agreements pursuant to § 44-3-9 of the general laws or other applicable sections of title 44 of the general laws.

42-64.22-12. Implementation guidelines, directives, criteria, rules, regulations. -- (a) The

commerce corporation shall establish further guidelines, directives, criteria, rules and regulations in regards to the implementation of this chapter.

(b) The adoption and implementation of rules and regulations shall be made pursuant to § 42-35-3 of the general laws as are necessary for the implementation of the commerce corporation's responsibilities under this chapter.

42-64.22-13. Program integrity. -- Program integrity being of paramount importance, the commerce corporation shall establish procedures to ensure ongoing compliance with the terms and conditions of the program established herein, including procedures to safeguard the expenditure of public funds and to ensure that the funds further the objectives of the program.

42-64.22-14. Reporting requirements. -- (a) By September 1, 2016 and each year thereafter, the commerce corporation shall report the name, address, and amount of each stabilization agreement entered into during the previous state fiscal year to the division of taxation.

(b) By December 1, 2016 and each year thereafter, the division of taxation shall provide the governor with the sum, if any, to be appropriated to fund the program. The governor shall submit to the general assembly printed copies of a budget including the total of the sums, if any, as part of the governor's budget required to be appropriated for the program created under this chapter.

42-64.22-15. Sunset. -- The commerce corporation shall enter into no agreement under this chapter after December 31, 2018.

SECTION 6. Title 42 of the General Laws entitled "STATE AFFAIRS AND GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 64.23

FIRST WAVE CLOSING FUND

42-64.23-1. Short title. -- This chapter shall be known as the "First Wave Closing Fund Act."

42-64.23-2. Legislative findings. -- The general assembly finds and declares: (a) It is hereby found and declared that due to long-term and short-term stagnant or declining economic trends in Rhode Island, businesses in the state have found it difficult to make investments that would stimulate economic activity and create new jobs for the citizens of the state. Moreover, such economic trends have caused business closures or out-of-state business relocations, while other out-of-state businesses are deterred from relocating to this state. This situation has contributed to a high rate of unemployment in the state. Consequently, a need exists to promote the retention and expansion of existing jobs, stimulate the creation of new jobs, attract new business and industry to the state, and stimulate growth in real estate developments and/or businesses that are prepared to make meaningful investments and foster job creation in Rhode Island.

(b) Through the establishment of a first wave closing fund, Rhode Island can take steps to stimulate business development; retain and attract new business and industry to the state; create good-paying jobs for its residents; assist with business, commercial, and industrial real estate development; and generate revenues for necessary state and local governmental services.

42-64.23-3. Definitions. -- As used in this chapter:

(1) "Affiliate" means an entity that directly or indirectly controls, is under common control with, or is controlled by the business. Control exists in all cases in which the entity is a member of a controlled group of corporations as defined pursuant to § 1563 of the Internal Revenue Code of 1986 (26 U.S.C. § 1563) or the entity is an organization in a group of

organizations under common control as defined pursuant to subsection (b) or (c) of § 414 of the Internal Revenue Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and convincing evidence, as determined by the commerce corporation in its sole discretion, that control exists in situations involving lesser percentages of ownership than required by those statutes. An affiliate of a business may contribute to meeting full-time employee requirements of a business that applies for benefits under this chapter.

(2) "Applicant" means a business applying for assistance under this chapter.

(3) "Business" means a corporation as defined in general laws § 44-11-1(4), or is a partnership, an S corporation, a non-profit corporation, a sole proprietorship or a limited liability company.

(4) "Investment" in a development project means expenses by a business or any affiliate incurred after application including, but without limitation, for:

(i) Site preparation and construction, repair, renovation, improvement, equipping, or furnishing on real property or of a building, structure, facility, or improvement to real property; and/or

(ii) Obtaining and installing furnishings and machinery, apparatus, or equipment, including but not limited to material goods for the operation of a business on real property or in a building, structure, facility, or improvement to real property.

(5) "Commerce corporation" means the Rhode Island commerce corporation established by general laws § 42-64-1 et. seq.

(6) "Developer" means a person, firm, corporation, partnership, association, political subdivision, or other entity that proposes to divide, divides, or causes to be divided real property into a subdivision or proposes to build, or builds a building or buildings or otherwise improves land or existing structures, which division, building, or improvement of land qualifies for benefits under this chapter.

(7) "Development" means the improvement of land through the carrying out of building, engineering, or other operations in, on, over, or under land, or the making of any material change in the use of any buildings or land for the purposes of accommodating land uses.

(8) "Development project" means a real estate based development or other investment.

(9) "Full-time employee" means a person who is employed by a business for consideration for a minimum of at least thirty-five (35) hours per week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, or who is employed by a professional employer organization pursuant to an employee leasing agreement between the business and the professional employer organization for a minimum of thirty-five (35) hours per week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, and whose wages are subject to withholding.

(9) "Project cost" means the costs incurred in connection with a project by an applicant until the issuance of a permanent certificate of occupancy, or until such other time specified by the commerce corporation.

(10) "Project financing gap" means

(i) The part of the total project cost that remains to be financed after all other sources of capital have been accounted for (such sources will include, but not be limited to, developer-contributed capital), which shall be defined through rules and regulations promulgated by the commerce corporation, or

(ii) The amount of funds that the state may invest in a project to gain a competitive advantage over a viable and comparable location in another state by means described in this

chapter.

42-64.23-4. Establishment of fund; Purposes; Composition. -- (a) There is hereby established the first wave closing fund (the "fund") to be administered by the commerce corporation as set forth in this chapter.

(b) The purpose of the fund is to provide lynchpin financing unavailable from other sources, bringing to closure transactions that are of a critical or catalytic nature for Rhode Island's economy and communities.

(c) The fund shall consist of:

(1) Money appropriated in the state budget to the fund;

(2) Money made available to the fund through federal programs or private contributions;

(3) Repayments of principal and interest from loans made from the fund;

(4) Proceeds from the sale, disposition, lease, or rental of collateral related to financial assistance provided under this chapter;

(5) Application or other fees paid to the fund to process requests for financial assistance;

(6) Recovery made by the commerce corporation, or the sale of an appreciated asset in which the commerce corporation has acquired an interest under this chapter; and

(7) Any other money made available to the fund.

42-64.23-5. Powers of commerce corporation. -- (a) The commerce corporation board shall promulgate regulations setting forth criteria for approving awards under the fund and such criteria shall ensure that awards from the fund are economically advantageous to the citizens of Rhode Island. To qualify for the benefits of this chapter, an applicant shall submit an application to the commerce corporation. Upon receipt of a proper application from an applicant, the commerce corporation board may approve a loan, a conditional grant or other investment. In making each award, the commerce corporation shall consider, among other factors, the:

(1) Economic impact of the project, including costs and benefits to the state;

(2) The amount of the project financing gap;

(3) Strategic importance of the project to the state, region, or locality;

(4) Quality and number of jobs produced;

(5) Quality of industry and project; and

(6) Competitive offers regarding the project from another state or country.

(b) The proceeds of the funding approved by the commerce corporation under this chapter may be used for (1) working capital, equipment, furnishings, fixtures; (2) the construction, rehabilitation, purchase of real property; (3) as permanent financing; or (4) such other purposes that the commerce corporation approves.

(c) The commerce corporation shall have no obligation to make any award or grant any benefits under this chapter.

(d) The commerce corporation shall publish a report on the fund at the end of each fiscal year. The report shall contain information on the commitment, disbursement, and use of funds allocated under the fund. The report shall also, to the extent practicable, track the economic impact of projects that have been completed using the fund. The report is due no later than sixty (60) days after the end of the fiscal year, and shall be provided to the speaker of the house of representatives and the president of the senate.

42-64.23-6. Implementation guidelines, directives, criteria, rules, regulations. -- The commerce corporation may adopt implementation guidelines, directives, criteria, rules and regulations pursuant to § 42-35-3 of the General Laws as are necessary for the implementation and administration of the fund.

42-64.23-7. Program integrity. -- Program integrity being of paramount importance, the commerce corporation shall establish procedures to ensure ongoing compliance with the terms and conditions of the program established herein, including procedures to safeguard the expenditure of public funds and to ensure that the funds further the objectives of the program.

42-64.23-8. Sunset. -- No financing shall be authorized to be reserved pursuant to this chapter after December 31, 2018.

SECTION 7. Title 42 of the General Laws entitled "STATE AFFAIRS AND GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 64.24

I-195 REDEVELOPMENT PROJECT FUND

42-64.24-1. Short title. -- This chapter shall be known as the "I-195 Redevelopment Project Fund Act."

42-64.24-2. Legislative findings. -- The general assembly finds and declares:

(a) That due to global economic trends, businesses in Rhode Island have found it difficult to invest in development projects and other significant capital investments in and surrounding the I-195 land within the city of Providence. Investment in such projects would stimulate economic activity, facilitate the creation of new jobs for the citizens of the state and promote economic growth and development.

(b) Through the establishment of the I-195 redevelopment project fund, Rhode Island can take steps to attract and grow new businesses and industries to and for the state; create good-paying jobs for its residents; assist with business and real estate development; and generate revenues for necessary state and local governmental services.

42-64.24-3. Definitions. -- As used in this act:

(1) "Applicant" means a developer or occupant applying for a loan or conditional loan under this chapter.

(2) "Business" means a corporation as defined in general laws § 44-11-1(4), or is a partnership, an S corporation, a non-profit corporation, sole proprietorship or a limited liability corporation.

(3) "Capital investment" in a redevelopment project means costs or expenses by a business or any affiliate of the business incurred after application for:

(i) Site preparation and construction, repair, renovation, improvement, equipping, or furnishing on real property or of a building, structure, facility, or improvement to real property;

(ii) Obtaining and installing furnishings and machinery, apparatus, or equipment, including but not limited to material goods for the operation of a business on real property or in a building, structure, facility, or improvement to real property.

(4) "Commission" means the I-195 district commission.

(6) "Developer" means a person, firm, corporation, partnership, association, political subdivision, or other entity that proposes to divide, divides, or causes to be divided real property into a subdivision or proposes to build, or builds a building or buildings or otherwise improves land or existing structures, which division, building, or improvement of land qualifies for benefits under this chapter.

(6) "I-195 land" means the surplus land within the city of Providence owned by the I-195 district commission and the area within a one-quarter mile radius of the outermost boundary of said surplus land as further delineated by regulation of the commission.

(7) "Occupant" means a business as a tenant, owner, or joint venture partner, occupying space pursuant to a lease or other occupancy agreement on the I-195 land or a project developed

on such land.

(8) "Personal property" means furniture, fixtures and equipment, except automobiles, trucks or other motor vehicles, or materials that otherwise are depreciable and have a useful life of one year or more, that are utilized for the redevelopment project for any given phase of the redevelopment project inclusive of a period not to exceed six (6) months after receipt of a certificate of occupancy for the given phase of the development.

(9) "Project cost" means the costs incurred in connection with a project by an applicant until the issuance of a permanent certificate of occupancy, or until such other time specified by the commerce corporation.

(10) "Project financing gap" means

(i) the part of the total project cost that remains to be financed after all other sources of capital have been accounted for (such sources will include, but not be limited to, developer-contributed capital), which shall be defined through rules and regulations promulgated by the commerce corporation, or

(ii) the amount of funds that the state may invest in a project to gain a competitive advantage over a viable and comparable location in another state by means described in this chapter.

42-64.24-4. Establishment of the fund uses and composition. -- (a) The I-195 Redevelopment Project Fund (the "fund") is hereby established under the jurisdiction of and shall be administered by the commission in order to further the goals set forth in Chapter 42-64.14 of the general laws and to promote, among other purposes, the development and attraction of advanced industries and innovation on and near the I-195 land in order to enhance Rhode Island's economic vitality.

(b) The uses of the fund include but are not limited to:

(1) Contributing to capital investment requirements for anchor institutions or other catalytic project components chosen in accordance with a vision developed, by the commission for location on the I-195 land, adjacent and proximate parcels;

(2) Filling project financing gaps for real estate projects on the I-195 land, adjacent and proximate parcels;

(3) Financing land acquisition in areas adjacent to and proximate to the I-195 land including street rights of way and abandonment costs;

(4) Financing public infrastructure and public facilities to support or enhance development including, but not limited to, transportation, parks, greenways, performance venues, meeting facilities, community facilities, and public safety precincts.

(c) This statute shall not be construed as authorizing expenditure from this fund for the purpose of financing a stadium or other such facility built primarily for sporting activity.

(d) The fund shall consist of:

(1) Money appropriated in the state budget to the fund;

(2) Money made available to the Fund through federal programs or private contributions;

(3) Repayments of principal and interest from loans made from the fund;

(4) Proceeds from the sale, disposition, lease, or rental of collateral related to financial assistance provided under this chapter;

(5) Application or other fees paid to the fund to process requests for financial assistance;

(6) Recovery made by the commission or on the sale of an appreciated asset in which the commission has acquired an interest under this chapter; and

(7) Any other money made available to the fund.

42-64.24-5. Assistance, Powers of commission, reports. -- (a) An applicant seeking assistance under this chapter shall submit a request to the commission pursuant to an application procedure prescribed by the commission.

(b) Any approval for funding under this chapter may only be granted by the commission and shall require the concurrence of the secretary of commerce.

(c) The commission may set the terms and conditions for assistance under this chapter. Except as provided in subsection (b) of this section, any decision to grant or deny such assistance lies within the sole discretion of the commission.

(d) The commission shall publish a report on the fund at the end of each fiscal year. The report shall contain information on the commitment, disbursement, and use of funds allocated under the fund. The report shall also, to the extent practicable, track the economic impact of projects that have been completed using the fund. The report is due no later than sixty (60) days after the end of the fiscal year, and shall be provided to the speaker of the house of representatives, the president of the senate and the secretary of commerce.

42-64.24-6. Implementation guidelines, directives, criteria, rules, regulations. -- The commission shall adopt implementation guidelines, directives, criteria, rules and regulations pursuant to § 42-35-3 of the general laws as are necessary for the implementation of the commission's responsibilities under this chapter and impose such fees and charges as are necessary to pay for the administration and implementation of this program.

42-64.24-7. Program integrity. -- Program integrity being of paramount importance, the commerce corporation shall establish procedures to ensure ongoing compliance with the terms and conditions of the program established herein, including procedures to safeguard the expenditure of public funds and to ensure that the funds further the objectives of the program.

42-64.24-8. Sunset. -- No funding, credits, or incentives shall be authorized or authorized to be reserved pursuant to this chapter after December 31, 2018.

SECTION 8. Title 42 of the General Laws entitled "STATE AFFAIRS AND GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 64.25

SMALL BUSINESS ASSISTANCE PROGRAM

42-64.25-1. Short title. -- This chapter shall be known as the "Small Business Assistance Program Act."

42-64.25-2. Statement of intent. -- The general assembly hereby finds and declares that small businesses are the economic backbone of the state and the source of a majority of new jobs. The general assembly further finds that too many such businesses often have difficulty obtaining capital from traditional banking organizations to start up, improve or expand operations. Providing greater access to capital would enable the formation and expansion of small businesses across the state and provide job opportunities to the state's citizens. The purpose of this act is to assist small businesses that encounter difficulty in obtaining adequate credit or adequate terms for such credit. Among the small businesses that this act aims to assist are minority business enterprises and women-owned business enterprises.

42-64.25-3. Establishment of small business capital access fund. -- The small business capital access fund program is hereby created within the Rhode Island commerce corporation. The commerce corporation is authorized, within available appropriations, to provide direct assistance and/or partner with lending organizations to provide funding for loans to small businesses located in Rhode Island. As used in this chapter, a "small business" means a business that is resident in Rhode Island and employs two hundred (200) or fewer persons. The commerce

corporation is authorized, from time to time, to establish rules and regulations for the administration of the program.

42-64.25-4. Qualifications of lending organizations. -- The commerce corporation may elect to partner with an outside lending organization and authorize that organization to receive and administer program funds. Before partnering with an outside lending organization, the commerce corporation may identify eligible lending organizations through one or more competitive statewide or regional solicitations.

42-64.25-5. Program loan structures. -- Loan programs shall be structured by the commerce corporation that may include, but not be limited to, the following programs: (a) financing programs for companies that require additional capital outside of conventional senior debt or equity financing channels; (b) direct lending of subordinated and mezzanine debt; (c) collateral support in the form of credit enhancement; (d) pledge of cash collateral accounts to lending institutions to enhance collateral coverage of individual loans; and (e) technical assistance to small businesses.

42-64.25-6. Micro-loan allocation. -- Notwithstanding anything to the contrary in this chapter, ten percent (10%) of program funds will be allocated to "micro loans" with a principal amount between two thousand dollars and twenty-five thousand dollars. Micro loans will be administered by lending organizations, which will be selected by the commerce corporation on a competitive basis and shall have experience in providing technical and financial assistance to microenterprises.

42-64.25-7. Lending organization reports. -- Any participating lending organizations shall submit to the commerce corporation annual reports stating the following: the number of program loans made; the amount of program funding used for loans; the use of loan proceeds by the borrowers; the number of jobs created or retained; a description of the economic development generated; the status of each outstanding loan; and such other information as the commerce corporation may require.

42-64.25-8. Audits. -- The commerce corporation may conduct audits of any participating lending organization in order to ensure compliance with the provisions of this chapter, any regulations promulgated with respect thereto and agreements between the lending organizations and the commerce corporation on all aspects of the use of program funds and program loan transactions. In the event that the commerce corporation finds noncompliance, the commerce corporation may terminate the lending organization's participation in the program.

42-64.25-9. Termination. -- Upon termination of a lending organization's participation in the program, the lending organization shall return to the commerce corporation, promptly after its demand therefor, an accounting of all program funds received by the lending organization, including a transfer of all currently outstanding loans that were made using program funds. Notwithstanding such termination, the lending organization shall remain liable to the commerce corporation with respect to any unpaid amount due from the lending organization pursuant to the terms of the commerce corporation's provision of funds to the lending organization.

42-64.25-10. Discretion. -- The commerce corporation shall have no obligation to grant any loan under this chapter or provide any funding to a lending organization.

42-64.25-11. Limitations. -- (a) The commerce corporation shall not grant any financial commitment from state program funds to any applicant in excess of seven hundred and fifty thousand (\$750,000) dollars under this program.

(b) The commerce corporation shall have no authority to award grants except to technical assistance providers under this program.

42-64.25-12. Reporting requirements. -- The commerce corporation shall publish a report on the small business capital access fund at the end of each fiscal year. The report shall contain information on the commitment, disbursement, and use of funds allocated under the fund. The report shall also, to the extent practicable, track the economic impact of projects that have been completed using the fund. The report is due no later than sixty (60) days after the end of the fiscal year, and shall be provided to the speaker of the house of representatives and the president of the senate.

42-64.25-13. Program integrity. -- Program integrity being of paramount importance, the commerce corporation shall establish procedures to ensure ongoing compliance with the terms and conditions of the program established herein, including procedures to safeguard the expenditure of public funds and to ensure that the funds further the objectives of the program.

42-64.25-14. Sunset. -- No grants, funding, or incentives shall be authorized pursuant to this chapter after December 31, 2018.

SECTION 9. Title 42 of the General Laws entitled "STATE AFFAIRS AND GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 64.26

STAY INVESTED IN RI WAVEMAKER FELLOWSHIP

42-64.26-1. Short title. -- This chapter shall be known as the "Stay Invested in RI Wavemaker Fellowship."

42-64.26-2. Legislative findings. -- The general assembly finds and declares:

(1) A well-educated citizenry is critical to this state's ability to compete in the national and global economies.

(2) Higher education both benefits individual students and is a public good benefitting the state as a whole.

(3) Excessive student loan debt is impeding economic growth in this state. Faced with excessive repayment burdens, many individuals are unable to start businesses, invest or buy homes, and may be forced to leave the state in search of higher paying jobs elsewhere.

(4) Relieving student loan debt would give these individuals greater control over their earnings, would increase entrepreneurship and demand for goods and services, and would enable employers in this state to recruit and retain graduates in the fields of science, technology, engineering and mathematics.

(5) The Stay Invested in RI Wavemaker Fellowship is designed to achieve the following goals:

(i) Promote economic opportunity for people in this state by ensuring access to the training and higher education that higher-paying jobs require;

(ii) Bring more and higher-paying jobs to this state by increasing the skill level of this state's workforce;

(iii) Offer educational opportunity and retraining to individuals impacted by job loss, workplace injury, disability or other hardship;

(iv) Keep young people in the state through incentives for educational opportunity and creation of more high-paying jobs;

(v) Encourage an entrepreneurial economy in Rhode Island; and

(vi) Accomplish all of the goals in this chapter with as little bureaucracy as possible.

42-64.26-3. Definitions. -- As used in this chapter:

(1) "Eligible graduate" means an individual who meets the eligibility requirements under this chapter.

(2) "Applicant" means an eligible graduate who applies for a tax credit for education loan repayment expenses under this chapter.

(3) "Award" means a tax credit awarded by the commerce corporation to an applicant as provided under this chapter.

(4) "Taxpayer" means an applicant who receives a tax credit under this chapter.

(5) "Commerce corporation" means the Rhode Island commerce corporation established pursuant to chapter 64 of title 42.

(6) "Eligible expenses" or "education loan repayment expenses" means annual higher education loan repayment expenses, including, without limitation, principal, interest and fees, as may be applicable, incurred by an eligible graduate and which the eligible graduate is obligated to repay for attendance at a post-secondary institution of higher learning.

(7) "Eligibility period" means a term of up to four (4) consecutive service periods beginning with the date that an eligible graduate receives initial notice of award under this chapter and expiring at the conclusion of the fourth service period after such date specified.

(8) "Eligibility requirements" means the following qualifications or criteria required for an applicant to claim an award under this chapter:

(i) That the applicant shall have graduated from an accredited two (2) year, four (4) year or graduate post-secondary institution of higher learning with an associate's, bachelor's, graduate, or post-graduate degree and at which the applicant incurred education loan repayment expenses;

(ii) That the applicant shall be a full-time employee with a Rhode Island-based employer located in this state throughout the eligibility period, whose employment is for work in one or more of the following covered fields: life, natural or environmental sciences; computer, information or software technology; advanced mathematics or finance; engineering; industrial design or other commercially related design field; or medicine or medical device technology.

(9) "Full-time employee" means a person who is employed by a business for consideration for a minimum of at least thirty-five (35) hours per week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, or who is employed by a professional employer organization pursuant to an employee leasing agreement between the business and the professional employer organization for a minimum of thirty-five (35) hours per week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, and whose wages are subject to withholding.

(10) "Service period" means a twelve (12) month period beginning on the date that an eligible graduate receives initial notice of award under this chapter.

(11) "Student loan" means a loan to an individual by a public authority or private lender to assist the individual to pay for tuition, books, and living expenses in order to attend a post-secondary institution of higher learning.

(12) "Rhode Island-based employer" means (i) an employer having a principal place of business or at least fifty-one percent (51%) of its employees located in this state; or (ii) an employer registered to conduct business in this state that reported Rhode Island tax liability in the previous tax year.

(13) "Fund" refers to the "Stay Invested in RI Wavemaker Fellowship Fund" established pursuant to § 42-64.26-4.

42-64.26-4. Establishment of fund; Purposes; Composition. -- (a) There is hereby established the "Stay Invested in RI Wavemaker Fellowship Fund" (the "fund") to be administered by the commerce corporation as set forth in this chapter.

(b) The purpose of the fund is to expand employment opportunities in the state and to

retain talented individuals in the state by providing tax credits in relation to education loan repayment expenses to applicants who meet the eligibility requirements under this chapter.

(c) The fund shall consist of:

(1) Money appropriated in the state budget to the fund;

(2) Money made available to the fund through federal programs or private contributions;

and

(3) Any other money made available to the fund.

(d) The fund shall be used to pay for the redemption of tax credits or reimbursement to the state for tax credits applied against a taxpayer's tax liability. The fund shall be exempt from attachment, levy or any other process at law or in equity. The director of the department of revenue shall make a requisition to the commerce corporation for funding during any fiscal year as may be necessary to pay for the redemption of tax credits presented for redemption or to reimburse the state for tax credits applied against a taxpayer's tax liability. The commerce corporation shall pay from the fund such amounts as requested by the director of the department of revenue necessary for redemption or reimbursement in relation to tax credits granted under this chapter.

42-64.26-5. Administration. -- (a) Application.-- An eligible graduate claiming an award under this chapter shall submit to the commerce corporation an application in the manner that the commerce corporation shall prescribe.

(b) Upon receipt of a proper application from an applicant who meets all of the eligibility requirements, the commerce corporation shall select applicants on a competitive basis to receive credits for up to a maximum amount for each service period of one thousand dollars (\$1,000) for an associate's degree holder, four thousand dollars (\$4,000) for a bachelor's degree holder, and six thousand dollars (\$6,000) for a graduate or post-graduate degree holder, but not to exceed the education loan repayment expenses incurred by such taxpayer during each service period completed, for up to four (4) consecutive service periods provided that the taxpayer continues to meet the eligibility requirements throughout the eligibility period. The commerce corporation shall delegate the selection of the applicants that are to receive awards to a fellowship committee to be convened by the commerce corporation and promulgate the selection procedures the fellowship committee will use, which procedures shall require that the committee's consideration of applications be conducted on a name-blind and employer-blind basis and that the applications and other supporting documents received or reviewed by the fellowship committee shall be redacted of the applicant's name, street address, and other personally-identifying information as well as the applicant's employer's name, street address, and other employer-identifying information. The commerce corporation shall determine the composition of the fellowship committee and the selection procedures it will use in consultation with the state's chambers of commerce.

(c) The credits awarded under this chapter shall not exceed one hundred percent (100%) of the education loan repayment expenses incurred by such taxpayer during each service period completed for up to four (4) consecutive service periods. Tax credits shall be issued annually to the taxpayer upon proof that (i) the taxpayer has actually incurred and paid such education loan repayment expenses; (ii) the taxpayer continues to meet the eligibility requirements throughout the service period; (iii) The award shall not exceed the original loan amount plus any capitalized interest less award previously claimed under this section; and (iv) that the taxpayer claiming an award is current on his or her student loan repayment obligations.

(d) The commerce corporation shall not commit to overall awards in excess of the

amount contained in the fund.

(e) The commerce corporation shall reserve seventy percent (70%) of the awards issued in a calendar year to applicants who are permanent residents of the state of Rhode Island or who attended an institution of higher education located in Rhode Island when they incurred the education loan expenses to be repaid.

(f) In administering award, the commerce corporation shall:

(1) Require suitable proof that an applicant meets the eligibility requirements for award under this chapter;

(2) Determine the contents of applications and other materials to be submitted in support of an application for award under this chapter; and

(3) Collect reports and other information during the eligibility period for each award to verify that a taxpayer continues to meet the eligibility requirements for an award.

42-64.26-6. Reporting. -- (a) The commerce corporation shall require taxpayers to submit annual reports, in such form and on such dates as the commerce corporation shall require, in order to confirm that the taxpayer continues to meet all of the eligibility requirements of this chapter and as a prerequisite to funding any award of tax credits under this chapter.

(b) Notwithstanding any other provision of law, no taxpayer shall receive an award without first consenting to the public disclosure of the receipt of any award given under this chapter. The commerce corporation shall annually publish a list of taxpayers receiving awards under this program, their post-secondary institution of higher learning, and their employer on the commerce corporation website and in such other locations as it deems appropriate.

42-64.26-7. Remedies. -- (a) If an eligible graduate receiving an award under this chapter violates any provision of this chapter or ceases to meet the eligibility requirements of this chapter, the commerce corporation may, on reasonable notice:

(1) Withhold further award until the taxpayer complies with the eligibility or other requirements of the award; or

(2) Terminate the award.

42-64.26-8. Carry forward and redemption of tax credits. -- (a) If the amount of the tax credit allowed under this chapter exceeds the taxpayer's total tax liability for the year in which the credit is allowed, the amount of such credit that exceeds the taxpayer's tax liability may be carried forward and applied against the taxes imposed for the succeeding four (4) years, or until the full credit is used, whichever occurs first.

(b) The tax credit allowed under this chapter may be used as a credit against personal income taxes imposed under chapter 30 of title 44.

(c) The division of taxation shall at the request of a taxpayer redeem such credits in whole or in part for one hundred percent (100%) of the value of the tax credit.

(d) Any amounts paid to a taxpayer for the redemption of tax credits allowed pursuant to this section shall be exempt from taxation under title 44 of the General Laws.

42-64.26-9. Implementation guidelines, rules, regulations. -- (a) The commerce corporation may adopt implementation guidelines, rules, and regulations pursuant to § 42-35-3 as are necessary for the implementation of this chapter.

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

(c) The division of taxation may adopt implementation guidelines, directives, criteria, and rules and regulations pursuant to section 42-35-3 of the General Laws, as are necessary for the implementation of the division's responsibilities under this chapter.

42-64.26-10. Promotion by state agencies. -- (a) The commerce corporation and any other agencies engaging in education-related outreach shall integrate promotion of the program into existing educational opportunity outreach efforts to the extent possible in a manner consistent with the scope of the program and its centrality to the state's efforts to raise educational attainment, including, without limitation, promoting the program to Rhode Island permanent residents who enroll in accredited Rhode Island colleges or universities and receive financial aid in the form of student loans.

42-64.26-11. Program integrity. -- Program integrity being of paramount importance, the commerce corporation shall establish procedures to ensure ongoing compliance with the terms and conditions of the program established herein and to safeguard the expenditure of public funds.

42-64.26-12. Sunset. -- No incentives or credits shall be authorized pursuant to this chapter after December 31, 2018.

SECTION 10. Title 42 of the General Laws entitled "STATE AFFAIRS AND GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 64.27

MAIN STREET RHODE ISLAND STREETScape IMPROVEMENT FUND

42-64.27-1. Statement of intent. -- It is the intention of the general assembly to foster private-public partnerships in relation to improvement of streetscapes in local business districts by creating a funding program to stimulate investment in such improvements, thus enhancing the environment for business and attracting further investment.

42-64.27-2. Fund established. -- The main street RI streetscape improvement fund is hereby created within the Rhode Island commerce corporation. The commerce corporation is authorized, within available appropriations, to award loans, matching grants, and other forms of financing to facilitate improvement of streetscapes such as but not limited to (1) enhanced sidewalks, (2) new wayfinding signage, (3) upgraded building facades, and (4) improved street and public space lighting, in support of creating an attractive environment for small business development and commerce. Applications and awards of grants or loans shall be on a rolling basis. There is established an account in the name of the "main street RI streetscape improvement fund" under the control of the commerce corporation, and the commerce corporation shall pay into such account any eligible funds available to the commerce corporation from any source, including funds appropriated by the state and any grants made available by the United States or any agency of the United States.

42-64.27-3. Rules and regulations. -- The commerce corporation is hereby authorized to promulgate such rules and regulations as are necessary to fulfill the purposes of this chapter, including the criteria by which grant or loan applications will be judged and awarded.

42-64.27-4. Reporting requirements. -- The commerce corporation shall publish a report on the main street RI streetscape improvement fund at the end of each fiscal year. The report shall contain information on the commitment, disbursement, and use of funds allocated under the fund. The report shall also, to the extent practicable, track the economic impact of projects that have been completed using the fund. The report is due no later than sixty (60) days after the end of the fiscal year, and shall be provided to the speaker of the house of representatives and the president of the senate.

42-64.27-5. Program integrity. -- Program integrity being of paramount importance, the commerce corporation shall establish procedures to ensure ongoing compliance with the terms and conditions of the program established herein, including procedures to safeguard the

expenditure of public funds and to ensure that the funds further the objectives of the program.

42-64.27-6. Sunset. -- No incentives shall be authorized pursuant to this chapter after December 31, 2018.

SECTION 11. Title 42 of the General Laws entitled "STATE AFFAIRS AND GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 64.28

INNOVATION INITIATIVE.

42-64.28-1. Legislative findings. -- (a) While large enterprises have the expert personnel and financial resources to make strategic investments in innovation, few small businesses have the resources to do so. The resulting underinvestment in innovation stunts the growth of Rhode Island's economy, inhibits the potential of small businesses and impedes local universities and other technological resources from providing technological input and other developmental assistance to such small businesses. It is the intention of the general assembly to foster innovation in small businesses and increase demand for technological services by creating an innovation initiative. This initiative will further advance the competitiveness of Rhode Island's companies in the national and global economies and result in the creation and/or retention of jobs and tax revenues for the state.

42-64.28-2. Definitions. -- As used in this chapter:

(1) "Commerce corporation" means the Rhode Island commerce corporation established pursuant to General Laws § 42-64-1 et. seq.

(2) "Small business" means a business that is resident in Rhode Island, has its business facility located within the state, and employs five hundred (500) or fewer persons.

(3) "Match" shall mean a funding match, or in kind services provided by a third party.

(4) "Targeted industry" means any advanced, promising or otherwise prioritized industry identified in the economic development vision and policy promulgated pursuant General Laws § 42-64.17-1 or, until such time as any such economic development vision and policy is promulgated, as identified by the commerce corporation.

42-64.28-3. Programs established. -- (a) The Rhode Island commerce corporation shall establish a voucher program and an innovation network program as provided under this chapter. The programs are subject to available appropriations and such other funding as may be dedicated to the programs.

(b) There is established an account in the name of the "innovation initiative fund" (the "fund") under the control of the commerce corporation to fund the programs.

(1) The fund shall consist of:

(i) Money appropriated in the state budget to the fund;

(ii) Money made available to the fund through federal grants, programs or private contributions;

(iii) Application or other fees paid to the fund to process applications for awards under this chapter; and

(iv) Any other money made available to the fund.

(c) Voucher program --The commerce corporation is authorized, to develop and implement an innovation voucher program to provide financing to small businesses to purchase research and development support or other forms of technical assistance and services from Rhode Island institutions of higher education and other providers.

(d) Innovation network program -- The commerce corporation is authorized to provide innovation grants to organizations, including non-profit organizations, for-profit organizations,

universities, and co-working space operators that offer technical assistance, space on flexible terms, and access to capital to businesses in advanced or targeted industries. The commerce corporation shall only issue grants under this section when those grants are matched by private sector or non-profit partners. The commerce corporation shall establish guidelines for appropriate matching criteria under this section, including necessary matching ratios.

42-64.28-4. Eligible uses. -- (a) Vouchers available under this chapter shall be used for the benefit of small businesses to access technical assistance and other services including, but not limited to, research, technological development, product development, commercialization, market development, technology exploration, and improved business practices that implement strategies to grow business and create operational efficiencies.

(b) Matching fund awards shall be used for the benefit of small businesses in industries designated from time-to-time by the corporation, including without limitation, life science and healthcare; food and agriculture; clean technology and energy efficiency; and cyber security to pay for and access technological assistance, to procure space on flexible terms, and to access capital from organizations, including non-profit organizations, for-profit organizations, universities, and co-working space businesses.

42-64.28-5. Qualification. -- To qualify for a voucher or for a matching fund award under this chapter, a business must make application to the commerce corporation, and upon selection, shall enter into an agreement with the commerce corporation. The commerce corporation shall have no obligation to issue any voucher, make any award or grant any benefits under this chapter.

42-64.28-6. Voucher amounts and matching fund awards. -- (a) Voucher award amounts to a selected applicant shall be determined by the corporation, to be in the minimum amount of five thousand dollars (\$5,000) and the maximum amount of fifty thousand dollars (\$50,000), subject to appropriations or other available moneys in the fund.

(b) Matching fund awards shall be awarded to organizations in an amount approved by the corporation, subject to appropriations or other available moneys in the fund.

42-64.28-7. Rules and regulations. -- The commerce corporation is hereby authorized to promulgate such rules and regulations as are necessary to fulfill the purposes of this chapter, including the criteria by which voucher and matching fund applications will be judged, awards will be approved, and vendors of services will be approved.

42-64.28-8. Program integrity. -- Program integrity being of paramount importance, the commerce corporation shall establish procedures to ensure ongoing compliance with the terms and conditions of the program established herein, including procedures to safeguard the expenditure of public funds and to ensure that the funds further the objectives of the program.

42-64.28-9. Reporting requirements. -- The commerce corporation shall submit a report annually, no later than sixty (60) days after the end of the fiscal year to the speaker of the house and the president of the senate detailing: (1) the total amount of innovation vouchers and matching funds awarded; (2) the number of innovation vouchers and matching fund awards approved, (3) the amount of each voucher or matching fund award and a description of services purchased; and (4) such other information as the commerce corporation deems necessary.

42-64.28-10. Sunset. -- No vouchers, grants, or incentives shall be authorized pursuant to this chapter after December 31, 2018.

SECTION 12. Title 42 of the General Laws entitled "STATE AFFAIRS AND GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 64.29

INDUSTRY CLUSTER GRANTS

42-64.29-1. Statement of intent. -- Robust industry clusters – geographic concentrations of interconnected firms and related institutions in a field – drive competitiveness and innovation by fostering dynamic interactions among businesses such as labor force pooling, supplier specialization, collaborative problem solving, technology exchange and knowledge sharing. It is the intention of the general assembly to foster such industry clusters by creating a grant program to stimulate cluster initiatives and enhance industry competitiveness.

42-64.29-2. Fund established. -- The industry cluster grant fund (the "fund") is hereby created within the Rhode Island commerce corporation. The commerce corporation is authorized, within available appropriations, to award grants to organizations on a competitive basis as more particularly set forth in this chapter. Applications and awards of grants shall be on a rolling basis, and the commerce corporation shall only issue grants up to the amount contained in the fund. There is established an account in the name of the fund under the control of the commerce corporation, and the commerce corporation shall pay into such account any eligible funds available to the commerce corporation from any source, including funds appropriated by the state and any grants made available by the United States Government or any agency of the United States Government.

42-64.29-3. Startup and technical assistance grants. -- Startup and technical assistance grants of seventy-five thousand dollars to two hundred fifty thousand dollars shall be made available to support activities within the industry cluster that enable collaboration among businesses and other institutions in order to advance innovation and increase sector profitability. Eligible organizations may be regional or statewide in scope and may include, but not solely be composed of, relevant companies or institutions outside of Rhode Island. The commerce corporation shall establish, by regulation, both (a) the criteria for issuing grants under this section; and (b) a process for receiving and reviewing applications for grants under this section.

42-64.29-4. Competitive program grants. -- (a) Competitive program grants of one hundred thousand dollars to five hundred thousand dollars shall be made available to support activities to overcome identified cluster gaps and documented constraints on cluster growth or to improve clusters' effectiveness. The commerce corporation shall establish, by regulation, both (1) the criteria for issuing competitive program grants under this section; and (2) a process for receiving and reviewing applications for grants under this section. The criteria that the commerce corporation establishes to evaluate applications for grants under this section shall include objective evidence of the entity's organizational capacity, degree of internal acceptance of the proposed program, economic rationale for the proposed activity to be funded and the entity's ability to raise future funds to sustain the activity when the grant has been expended.

(b) The commerce corporation shall have no obligation to make any award or grant any benefits under this chapter.

42-64.29-5. Rules and regulations. -- The commerce corporation is hereby authorized to promulgate such rules and regulations as are necessary to fulfill the purposes of this chapter, including the criteria by which grant applications will be judged and awarded.

42-64.29-6. Program integrity. -- Program integrity being of paramount importance, the commerce corporation shall establish procedures to ensure ongoing compliance with the terms and conditions of the program established herein, including procedures to safeguard the expenditure of public funds and to ensure that the funds further the objectives of the program.

42-64.29-7. Annual report. -- (a) The commerce corporation shall submit a report annually detailing: (1) The total amount of grants awarded; (2) The number of grants awarded;

(3) The amount of each grant and the private funds matching such grants; (4) The recipients of the grants; (5) The specific activities undertaken by recipients of grants; and (6) Such other information as the commerce corporation deems necessary.

(b) The report required under subsection (a) of this section is due no later than sixty (60) days after the end of the fiscal year, and shall be provided to the speaker of the house of representatives and the president of the senate.

42-64.29-8. Sunset. -- No grants or incentives shall be authorized to be reserved pursuant to this chapter after December 31, 2018.

SECTION 13. Title 42 of the General Laws entitled "STATE AFFAIRS AND GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 64.30

ANCHOR INSTITUTION TAX CREDIT

42-64.30-1. Short title. -- This chapter shall be known and may be cited as the "Anchor Institution Tax Credit Act."

42-64.30-2. Statement of intent. -- It is to the advantage of the state of Rhode Island and its people to attract businesses to locate in Rhode Island thereby increasing the vitality of the Rhode Island economy. It is the intention of the general assembly to give existing Rhode Island businesses an incentive to encourage businesses in their supply chain, service providers or customers to relocate to Rhode Island by giving existing Rhode Island businesses a tax credit when they are able to bring about a business relocation to this state.

42-64.30-3. Definitions. -- As used in this act:

(1) "Commerce corporation" means the Rhode Island commerce corporation established pursuant to general laws § 42-64-1 et. seq.

(2) "Eligibility period" means the period in which a Rhode Island business may claim a tax credit under this act, beginning with the tax period in which the commerce corporation accepts certification by the Rhode Island business that it has played a substantial role in the decision of a qualified business to relocate to Rhode Island and extending thereafter for a term of five (5) years.

(3) "Hope community" means a municipality for which the five (5) year average percentage of families with income below the federal poverty level exceeds the state five (5) year average percentage, both most recently reported by the U.S. Department of Commerce, Bureau of the Census.

(4) "Qualified business" means an entity that supplies goods or services to a Rhode Island business or is a material service provider or a material customer of a Rhode Island business, or is an affiliate of such supplier, service provider or customer.

(5) "Qualifying relocation" means a qualified business with the minimum number of employees as set forth in 42-64.30-5(a)(1) and (2), which moves an existing facility to the state of Rhode Island or constructs a new facility to supply goods or services to a Rhode Island business.

(6) "Rhode Island business" means a business enterprise physically located in, and authorized to do business in, the state of Rhode Island.

(7) "Taking possession" means executing a lease, acquiring title or otherwise committing to occupy as defined by the commerce corporation.

42-64.30-4. Establishment of anchor institution tax credit. -- The tax credit program is hereby established as a program under the jurisdiction of the commerce corporation and shall be administered by the commerce corporation. The purposes of the program are to encourage

economic development and job creation in connection with the relocation of qualified businesses to the state of Rhode Island by providing an incentive to existing Rhode Island businesses to encourage a qualified business to relocate to Rhode Island. To implement these purposes, the program may provide tax credits to eligible businesses for a period of five (5) years.

42-64.30-5. Allowance of tax credits. -- (a) A Rhode Island business, upon application to and approval from the commerce corporation, shall be allowed a credit as set forth hereinafter against taxes imposed under applicable provisions of title 44 of the general laws for having played a substantial role in the decision of a qualified business to relocate a minimum number of jobs as provided below:

(1) For the years 2015 through 2018, not less than ten (10) employees to Rhode Island;
and

(2) For the years 2019 through 2020, not less than twenty-five (25) employees to Rhode Island.

(b) To be eligible for the tax credit, an existing Rhode Island business must demonstrate to the commerce corporation, in accordance with regulations promulgated by the commerce corporation, that it played a substantial role in the decision of a qualified business to relocate.

(c) If the commerce corporation approves an application, then an eligible Rhode Island business which has procured a qualifying relocation shall be entitled to a tax credit. The amount of the tax credit shall be based upon criteria to be established by the commerce corporation. Such criteria shall include the number of jobs created, types of jobs and compensation, industry sector and whether the relocation benefits a hope community.

(d) In determination of the tax credit amount, the commerce corporation may take into account such factors as area broker's fees, the strategic importance of the businesses involved, and the economic return to the state. The tax credits issued under this chapter shall not exceed the funds appropriated for these credit(s).

(e) A Rhode Island business qualifying for the tax credit under this chapter shall not be eligible to receive a credit in excess of seventy-five percent (75%) of the amount appropriated in the fiscal year in which the tax credits are issued.

(f) Tax credits allowed pursuant to this chapter shall be allowed for the taxable year in which the existing Rhode Island business demonstrates, to the satisfaction of the commerce corporation, both (1) that a certificate of occupancy issues for the project or as of a lease commencement date or other such related commitment; and (2) that the qualified business has created the number of net new jobs required by § 42-64.30-5(a)(1) and (2).

(g) The tax credit allowed under this chapter may be used as a credit against corporate income taxes imposed under chapters 11, 12, 13, 14, or 17, of title 44.

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

(i) If the existing Rhode Island business has not claimed the tax credit allowed under this chapter in whole or part, the existing Rhode Island business eligible for the tax credit shall, prior to assignment or transfer to a third party, file a request with the division of taxation to redeem the tax credit in whole or in part to the state. Within ninety (90) days from the submission of a request to the division of taxation to redeem the tax credits, the division shall be entitled to redeem the tax credits in exchange for payment by the state to the existing Rhode Island business of (1) one hundred percent (100%) of the value of the portion of the tax credit redeemed, or (2) for tax credits redeemed in whole, one hundred percent (100%) of the total remaining value of

the tax credit; provided, however, that the redemption shall be prorated equally over each year of the remaining term of the eligible period of the tax credit.

(j) Any redemption under subsection (h) of this section shall be subject to annual appropriation by the general assembly.

42-64.30-6. Administration. -- (a) To be eligible to receive a tax credit authorized by this chapter, an existing Rhode Island business shall apply to the commerce corporation for approval prior to the qualified business commencing a relocation search within the state for a certification that the existing Rhode Island business qualifies for tax credits under this chapter. Such approval shall require:

(1) That the qualified business has submitted a completed application as developed by the commerce corporation;

(2) That the chief executive officer of the commerce corporation provide written confirmation to the commerce corporation board that (i) the commerce corporation has reviewed the application and any determination regarding the potential impact on the qualified business's ability to promote the retention and expansion of existing jobs, stimulate the creation of new jobs, including good-paying jobs, attract new business and industry to the state, and stimulate growth in real estate developments and/or businesses that are prepared to make meaningful investment and foster job creation in the state; and (ii) of the recommendation of the commerce corporation as to the total credits to be awarded to the applicant; and

(3) That the secretary of commerce provide written confirmation to the commerce corporation board that the recommendation of the commerce corporation is consistent with the purposes of this chapter.

(b) The commerce corporation and the division of taxation shall be entitled to rely on the facts represented in the application and upon the certification of a certified public accountant licensed in the state of Rhode Island with respect to the requirements of this chapter.

(c) The tax credits provided for under this chapter shall be granted at the discretion of the commerce corporation.

(d) If information comes to the attention of the commerce corporation at any time up to and including the last day of the eligibility period that is materially inconsistent with representations made in an application, the commerce corporation may deny the requested certification, or revoke a certification previously given, with any processing fees paid to be forfeited.

42-64.30-7. Rules and regulations. -- The commerce corporation is hereby authorized to promulgate such rules and regulations as are necessary to fulfill the purposes of this chapter, including the criteria by which applications for tax credit will be evaluated and approved and to provide for repayment of credits received if the qualified business leaves Rhode Island within a period of time to be established by the commerce corporation. The division of taxation is hereby authorized to promulgate such rules and regulations as are necessary to fulfill the purposes of this chapter.

42-64.30-8. Anchor institution tax credit fund. -- There is hereby established at the commerce corporation a restricted account known as the Anchor Institution tax credit fund (the "fund") in which all amounts appropriated for the redemption and/or reimbursement of tax credits under this chapter shall be deposited. The Fund shall be used to pay for the redemption of tax credits or reimbursement to the state for tax credits applied against a taxpayer's liability. The Fund shall be exempt from attachment, levy or any other process at law or in equity. The director of the department of revenue shall make a requisition to the commerce corporation for funding

during any fiscal year as may be necessary to pay for the redemption of tax credits presented for redemption or to reimburse the state for tax credits applied against a taxpayer's tax liability. The commerce corporation shall pay from the Fund such amounts as requested by the director of the department of revenue necessary for redemption or reimbursement in relation to tax credits granted under this chapter.

42-64.30-9. Program integrity. -- Program integrity being of paramount importance, the commerce corporation shall establish procedures to ensure ongoing compliance with the terms and conditions of the program established herein, including procedures to safeguard the expenditure of public funds and to ensure that the funds further the objectives of the program.

42-64.30-10. Reports. -- (a) By September 1, 2016 and each year thereafter, the commerce corporation shall report the name, address, and amount of tax credit approved each credit recipient during the previous state fiscal year to the governor, the speaker of the house of representatives, the president of the senate, the chairpersons of the house and senate finance committees, the house and senate fiscal advisors, and the department of revenue. Such report shall include any determination regarding the potential impact on an approved qualified relocation's ability to stimulate business development; retain and attract new business and industry to the state; create good-paying jobs for its residents; assist with business, commercial, and industrial real estate development; and generate revenues for necessary state and local governmental services.

(b) By October 1, 2016 and each year thereafter, the commerce corporation shall report for the year previous the total number of agreements and associated amount of approved tax credits. This report shall be available to the public for inspection by any person and shall be published by the commerce corporation on its website and by the secretary of commerce on the executive office of commerce website.

(c) By October 1st of each year the division of taxation shall report the name, address, and amount of tax credit received for each credit recipient during the previous state fiscal year to the governor, the chairpersons of the house and senate finance committees, the house and senate fiscal advisors, and the department of labor and training.

42-64.30-11. Sunset. -- No credits shall be authorized to be reserved pursuant to this chapter after December 31, 2018.

SECTION 14. Section 44-48.2-3 of the General Laws in Chapter 44-48.2 entitled "Rhode Island Economic Development Tax Incentives Evaluation Act of 2013" is hereby amended to read as follows:

44-48.2-3. Economic development tax incentive defined. -- (a) As used in this section, the term "economic development tax incentive" shall include:

(1) Those tax credits, deductions, exemptions, exclusions, and other preferential tax benefits associated with §§ 42-64.3-6, 42-64.3-7, 42-64.5-3, 42-64.6-4, 42-64.11-4, 44-30-1.1, 44-31-1, 44-31-1.1, 44-31-2, 44-31.2-5, 44-32-1, 44-32-2, 44-32-3, 44-39.1-1, 44-43-2, 44-43-3, and 44-63-2, and chapters 64.20, 64.21, 64.26, 64.30 of title 42 and chapter 48.3 of title 44;

(2) Any future incentives enacted after the effective date of this section for the purpose of recruitment or retention of businesses in the state of Rhode Island.

(b) In determining whether a future tax incentive is enacted for "the purpose of recruitment or retention of businesses", the office of revenue analysis shall consider legislative intent, including legislative statements of purpose and goals, and may also consider whether the tax incentive is promoted as a business incentive by the state's economic development agency or other relevant state agency.

SECTION 15. Title 44 of the General Laws entitled "TAXATION" is hereby amended by adding thereto the following chapter:

CHAPTER 48.3

RHODE ISLAND NEW QUALIFIED JOBS INCENTIVE ACT 2015

44-48.3-1. Short title. -- This chapter shall be known and may be cited as the "Rhode Island Qualified Jobs Incentive Act of 2015."

44-48.3-2. Findings and declaration. -- (a) It is hereby found and declared that due to long-term and short-term negative economic trends in Rhode Island, businesses in the state have found it difficult to make investments that would stimulate economic activity and create new jobs. This situation has contributed to a rate of unemployment in Rhode Island that is higher than our neighbors and among the highest in the nation. Consequently, a need exists to promote the creation of new jobs, attract new business and industry, and stimulate growth in businesses that are prepared to make meaningful investment and foster job creation in Rhode Island.

(b) Through the establishment of a jobs incentive program, Rhode Island can take steps to stimulate business expansion and attraction, create well-paying jobs for its residents, and generate revenues for necessary state and local governmental services.

44-48.3-3. Definitions. -- As used in this chapter, unless the context clearly indicates otherwise, the following words and phrases shall have the following meanings:

(1) "Affiliate" or "affiliated entity" means an entity that directly or indirectly controls, is under common control with, or is controlled by the business. Control exists in all cases in which the entity is a member of an affiliated group of corporations as defined pursuant to § 1504 of the Internal Revenue Code of 1986 (26 U.S.C. §1504) or the entity is an organization in a group of organizations under common control as defined pursuant to subsection (b) or (c) of § 414 of the Internal Revenue Code of 1986 (26 U.S.C. §414). A taxpayer may establish by clear and convincing evidence, as determined by the commerce corporation, that control exists in situations involving lesser percentages of ownership than required by those statutes. An affiliate of a business may contribute to meeting full-time employee requirements of a business that applies for a credit under this chapter.

(2) "Business" means an applicant that is a corporation, state bank, federal savings bank, trust company, national banking association, bank holding company, loan and investment company, mutual savings bank, credit union, building and loan association, insurance company, investment company, broker-dealer company or surety company, limited liability company, partnership or sole proprietorship.

(3) "Commerce corporation" means the Rhode Island commerce corporation established pursuant to chapter 64 of title 42.

(4) "Commitment period" means the period of time that at a minimum is twenty percent (20%) greater than the eligibility period.

(5) "Eligibility period" means the period in which a business may claim a tax credit under the program, beginning at the end of the tax period in which the commerce corporation issues a certification for the business that it has met the employment requirements of the program and extending thereafter for a term of not more than ten (10) years.

(6) "Eligible position" or "full-time job" means a full-time position in a business which has been filled with a full-time employee who earns no less than the median hourly wage as reported by the United States Bureau of Labor Statistics for the state of Rhode Island, provided, that for economically fragile industries such as manufacturing, the commerce corporation may reduce the wage threshold. An economically fragile industry shall not include retail.

(7) "Full-time employee" means a person who is employed by a business for consideration for at least thirty-five (35) hours a week, or who is employed by a professional employer organization pursuant to an employee leasing agreement between the business and the professional employer organization for at least thirty-five (35) hours a week, and whose wages are subject to withholding.

(8) "Hope community" means municipalities with a percentage of families below the poverty level that is greater than the percentage of families below the poverty level for the state as a whole as determined by the United States Census Bureau's most recent American Community Survey.

(9) "Incentive agreement" means the contract between the business and the commerce corporation, which sets forth the terms and conditions under which the business shall be eligible to receive the incentives authorized pursuant to the program.

(10) "Incentive effective date" means the date the commerce corporation issues a certification for issuance of tax credit based on documentation submitted by a business pursuant to § 44-48.3-7.

(11) "New full-time job" means an eligible position created by the business that did not previously exist in this state and which is created after approval of an application to the commerce corporation under the program. Such job position cannot be the result of an acquisition of an existing company located in Rhode Island by purchase, merger, or otherwise. For the purposes of determining the number of new full-time jobs, the eligible positions of an affiliate shall be considered eligible positions of the business so long as such eligible position(s) otherwise meets the requirements of this section.

(12) "Partnership" means an entity classified as a partnership for federal income tax purposes.

(13) "Program" means the incentive program established pursuant to this chapter.

(14) "Targeted industry" means any industry identified in the economic development vision and policy promulgated under § 42-64.17-1 or, until such time as any economic development vision and policy is promulgated, as identified by the commerce corporation.

(15) "Taxpayer" means a business granted a tax credit under this chapter or such person entitled to the tax credit because the business is a pass through entity such as a partnership, S corporation, sole proprietorship or limited liability company taxed as a partnership.

(16) "Transit oriented development area" means an area in proximity to mass-transit infrastructure including, but not limited to, an airport, rail or intermodal facility that will be further defined by regulation of the commerce corporation in consultation with the Rhode Island department of transportation.

44-48.3-4. Rhode Island qualified jobs incentive program. -- (a) The Rhode Island qualified jobs incentive program is hereby established as a program under the jurisdiction of and shall be administered by the commerce corporation. The program may provide tax credits to eligible businesses for an eligibility period not to exceed ten (10) years.

(b) An eligible business under the program shall be entitled to a credit against taxes imposed pursuant to chapters 11, 13, 14, 17 or 30 of title 44 as further provided under this chapter.

(c) The minimum number of new full-time jobs required to be eligible for a tax credit under this program shall be as follows:

(1) For a business in a targeted industry that employs not more than one hundred (100) full-time employees on the date of application to the commerce corporation, the creation of at

least ten (10) new full-time jobs in this state;

(2) For a business in a targeted industry that employs more than one hundred (100) full-time employees on the date of application to the commerce corporation, either the creation of new full-time jobs in this state in an amount not less than ten percent (10%) of the business's existing number of full-time employees or the creation of at least one hundred (100) new full-time jobs in this state;

(3) For a business in a non-targeted industry that employs not more than two hundred (200) full-time employees on the date of application to the commerce corporation, the creation of at least twenty (20) new full-time jobs in this state; or

(4) For a business in a non-targeted industry that employs more than two hundred (200) full-time employees on the date of application to the commerce corporation, either the creation of new full-time jobs in this state in an amount not less than ten percent (10%) of the business's existing number of full-time employees or the creation of at least one hundred (100) new full-time jobs in this state.

(d) When a business applies for an incentive under this chapter, in order to assist the commerce corporation in determining whether the business is eligible for the incentives under this chapter, the business's chief executive officer, or equivalent officer, shall attest under oath:

(1) That any projected creation of new full-time jobs would not occur, or would not occur in the state of Rhode Island, but for the provision of tax credits under the program;

(2) The business will create new full-time jobs in an amount equal to or greater than the applicable number set forth in subsection (c) of this section;

(3) That the business's chief executive officer, or equivalent officer, has reviewed the information submitted to the commerce corporation and that the representations contained therein are accurate and complete.

(e)The commerce corporation shall establish, by regulation, the documentation an applicant shall be required to provide under this subsection. Such documentation may include documentation showing that the applicant could reasonably locate the new positions outside of this state, or that the applicant is considering locating the positions outside of this state, or that it would not be financially feasible for the applicant to create the positions without the tax credits provided in this chapter.

(f) In the event that this attestation by the business's chief executive officer, or equivalent officer, required under subsection (d) of this section is found to be willfully false, the commerce corporation may revoke any award of tax credits in their entirety, which revocation shall be in addition to any other criminal or civil penalties that the business and/or the officer may be subject to under applicable law. Additionally, the commerce corporation may revoke any award of tax credits in its entirety if the eligible business is convicted of bribery, fraud, theft, embezzlement, misappropriation, and/or extortion involving the state, any state agency or political subdivision of the state.

44-48.3-5. Incentive agreement required prior to issuance of tax credits. -- (a) The commerce corporation shall require an eligible business to enter into an incentive agreement prior to the issuance of tax credits. The incentive agreement shall include, but shall not be limited to, the following:

(1) A detailed description of the proposed job creation including industry sectors and the number of new full-time jobs that are sought to be approved for tax credits;

(2) The eligibility period of the tax credits, including the first year for which the tax credits may be claimed;

(3) A requirement that the applicant maintain the project at a location in Rhode Island for the commitment period, with at least the minimum number of full-time employees as required by this program;

(4) A method for the business to annually certify that it has met the employment requirements of the program for each year of the commitment period;

(5) A provision permitting an audit of the payroll records of the business from time to time, as the commerce corporation deems necessary;

(6) A provision establishing the conditions under which the agreement may be terminated;

(7) A provision that if, in any tax period, the business reduces the total number of full-time employees in its statewide workforce in the last tax period prior to the credit amount approval under this program by more than twenty percent (20%) of jobs for which a credit was granted under this chapter as described in the business's incentive agreement(s), then the business shall forfeit all credit amounts described in the business's incentive agreement(s) for that tax period and each subsequent tax period, until the first tax period for which documentation demonstrating the restoration of the business's statewide workforce to the threshold levels required by the incentive agreement(s) has been reviewed and approved by the commerce corporation, for which tax period and each subsequent tax period the full amount of the credit shall be allowed; and

(8) A provision that during the commitment period, if the business ceases operations in the state or transfers more than fifty percent (50%) of the jobs for which a credit was granted under this chapter to another state, the tax credit shall cease pursuant to this section and the business shall be liable to the state for, at a minimum, twenty percent (20%) of all tax benefits granted to the business under this chapter calculated from the date of the incentive agreement.

44-48.3-6. Total amount of tax credit for eligible business. -- (a) The base amount of the tax credit for an eligible business for each new full-time job shall be up to two thousand five hundred dollars (\$2,500) annually.

(b) The total tax credit amount shall be calculated and credited to the business annually for each year of the eligibility period after the commerce corporation, in consultation with the division of taxation, has verified that the jobs covered by the tax credit have generated sufficient personal income taxes to comply with subsection (e) of this section.

(c) In addition to the base amount of the tax credit, the amount of the tax credit to be awarded for each new full-time job may be increased, pursuant to the provisions of subsection (d) of this section, if the business meets any of the following criteria or such other additional criteria determined by the commerce corporation from time to time in response to evolving economic or market conditions:

(1) For a business located within a hope community;

(2) For a targeted industry;

(3) For a business located within a transit oriented development area; and

(4) For an out-of-state business that relocates a business unit or units or creates a significant number of new full-time jobs during the commitment period.

(d) For any application made to the commerce corporation from 2015 through 2018, the tax credit for an eligible business for each new full-time job shall not exceed seven thousand five hundred dollars (\$7,500) annually.

(e) Notwithstanding the provisions of subsections (a) through (d) of this section, for each application approved by the commerce corporation, the amount of tax credits available to be

obtained by the business annually shall not exceed the reasonable W-2 withholding received by the state for each new full-time job created by a business for applications received by the commerce corporation in 2015 through 2018.

(f) The commerce corporation shall establish regulations regarding the conditions under which a business may submit more than one application for tax credits over time. The commerce corporation may place limits on repeat applications.

44-48.3-7. Documentation. -- (a) A business shall submit documentation indicating that it has met the employment requirements specified in the incentive agreement for certification of its tax credit amount within three (3) years following the date of approval of its application by the commerce corporation. The commerce corporation, after a finding of good cause, may grant two (2) six (6) month extensions of this deadline. In no event shall the incentive effective date occur later than four (4) years following the date of approval of an application by the commerce corporation.

(b) Full-time employment for an accounting or privilege period shall be determined as the average of the monthly full-time employment for the period.

(c) In conducting its annual review of a business, the commerce corporation may require a business to submit any information determined by the commerce corporation to be necessary and relevant to its review.

(d) The credit amount for any tax period for which the documentation of a business's credit amount remains uncertified as of a date one year after the closing date of that period shall be forfeited, although credit amounts for the remainder of the years of the eligibility period shall remain available to the business.

44-48.3-8. Carry forward, transfer or redemption of tax credits, redemption fund. -- (a) If the amount of the tax credit allowed under this chapter exceeds the taxpayer's total tax liability for the year in which the credit is allowed, the amount of such credit that exceeds the taxpayer's tax liability may be carried forward and applied against the taxes imposed for the succeeding four (4) years, or until the full credit is used, whichever occurs first. Credits allowed to a partnership, a limited liability company taxed as a partnership, or multiple owners of property shall be passed through to the persons designated as partners, members or owners respectively pro rata or pursuant to an executed agreement among such persons designated as partners, members or owners documenting an alternate distribution method without regard to their sharing of other tax or economic attributes of such entity.

(b) The commerce corporation shall establish, by regulation, the process for the assignment, transfer or conveyance of tax credits.

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

(d) The tax credit allowed under this chapter may be used as a credit against corporate income taxes imposed under chapters 11, 13, 14, or 17 of title 44, or as determined by the commerce corporation may be used as a credit against personal income taxes imposed under

chapter 30 of title 44. No more than the amount of tax credits equal to the total credit amount divided by the duration of the eligibility period in years may be taken in any tax period.

(e) Prior to assignment or transfer of a tax credit granted under this chapter, the division of taxation shall, at the request of the business, redeem such credit in whole or in part for ninety percent (90%) of the value of the tax credit with monies in the jobs tax credit redemption fund created under subsection (f) of this section. The division of taxation shall establish by regulation a redemption process for tax credits.

(f) The division of taxation is hereby authorized and empowered to segregate taxes collected as a result of the creation of new full-time jobs under this chapter and transfer such amounts to the general treasurer for deposit in a restricted account known as the jobs tax credit redemption fund. The jobs tax credit redemption fund shall be used solely to pay for the redemption of tax credits granted under this chapter. The director of the department of revenue shall annually determine if a surplus exists in the job tax credit redemption fund over amounts necessary to redeem tax credits in a fiscal year and may authorize the general treasurer to transfer any surplus to the general fund.

(g) The unexpended balance of such sum of money received and appropriated for the jobs tax credit redemption fund remaining in the treasury at the close of each fiscal year, shall be continued to and is hereby annually appropriated for the same account for the ensuing year.

(h) The commerce corporation shall have no obligation to make any award or grant any benefits under this chapter.

44-48.3-9. Administration. -- (a) The commerce corporation may adopt implementation guidelines, directives, criteria, rules and regulations pursuant to chapter 35 of title 42 ("administrative procedures act") as are necessary to implement this chapter, including, but not limited to: the enumeration of specific targeted industries; specific delineation of the incentive areas; the promulgation of procedures and forms necessary to apply for a tax credit, including the enumeration of the certification procedures and allocation of tax credits; and provisions for tax credit applicants to be charged an initial application fee, and ongoing service fees, to cover the administrative costs related to the tax credit.

(b) For businesses adding jobs on the basis of a future federal procurement, the commerce corporation shall establish specific procedures.

(c) The division of taxation shall adopt rules as are necessary to implement this chapter.

44-48.3-10. Limitations. -- The incentives provided under this chapter shall not be granted in combination with any other job specific benefit provided by the state, the commerce corporation, or any other state agency, board, commission, quasi-public corporation or similar entity without the express authorization of the commerce corporation.

44-48.3-11. Program integrity. -- Program integrity being of paramount importance, the commerce corporation shall establish procedures to ensure ongoing compliance with the terms and conditions of the program established herein, including procedures to safeguard the expenditure of public funds and to ensure that the funds further the objectives of the program. At a minimum these procedures will include an audit, at least every three (3) years, of the process the commerce corporation followed in the administration of the program.

44-48.3-12. Discontinuance of further rate reductions and future beneficiaries under the jobs development act. -- (a) The rate reduction(s) provided pursuant to chapter 64.5 of title 42 of the general laws shall be discontinued effective July 1, 2015, except as provided in subsection (b) of this section.

(b) Any company that has qualified for a rate reduction pursuant to chapter 64.5 of title

42 prior to July 1, 2015, shall be entitled to maintain the rate reduction in effect as of June 30, 2015, and no additional rate reduction shall be permitted. All obligations of the company required under chapter 64.5 of title 42 to retain a rate reduction shall remain in full force and effect.

44-48.3-13. Reporting requirements. -- (a) By August 1st of each year, each applicant approved for credits under this chapter shall report to the commerce corporation and the division of taxation the following information:

(1) The number of total jobs created;

(2) The applicable north American industry classification survey annual system code of each job created;

(3) The annual salary of each job created;

(4) The address of each new employee;

(b) By September 1, 2016 and each year thereafter, the commerce corporation shall report the name, address, and amount of tax credit approved for each credit recipient during the previous state fiscal year to the governor, the speaker of the house of representatives, the president of the senate, the chairpersons of the house and senate finance committees, the house and senate fiscal advisors, and the department of revenue.

(c) By October 1, 2016 and each year thereafter, the commerce corporation shall report for the year (i) the total number of businesses awarded credits in the previous fiscal year and (ii) the name and address of each credit recipient . This report shall be available to the public for inspection by any person and shall be published by the chief executive of the commerce corporation on the commerce corporation and executive office of commerce websites.

(d) By October 1st of each year the division of taxation shall report the name, address, and amount of tax credit received for each credit recipient during the previous state fiscal year to the governor, the chairpersons of the house and senate finance committees, the house and senate fiscal advisors, and the department of labor and training.

(e) By November 1st of each year the division of taxation shall report in the aggregate the information required under subsection 44-48.3-13(a). This report shall be available to the public for inspection by any person and shall be published by the tax administrator on the tax division website.

44-48.3-14. Sunset. -- No credits shall be authorized to be reserved pursuant to this chapter after December 31, 2018.

SECTION 16. Title 42 of the General Laws entitled "STATE AFFAIRS AND GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 64.31

HIGH SCHOOL, COLLEGE, AND EMPLOYER PARTNERSHIPS

42-64.31-1. High school, college, and employer partnership. -- The commerce corporation shall be authorized to grant funds to support partnerships among individual high schools, the community college of Rhode Island, other institutions of higher education, and employers to offer courses towards a high school diploma and associate's degree, as well as internships and mentorships that help lead to employment after graduation. Such funds may be used for purposes including, but not limited to, establishing partnerships, hiring coordinators, compensating partnership instructors and administrators, purchasing books and other educational supplies, underwriting coursework, and covering additional instructional, coordination, and related expenses.

42-64.31-2. Program integrity. -- Program integrity being of paramount importance, the

commerce corporation shall establish procedures to ensure ongoing compliance with the terms and conditions of the program established herein, including procedures to safeguard the expenditure of public funds and to ensure that the funds further the objectives of the program.

42-64.31-3. Reporting requirements. -- The commerce corporation shall submit a report annually, no later than sixty (60) days after the end of the fiscal year to the speaker of the house and the president of the senate detailing the total amount of grants awarded and matching funds awarded and such other information as the commerce corporation deems necessary.

42-64.31-4. Sunset. -- No grants shall be authorized pursuant to this chapter after December 31, 2018.

SECTION 17. This article shall take effect upon passage.

Respectfully submitted,

Representative Gallison

=====
LC002192/9

=====
Representative Gallison discusses the amendment.

The motion to amend prevails on a roll call vote 69 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 69: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Johnston, Kazarian, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Phillips, Price, Regunberg, Reilly, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

Representative Marcello, Gallison, Reilly, and Shekarchi discusses the article, as amended

Article 19 prevails as amended on a roll call vote 68 members voting in the affirmative and 6 members voting in the negative as follows:

YEAS - 68: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lima, Lombardi, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Nunes, O'Brien, O'Grady,

Palangio, Phillips, Regunberg, Reilly, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 6: Representatives Chippendale, Filippi, Lancia, Newberry, Price, Roberts.

RECUSED - 0:

ARTICLE 20

RELATING TO PROFESSIONAL LICENSES

Representative Gallison moves passage of the article seconded by Representatives Barros, Abney, Tobon, Hearn, Costantino, Malik, Maldonado, Fogarty, and Amore.

Representative Gallison discusses the Article.

By unanimous consent, Representative Gallison, seconded by Representatives Barros, Tobon, Marshall, Lima offers a written motion to amend.

FLOOR AMENDMENT TO

2015 -- H 5900 SUBSTITUTE A

AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016

Mr. Speaker:

I hereby move to amend 2015 -- H 5900 SUBSTITUTE A, entitled "AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016", as follows:

1. In Article 20, by deleting all the language after the Title "Relating to Professional Licenses", and by inserting in place thereof the following language:

"SECTION 1. Section 3-7-25 of the General Laws in Chapter 3-7 entitled "Retail Licenses" is hereby amended to read as follows:

3-7-25. Sanitary conditions for dispensing of malt beverages or wine. -- (a) Beer or wine pipe lines, faucets and barrel-tapping devices used for the dispensing of malt beverages or wine in places where the dispensing is carried on by licensees under this chapter shall be cleaned at least once every four (4) weeks by the use of a hydraulic pressure mechanism, hand-pump suction or a force cleaner or other system approved by the department or shall be permanently kept clean by a device approved by the department. After cleaning, the lines shall be rinsed with clear water until all chemicals, if any have been used, are removed. The cleaning equipment must be operated in conformance with the manufacturer's recommendations.

(b) A record, the form of which shall be approved by the department, shall be used to record the dates and the methods used in cleaning of beer or wine pipe lines, coils, tubes and appurtenances. This record shall be signed by the person who performs the cleaning operation

and countersigned by the licensee. The records shall be kept on the licensed premises for a period of one year from the date of the last entry and made available at all times for inspection by health enforcement and law enforcement officers.

~~(e) Line cleaners may be certified by the department and the department shall issue a license and charge a fee not to exceed fifty dollars (\$50.00) for each license.~~

SECTION 2. Sections 5-10-1, 5-10-7, 5-10-8, and 5-10-9 of the General Laws in Chapter 5-10 entitled "Barbers, Hairdressers, Cosmeticians, Manicurists and Estheticians" are hereby amended to read as follows:

5-10-1. Definitions. – The following words and phrases, when used in this chapter, are construed as follows:

~~(1) "Apprentice barber" means an employee whose principal occupation is service with a barber or hairdresser who has held a current license as a barber or hairdresser for at least three (3) years with a view to learning the art of barbering, as defined in subdivision (15) of this section.~~

~~(1)(2)~~ "Barber" means any person who shaves or trims the beard, waves, dresses, singes, shampoos, or dyes the hair or applies hair tonics, cosmetic preparations, antiseptics, powders, oil clays, or lotions to scalp, face, or neck of any person; or cuts the hair of any person, gives facial and scalp massages, or treatments with oils, creams, lotions, or other preparations.

~~(2)(3)~~ "Board" means the state board of barbering and hairdressing as provided for in this chapter.

~~(3)(4)~~ "Department" means the Rhode Island department of health.

~~(4)(5)~~ "Division" means the division of professional regulation within the department of health.

~~(5)(6)~~ "Esthetician" means a person who engages in the practice of esthetics, and is licensed as an esthetician.

~~(6)(7)~~ "Esthetician shop" means a shop licensed under this chapter to do esthetics of any person.

~~(7)(8)~~ "Esthetics" means the practice of cleansing, stimulating, manipulating, and beautifying skin, including, but not limited to, the treatment of such skin problems as dehydration, temporary capillary dilation, excessive oiliness, and clogged pores.

~~(8)(9)~~ "Hair design shop" means a shop licensed under this chapter to do barbering or hairdressing/cosmetology, or both, to any person.

~~(9)(10)~~ "Hairdresser and cosmetician" means any person who arranges, dresses, curls, cuts, waves, singes, bleaches, or colors the hair or treats the scalp, or manicures the nails of any person either with or without compensation or who, by the use of the hands or appliances, or of cosmetic preparations, antiseptics, tonics, lotions, creams, powders, oils or clays, engages, with or without compensation, in massaging, cleansing, stimulating, manipulating, exercising, or beautifying or in doing similar work upon the neck, face, or arms or who removes superfluous hair from the body of any person.

~~(11) "Instructor" means any person licensed as an instructor under the provisions of this chapter.~~

~~(10)(12)~~ "Manicuring shop" means a shop licensed under this chapter to do manicuring only on the nails of any person.

~~(11)(13)~~ "Manicurist" means any person who engages in manicuring for compensation and is duly licensed as a manicurist.

~~(12)(14)~~ "School" means a school approved under chapter 40 of title 16, as amended,

devoted to the instruction in and study of the theory and practice of barbering, hairdressing and cosmetic therapy, esthetics and/or manicuring.

(13)(15) "The practice of barbering" means the engaging by any licensed barber in all or any combination of the following practices: shaving or trimming the beard or cutting the hair; giving facial and scalp massages or treatments with oils, creams, lotions, or other preparations either by hand or mechanical appliances; singeing, shampooing, arranging, dressing, curling, waving, chemical waving, hair relaxing, or dyeing the hair or applying hair tonics; or applying cosmetic preparations, antiseptics, powders, oils, clays or lotions to scalp, face, or neck.

(14)(16) "The practice of hairdressing and cosmetic therapy" means the engaging by any licensed hairdresser and cosmetician in any one or more of the following practices: the application of the hands or of mechanical or electrical apparatus, with or without cosmetic preparations, tonics, lotions, creams, antiseptics, or clays, to massage, cleanse, stimulate, manipulate, exercise, or otherwise to improve or to beautify the scalp, face, neck, shoulders, arms, bust, or upper part of the body or the manicuring of the nails of any person; or the removing of superfluous hair from the body of any person; or the arranging, dressing, curling, waving, weaving, cleansing, cutting, singeing, bleaching, coloring, or similarly treating the hair of any person.

(15)(17) "The practice of manicuring" means the cutting, trimming, polishing, tinting, coloring, or cleansing the nails of any person.

5-10-7. License required for practice. – No person shall practice barbering, hairdressing, and cosmetic therapy, esthetics, or manicuring in this state, unless the person has first obtained a any license for that practice required by this chapter, as provided by this chapter; provided, that nothing in this chapter prohibits students enrolled in programs of hairdressing, barbering, and/or cosmetology from entering into work-study arrangements after they have completed at least one thousand (1,000) hours of classroom instruction. Students participating in those work-study arrangements shall be under the direct supervision of a licensed hairdresser, barber, or cosmetologist, and shall be clearly identified as students. No course credit shall be granted for this students' participation in a work-study arrangement and in no event shall it continue beyond the students' graduation from school or completion of course work.

5-10-8. Issuance of licenses – Qualifications of applicants. – (a) The division shall issue licenses to persons engaged in or desiring to engage in the practice of barbering, hairdressing, and cosmetic therapy and/or manicuring, or esthetics ~~and for instructing in any approved school of barbering or hairdressing and cosmetic therapy, and/or manicuring, or esthetics~~; provided, that no license shall be issued to any person under this chapter unless the applicant for the license:

- (1) Is at least eighteen (18) years of age;
- (2) Is a citizen of the United States of America or has legal entry into the country;
- (3) Is of good moral character;
- (4) Is a high school graduate or holds the equivalent;
- (5) Has satisfactorily completed the course of instruction in an approved school of barbering, hairdressing and cosmetic therapy, and/or manicuring or esthetics;
- (6) Has satisfactorily passed a written and a practical examination approved by the division to determine the fitness of the applicant to receive a license; and
- (7) Has complied with § 5-10-10 and any other qualifications that the division prescribes by regulation.

(b) Notwithstanding the provision of subdivision (a)(4) of this section, on and after July 1, 1997, an applicant seeking licensure as a barber must be a high school graduate or hold the

equivalent.

5-10-9. Classes of licenses. – Licenses shall be divided into the following classes and shall be issued by the division to applicants for the licenses who have qualified for each class of license:

(1) A "hairdresser's and cosmetician's license" shall be issued by the division to every applicant for the license who meets the requirements of § 5-10-8 and has completed a course of instruction in hairdressing and cosmetology consisting of not less than fifteen hundred (1,500) hours of continuous study and practice.

~~(2) An "instructor's license" shall be granted by the division to any applicant for the license who has held a licensed hairdresser's and cosmetician's license, a barber's license, a manicurist's license, or an esthetician's license issued under the laws of this state or another state, for at least the three (3) years preceding the date of application for an instructor's license and:~~

~~(i) Meets the requirements of § 5-10-8;~~

~~(ii) Has satisfactorily completed three hundred (300) hours of instruction in hairdressing and cosmetology, barber, manicurist, or esthetician teacher training approved by the division as prescribed by regulation;~~

~~(iii) Has satisfactorily passed a written and a practical examination approved by the division to determine the fitness of the applicant to receive an instructor's license;~~

~~(iv) Has complied with § 5-10-10; and~~

~~(v) Has complied with any other qualifications that the division prescribes by regulation.~~

(2)(3) A "manicurist license" shall be granted to any applicant for the license who meets the following qualifications:

(i) Meets the requirements of § 5-10-8; and

(ii) Has completed a course of instruction consisting of not less than three hundred (300) hours of professional training in manicuring, in an approved school.

(3)(4) An "esthetician license" shall be granted to any applicant for the license who meets the following qualifications:

(i) Meets the requirements of § 5-10-8;

(ii) Has completed a course of instruction in esthetics consisting of not less than six hundred (600) hours of continuous study and practice over a period of not less than four (4) months in an approved school of hairdressing and cosmetology; and

(iii) Any applicant who holds a diploma or certificate from a skin care school that is recognized as a skin care school by the state or nation in which it is located, and meets the requirements of paragraph (i) of this subdivision, shall be granted a license to practice esthetics; provided, that the skin care school has a requirement that in order to graduate from the school a student must have completed a number of hours of instruction in the practice of skin care, which number is at least equal to the number of hours of instruction required by the division.

(4)(5) A "barber" license shall be issued by the division to every applicant for the license who meets the requirements of § 5-10-8 and:

(i) Has completed a course of instruction in barbering consisting of not less than one thousand five hundred (1,500) hours of continuous study and practice in an approved school;

(ii) Has ~~possessed for at least two (2) years prior to the filing of the application a certificate of registration in full force and effect from the department of health of the state specifying that person as a registered apprentice barber, and the application of that applicant is accompanied by an affidavit or affidavits of from his or her employer or former employers or other reasonably satisfactory evidence showing that the applicant has, in order to learn the art of~~

~~barbering, been actually engaged in barbering as an apprentice barber in the state during those two (2) years worked for a minimum of two (2) years under the supervision of a barber who has been licensed in the state for at least three (3) years; or~~

~~(iii) A combination of barber school training and apprenticeship~~ Any training as determined by the rules and regulations prescribed by the division.

SECTION 3. Section 5-10-13 of the General Laws in Chapter 5-10 entitled "Barbers, Hairdressers, Cosmeticians, Manicurists and Estheticians" is hereby repealed.

~~5-10-13. Demonstrator's permit. — The division may in its discretion issue to any person recognized by the division as an authority on, or an expert in the theory or practice of, barbering, hairdressing, and cosmetic therapy and/or manicuring or esthetics and is the holder of a current esthetician's, manicurist's or a barber's, hairdresser's, and cosmetician's license in this state, another state or the District of Columbia, a demonstrator's permit for not more than six (6) days' duration for educational and instructive demonstrations; provided, that the permit shall not be used in the sense of a license to practice barbering, manicuring, esthetics or hairdressing and cosmetic therapy. The fee for the permit is as set forth in § 23-1-54.~~

SECTION 4. Sections 5-32-2 and 5-32-4 of the General Laws in Chapter 5-32 entitled "Electrolysis" are hereby amended to read as follows:

~~5-32-2. Penalty for unlicensed practice. — Every person who subsequently engages in the practice of electrolysis in this state without being licensed, if a license is required under this chapter, by the board of examiners in electrolysis is practicing illegally and, upon conviction, shall be fined not more than twenty-five dollars (\$25.00) and every day of the continuation of illegal practice is a separate offense.~~

~~5-32-4. Qualifications of applicants. — Licenses to engage in the practice of electrolysis shall be issued to the applicants who comply with the following requirements:~~

~~(1) Are citizens or legal residents of the United States.~~

~~(2) Have attained the age of eighteen (18) years.~~

~~(3) Have graduated from a high school or whose education is the equivalent of a high school education.~~

~~(4) Have satisfactorily completed a course of training and study in electrolysis, as prescribed by rules and regulations promulgated by the department of health authorized by section § 5-32-18 of this chapter, as a registered apprentice under the supervision of a licensed Rhode Island electrologist who is qualified to teach electrolysis to apprentices as prescribed in § 5-32-17 or has graduated from a school of electrolysis after having satisfactorily completed a program consisting of not less than six hundred fifty (650) hours of study and practice in the theory and practical application of electrolysis. That apprenticeship includes at least six hundred and fifty (650) hours of study and practice in the theory and practical application of electrolysis within a term of nine (9) months; provided, that the apprentice registers with the division of professional regulation of the department of health upon beginning his or her course of instruction, and the licensed person with whom he or she serves that apprenticeship keeps a record of the hours of that instruction, and upon the completion of that apprenticeship certifies that fact to the board of examiners in electrolysis.~~

~~(5) Is of good moral character.~~

~~(6) Passes an examination approved by the department of health.~~

SECTION 5. Sections 5-32-8 and 5-32-17 of the General Laws in Chapter 5-32 entitled "Electrolysis" are hereby repealed.

~~5-32-8. Apprenticeship register. — The division of professional regulation of the~~

~~department of health shall keep a register in which the names of all persons serving apprenticeships licensed under this chapter shall be recorded. This register is open to public inspection.~~

~~5-32-17. Qualifications for teaching electrolysis. — (a) A person in order to qualify as an instructor or teacher of electrolysis to apprentices must:~~

~~(1) Have been actively engaged as a licensed practitioner of electrolysis for at least five (5) years.~~

~~(2) Pass a state board examination specifically designed to evaluate his or her qualifications to teach electrolysis.~~

~~(3) Be a high school graduate or the equivalent.~~

~~(b) Upon satisfactorily passing this examination, the division of professional regulation of the department of health shall issue a license to the person upon the payment of a fee as set forth in § 23-1-54.~~

~~(c) A qualified licensed electrologist shall not register more than one apprentice for each nine (9) month training period.~~

SECTION 6. Chapter 5-32 of the General Laws entitled "Electrolysis" is hereby amended by adding thereto the following section:

5-32-18. Training and study. — The department of health may promulgate rules and regulations applying to training and study in electrolysis.

SECTION 7. Sections 5-37.2-2, 5-37.2-14, and 5-37.2-15 of the General Laws in Chapter 5-37.2 entitled "The Healing Art of Acupuncture" are hereby amended to read as follows:

5-37.2-2. Definitions. — Unless the context otherwise requires, the words, phrases, and derivatives employed in this chapter have the meanings ascribed to them in this section:

(1) "Acupuncture" means the insertion of needles into the human body by piercing the skin of the body, for the purpose of controlling and regulating the flow and balance of energy in the body.

(2) "Department" means the state department of health.

(3) "Doctor of acupuncture" means a person licensed under the provisions of this chapter to practice the art of healing known as acupuncture.

~~(4) "Licensed acupuncture assistant" means a person who assists in the practice of acupuncture under the direct supervision of a person licensed under the provisions of this chapter to practice acupuncture.~~

5-37.2-14. Recordation and display of licenses — Annual registration fee — Penalties for failure to pay fee. — (a) Every person holding a license authorizing him or her to practice acupuncture or to serve as an acupuncture assistant in this state shall record his or her license with the city or town hall in the city or town where his or her office and residence are located. Every licensee upon a change of residence or office shall have his or her certificate recorded in the same manner in the municipality to which he or she has changed.

(b) Every license shall be displayed in the office, place of business, or place of employment of the license holder.

(c) Every person holding a license shall pay to the department on or before February 1 of each year, the annual registration fee required pursuant to department rules and regulation. If the holder of a license fails to pay the registration fee his or her license shall be suspended. The license may be reinstated by payment of the required fee within ninety (90) days after February 1.

(d) A license which is suspended for more than three (3) months under the provisions of

subsection (c) of this section may be canceled by the board after thirty (30) days notice to the holder of the license.

5-37.2-15. Suspension, revocation, or refusal of license – Grounds. – The department may either refuse to issue or may suspend or revoke any license for any one or any combination of the following causes:

(1) Conviction of a felony, conviction of any offense involving moral turpitude, or conviction of a violation of any state or federal law regulating the possession, distribution or use of any controlled substance as defined in § 21-28-1.02, as shown by a certified copy of record of the court;

(2) The obtaining of, or any attempt to obtain, a license, or practice in the profession for money or any other thing of value, by fraudulent misrepresentations;

(3) Gross malpractice;

(4) Advertising by means of knowingly false or deceptive statement;

(5) Advertising, practicing, or attempting to practice under a name other than one's own;

(6) Habitual drunkenness or habitual addiction to the use of a controlled substance as defined in § 21-28-1.02;

(7) Using any false, fraudulent, or forged statement or document, or engaging in any fraudulent, deceitful, dishonest, immoral practice in connection with the licensing requirement of this chapter;

(8) Sustaining a physical or mental disability which renders further practice dangerous;

(9) Engaging in any dishonorable, unethical, or unprofessional conduct which may deceive, defraud, or harm the public, or which is unbecoming a person licensed to practice under this chapter;

(10) Using any false or fraudulent statement in connection with the practice of acupuncture or any branch of acupuncture;

(11) Violating or attempting to violate, or assisting or abetting the violation of, or conspiring to violate, any provision of this chapter;

(12) Being adjudicated incompetent or insane;

(13) Advertising in an unethical or unprofessional manner;

(14) Obtaining a fee or financial benefit for any person by the use of fraudulent diagnosis, therapy, or treatment;

(15) Willfully disclosing a privileged communication;

(16) Failure of a licensee to designate his or her school of practice in the professional use of his or her name by the term "doctor of acupuncture" or "~~acupuncture assistant~~", as the case may be;

(17) Willful violation of the law relating to the health, safety, or welfare of the public, or of the rules and regulations promulgated by the state board of health;

(18) Administering, dispensing, or prescribing any controlled substance as defined in § 21-28-1.02, except for the prevention, alleviation, or cure of disease or for relief from suffering; and

(19) Performing, assisting, or advising in the injection of any liquid silicone substance into the human body.

SECTION 8. Section 5-37.2-13 of the General Laws in Chapter 5-37.2 entitled "The Healing Art of Acupuncture" is hereby repealed.

5-37.2-13. Issuance of license for acupuncture assistant. — An applicant for a license for acupuncture assistant shall be issued a license by the department if he or she:

- ~~(1) Has successfully completed a course of study in acupuncture in any college or school in any country, territory, province, or state requiring any attendance to thirty six (36) months;~~
- ~~(2) Practiced acupuncture for not less than three (3) years;~~
- ~~(3) Passes the examination of the department for acupuncture assistant; and~~
- ~~(4) Pays any fees as set forth in § 23-1-54.~~

SECTION 9. Sections 5-48-1 and 5-48-9 of the General Laws in Chapter 5-48 entitled "Speech Pathology and Audiology" are hereby amended to read as follows:

5-48-1. Purpose and legislative intent – Definitions. – (a) It is declared to be a policy of this state that the practice of speech language pathology and audiology is a privilege granted to qualified persons and that, in order to safeguard the public health, safety, and welfare, protect the public from being misled by incompetent, unscrupulous, and unauthorized persons, and protect the public from unprofessional conduct by qualified speech language pathologists and audiologists, it is necessary to provide regulatory authority over persons offering speech language pathology and audiology services to the public.

(b) The following words and terms when used in this chapter have the following meaning unless otherwise indicated within the context:

(1) "Audiologist" means an individual licensed by the board to practice audiology.

(2) "Audiology" means the application of principles, methods, and procedures related to hearing and the disorders of the hearing and balance systems, to related language and speech disorders, and to aberrant behavior related to hearing loss. A hearing disorder in an individual is defined as altered sensitivity, acuity, function, processing, and/or damage to the integrity of the physiological auditory/vestibular systems.

~~(3) "Audiology support personnel" means individuals who meets minimum qualifications, established by the board, which are less than those established by this chapter as necessary for licensing as an audiologist, who do not act independently, and who work under the direction and supervision of an audiologist licensed under this chapter who has been actively working in the field for twenty four (24) months after completion of the postgraduate professional experience and who accepts the responsibility for the acts and performances of the audiology assistant while working under this chapter.~~

~~(3)(4)~~ "Board" means the state board of examiners for speech language pathology and audiology.

~~(4)(5)~~ "Clinical fellow" means the person who is practicing speech language pathology under the supervision of a licensed speech language pathologist while completing the postgraduate professional experience as required by this chapter.

~~(5)(6)~~ "Department" means the Rhode Island department of health.

~~(6)(7)~~ "Director" means the director of the Rhode Island department of health.

~~(7)(8)~~ "Person" means an individual, partnership, organization, or corporation, except that only individuals can be licensed under this chapter.

~~(8)(9)(i)~~ "Practice of audiology" means rendering or offering to render any service in audiology, including prevention, screening, and identification, evaluation, habilitation, rehabilitation; participating in environmental and occupational hearing conservation programs, and habilitation and rehabilitation programs including hearing aid and assistive listening device evaluation, prescription, preparation, dispensing, and/or selling and orientation; auditory training and speech reading; conducting and interpreting tests of vestibular function and nystagmus; conducting and interpreting electrophysiological measures of the auditory pathway; cerumen management; evaluating sound environment and equipment; calibrating instruments used in

testing and supplementing auditory function; and planning, directing, conducting or supervising programs that render or offer to render any service in audiology.

(ii) The practice of audiology may include speech and/or language screening to a pass or fail determination, for the purpose of initial identification of individuals with other disorders of communication.

(iii) A practice is deemed to be the "practice of audiology" if services are offered under any title incorporating such word as "audiology", "audiologist", "audiometry", "audiometrist", "audiological", "audiometrics", "hearing therapy", "hearing therapist", "hearing clinic", "hearing clinician", "hearing conservation", "hearing conservationist", "hearing center", "hearing aid audiologist", or any similar title or description of services.

~~(9)~~(10)(i) "Practice of speech language pathology" means rendering or offering to render any service in speech language pathology including prevention, identification, evaluation, consultation, habilitation, rehabilitation; determining the need for augmentative communication systems, dispensing and selling these systems, and providing training in the use of these systems; and planning, directing, conducting, or supervising programs that render or offer to render any service in speech language pathology.

(ii) The practice of speech language pathology may include nondiagnostic pure tone air conduction screening, screening tympanometry, and acoustic reflex screening, limited to a pass or fail determination, for the purpose of performing a speech and language evaluation or for the initial identification of individuals with other disorders of communication.

(iii) The practice of speech language pathology also may include aural rehabilitation, which is defined as services and procedures for facilitating adequate receptive and expressive communication in individuals with hearing impairment.

(iv) A practice is deemed to be the "practice of speech language pathology" if services are offered under any title incorporating such words as "speech pathology", "speech pathologist", "speech therapy", "speech therapist", "speech correction", "speech correctionist", "speech clinic", "speech clinician", "language pathology", "language pathologist", "voice therapy", "voice therapist", "voice pathology", "voice pathologist", "logopedics", "logopedist", "communicology", "communicologist", "aphasiology", "aphasiologist", "phoniatriest", or any similar title or description of services.

~~(10)~~(11) "Regionally accredited" means the official guarantee that a college or university or other educational institution is in conformity with the standards of education prescribed by a regional accrediting commission recognized by the United States Secretary of Education.

~~(11)~~(12) "Speech language pathologist" means an individual who is licensed by the board to practice speech language pathology.

~~(12)~~(13) "Speech language pathology" means the application of principles, methods, and procedures for prevention, identification, evaluation, consultation, habilitation, rehabilitation, instruction, and research related to the development and disorders of human communication. Disorders are defined to include any and all conditions, whether of organic or non-organic origin, that impede the normal process of human communication in individuals or groups of individuals who have or are suspected of having these conditions, including, but not limited to, disorders and related disorders of:

(i) Speech: articulation, fluency, voice, (including respiration, phonation and resonance);

(ii) Language (involving the parameters of phonology, morphology, syntax, semantics and pragmatics; and including disorders of receptive and expressive communication in oral, written, graphic, and manual modalities);

(iii) Oral, pharyngeal, laryngeal, cervical esophageal, and related functions (e.g., dysphasia, including disorders of swallowing and oral function for feeding; oro-facial myofunctional disorders);

(iv) Cognitive aspects of communication (including communication disability and other functional disabilities associated with cognitive impairment); and

(v) Social aspects of communication (including challenging behavior, ineffective social skills, lack of communication opportunities).

~~(14) "Speech language support personnel" means individuals who meet minimum qualifications established by the board, which are less than those established by this chapter as necessary for licensing as a speech language pathologist, who do not act independently, and who work under the direction and supervision of a speech language pathologist licensed under this chapter who has been actively working in the field for twenty four (24) months after completion of the postgraduate professional experience and who accepts the responsibility for the acts and performances of the speech language pathology assistant while working under this chapter. Speech language support personnel shall be registered with the board within thirty (30) days of beginning work, or the supervising speech language pathologist will be assessed a late filing fee as set forth in § 23-1-54.~~

~~5-48-9. Fees — Late filing — Inactive status — Filing fees for support personnel registration.~~ — Fees – Late filing – Inactive status. – (a) The board may charge an application fee; a biennial license renewal fee payable before July 1 of even years (biennially); or a provisional license renewal fee as set forth in § 23-1-54 payable annually from the date of issue.

(b) Any person who allows his or her license to lapse by failing to renew it on or before the thirtieth (30th) day of June of even years (biennially), may be reinstated by the board on payment of the current renewal fee plus an additional late filing fee as set forth in § 23-1-54.

(c) An individual licensed as a speech language pathologist and/or audiologist in this state, not in the active practice of speech-language pathology or audiology within this state during any year, may upon request to the board, have his or her name transferred to an inactive status and shall not be required to register biennially or pay any fee as long as he or she remains inactive. Inactive status may be maintained for no longer than two (2) consecutive licensing periods, after which period licensure shall be terminated and reapplication to the board shall be required to resume practice.

(d) Any individual whose name has been transferred to an inactive status may be restored to active status within two (2) licensing periods without a penalty fee, upon the filing of:

(1) An application for licensure renewal, with a licensure renewal fee as set forth in § 23-1-54 made payable by check to the general treasurer of the state of Rhode Island; and

(2) Any other information that the board may request.

~~(e) Audiology and speech language pathology support personnel shall be registered with the board within thirty (30) days of beginning work, or the supervising audiologist or speech language pathologist shall be assessed a late filing fee as set forth in § 23-1-54.~~

SECTION 10. Chapter 5-58 of the General Laws entitled "Auctioneers" is hereby repealed in its entirety.

~~5-58-1. Licensing of auctioneers and apprentices.~~ — (a) Any person desiring to hold an auctioneer's license or apprentice auctioneer's permit shall make written application for that license or permit on appropriate forms provided by the director of the department of business regulations. Each applicant shall be a person who has a good reputation for honesty, truthfulness, and fair dealing; good moral character, and is competent and financially qualified to conduct the

business of an auctioneer or apprentice all of which may be considered by the director along with any other information the director deems appropriate in determining whether the granting of the application is in the public interest. Other information deemed appropriate includes, but is not limited to, a criminal records check. The director shall process the criminal records check for all resident applicants for an auctioneer's license. Non-resident applicants for an auctioneer's license shall apply to the bureau of criminal identification of the state police for a nationwide criminal records check. The bureau of criminal identification of the state police shall forward the results of the criminal records check to the director. The director may deny any application for a license if the director finds, based upon the results of the criminal records check, that the applicant has been convicted of a felony. Each application for an auctioneer, apprentice auctioneer, or nonresident auctioneer's license shall be accompanied by an application fee of ten dollars (\$10.00).

(b) Prior to the taking of the examination, each applicant shall pay an examination fee in an amount to be established by the director of business regulation. Each applicant granted an auctioneer's license shall pay a licensing fee of two hundred dollars (\$200) per annum. Each nonresident auctioneer applicant granted a license shall pay a licensing fee of three hundred dollars (\$300) per annum. Each applicant granted an apprentice auctioneer permit shall pay a permit fee of twenty dollars (\$20.00) per annum. There is a five dollar (\$5.00) charge for issuance of a duplicate license or permit to replace a lost, damaged, or destroyed original or renewal license or permit. Fees for the replacement and for an original or renewal license or permit shall be paid into the general fund. The director shall promulgate rules and regulations mandating the term of the license or permit for each category of license or permit issued pursuant to this chapter. No license or permit shall remain in force for a period in excess of three (3) years. The fee for the initial license or renewal shall be determined by multiplying the per annum fee by the number of years in the term of license or renewal. The entire fee for the full term of licensure must be paid in full prior to issuing the renewal or initial license.

~~5-58-2. Auctioneer's and apprentice's bond.—~~ Every auctioneer, upon approval of application and prior to issuance of a license or an apprentice permit, shall deliver and file with the department of business regulation a surety company bond in favor of the people of the state of Rhode Island in the principle amount not exceeding ten thousand dollars (\$10,000) nor less than two thousand dollars (\$2,000), at the discretion of the director; and payable to any party injured under the terms of the bond. The bond does not limit or impact any right of recovery available pursuant to law nor is the amount of the bond relevant in determining the amount of damage or other relief to which any claimant shall be entitled.

~~5-58-6. Announcement of conditions of sale.—~~ Every auctioneer before exposing any real or personal estate to public sale shall make out, in writing, and sign and publicly read the conditions of sale.

~~5-58-7. Auctioneer's commission and apprentice's wage.—~~ Whenever the whole amount of sales at any public auction does not exceed four hundred dollars (\$400), the auctioneer has for making that sale two and one-half percent (2 1/2%) commission; if the amount of the sale exceeds that sum and does not exceed twenty thousand dollars (\$20,000), he or she shall have only one percent (1%) on the excess; and if the amount of the sale does not exceed thirty thousand dollars (\$30,000), he or she shall have three-fourths percent (3/4%) on the excess; and if the amount of the sale exceeds thirty thousand dollars (\$30,000), he or she has one-fourth percent (1/4%) on the excess. Nothing contained in this section shall be construed to prevent any person interested in selling any property by auction from making a special contract with the

~~auctioneer for selling the property. Notwithstanding the preceding, agreement to change the previously stated fee schedule may be made between auctioneers and either owners or consignees of owners, only if those changes are specifically agreed to, in writing, by the parties. Auctioneers shall enter into a written contract with owners or consignees of property sold at auction which contract shall establish terms for any remuneration paid to the auctioneer for his or her services. A copy of the contract shall be kept in the possession of the auctioneer for a period of three (3) years and shall be made available for inspection by the director at his or her discretion. Apprentices employed by licensed auctioneers in accordance with standards prescribed in regulations promulgated under this chapter shall be paid for their services at a rate not less than the minimum wage established by law. No apprentice shall enter into a verbal or written contract or agreement for remuneration for services rendered when remuneration is separate, apart from, or in addition to wages paid to the apprentice by the employing auctioneer.~~

~~5-58-8. Regulation of sales.— The director of business regulation has the authority to promulgate rules and regulations which are reasonable, proper, and necessary to enforce the provisions of this chapter, to establish procedures for the preparation and processing of examinations, applications, licenses, and permits for the conduct of auction sales; to deny, suspend, or revoke licenses, or permits, to issue cease and desist orders, to assess administrative penalties of up to one thousand dollars (\$1,000) and to establish procedures for renewals, appeals, hearings, and rulemaking proceedings.~~

~~5-58-9. Officers of mortgagee forbidden to act as auctioneer in foreclosure.— No officer of any corporation shall act as an auctioneer in the foreclosure of any mortgage held by that corporation.~~

~~5-58-10 Penalty for violations.— Any person acting as auctioneer or apprentice auctioneer without a license is guilty of a misdemeanor. Anyone who is convicted shall be punished by a fine not to exceed five hundred dollars (\$500), or by imprisonment for a term not to exceed ninety (90) days, or both the fine and imprisonment for each violation.~~

~~5-58-11. Severability.— If any provision of this chapter or any rule or regulation made, or the application under this chapter to any person or circumstances, is held invalid by a court of competent jurisdiction, the remainder of the chapter, rule, or regulation, and the application of that provision to other persons or circumstances, shall not be affected.~~

SECTION 11. Chapter 5-59.1 of the General Laws entitled "Rhode Island Orthotics and Prosthetics Practices" is hereby repealed in its entirety.

~~5-59.1-1. Legislative Intent.— The purpose of this chapter is to safeguard the public health to regulate the practice of orthotics and prosthetics by untrained and unethical persons.~~

~~5-59.1-2. Short title.— This act shall be known and may be cited as "The Rhode Island Orthotics and Prosthetics Practices Act".~~

~~5-59.1-3. Definitions.— As used in this chapter:~~

~~(1) "ABC" means the American Board for Certification in Orthotics and Prosthetics or its successor agency.~~

~~(2) "BOC" means the Board for Orthotist/Prosthetist Certification or its successor agency.~~

~~(3) "Custom fabricated orthotics" or "custom made orthotics" means devices designed and fabricated, in turn, from raw materials for a specific patient and require the generation of an image, form, or mold that replicates the patient's body or body segment and, in turn, involves the rectification of an image.~~

~~(4) "Department" means the Rhode Island department of health.~~

~~(5) "Director" means the director of the department of health.~~

(6) "~~Direct formed orthoses~~" means ~~devices formed or shaped during the molding process directly on the patient's body or body segment.~~

(7) "~~Licensed Orthotist~~" means ~~a person licensed under this chapter to practice orthotics.~~

(8) "~~Licensed Prosthetist~~" means ~~a person licensed under this chapter to practice prosthetics.~~

(9) "~~Off the shelf orthosis~~" means ~~devices manufactured by companies registered with the Federal Food and Drug Administration other than devices designed for a particular person based on that particular person's condition.~~

(10) "~~Orthosis~~" means ~~a custom fabricated brace or support that is designed based on medical necessity. Orthosis does not include prefabricated or direct formed orthotic devices, as defined in this section, or any of the following assistive technology devices: commercially available knee orthoses used following injury or surgery; spastic muscle tone inhibiting orthoses; upper extremity adaptive equipment; finger splints; hand splints; wrist gauntlets; face masks used following burns; wheelchair seating that is an integral part of the wheelchair and not worn by the patient independent of the wheelchair; fabric or elastic supports; corsets; low temperature formed plastic splints; trusses; elastic hose; canes; crutches; cervical collars; dental appliances; and other similar devices as determined by the director, such as those commonly carried in stock by a pharmacy, department store, corset shop, or surgical supply facility.~~

(11) "~~Orthotics~~" means ~~the science and practice of evaluating, measuring, designing, fabricating, assembling, fitting, adjusting or, servicing, as well as providing the initial training necessary to accomplish the fitting of, an orthosis for the support, correction, or alleviation of neuromuscular or musculoskeletal dysfunction, disease, injury or deformity. The practice of orthotics encompasses evaluation, treatment, and consultation; with basic observational gait and postural analysis, orthotists assess and design orthoses to maximize function and provide not only the support but the alignment necessary to either prevent or correct deformity or to improve the safety and efficiency of mobility or locomotion, or both. Orthotic practice includes providing continuing patient care in order to assess its effect on the patient's tissues and to assure proper fit and function of the orthotic device by periodic evaluation.~~

(12) "~~Orthotist~~" means ~~an allied health professional who is specifically trained and educated to provide or manage the provision of a custom designed, fabricated, modified and fitted external orthosis to an orthotic patient, based on a clinical assessment and a physician's prescription, to restore physiological function and/or cosmesis, and certified by ABC or BOC.~~

(13) "~~Physician~~" means ~~a doctor of allopathic medicine (M.D.), osteopathic medicine (D.O.), podiatric medicine (D.P.M.), and chiropractic medicine (D.C.).~~

(14) "~~Prefabricated orthoses~~" or "~~off shelf orthoses~~" means ~~devices that are manufactured as commercially available stock items for no specific patient.~~

(15) "~~Prosthesis~~" means ~~an artificial limb that is alignable or, in lower extremity applications, capable of weight bearing. Prosthesis also means an artificial medical device that is not surgically implanted and that is used to replace a missing limb, appendage, or other external human body part including an artificial limb, hand, or foot. The term does not include artificial eyes, ears, noses, dental appliances, osotmy products, or devices such as eyelashes or wigs or artificial breasts.~~

(16) "~~Prosthetics~~" means ~~the science and practice of evaluation, measuring, designing, fabricating, assembling, fitting, aligning, adjusting or servicing, as well as providing the initial training necessary to accomplish the fitting of, a prosthesis through the replacement of external parts of a human body, lost due to amputation or congenital deformities or absences. The~~

practice of prosthetics also includes the generation of an image, form, or mold that replicates the patient's body or body segment and that requires rectification of dimensions, contours and volumes for use in the design and fabrication of a socket to accept a residual anatomic limb to, in turn, create an artificial appendage that is designed either to support body weight or to improve or restore function or cosmesis, or both. Involved in the practice of prosthetics is observational gait analysis and clinical assessment of the requirements necessary to refine and mechanically fix the relative position of various parts of the prosthesis to maximize function, stability, and safety of the patient. The practice of prosthetics includes providing and continuing patient care in order to assess the prosthetic device's effect on the patient's tissues and to assure proper fit and function of the prosthetic device by periodic evaluation.

(17) "Prosthetist" means a practitioner, certified by the ABC or BOC, who provides care to patients with partial or total absence of a limb by designing, fabricating, and fitting devices, known as prostheses. At the request of and in consultation with physicians, the prosthetist assists in formulation of prescriptions for prostheses, and examines and evaluates patients' prosthetic needs in relation to their disease entity and functional loss. In providing the prostheses, he or she is responsible for formulating its design, including selection of materials and components; making all necessary casts, measurements and model modifications; performing fittings including static and dynamic alignments; evaluating the prosthesis on the patient; instructing the patient in its use, and maintaining adequate patient records; all in conformity with the prescription.

5-59.1-4. Licensing of practitioners.— The department shall issue to those persons eligible under the provisions of this chapter certificate licenses attesting to their qualifications to practice as certified licensed orthotists or prosthetists.

5-59.1-5. Application for orthotic or prosthetic license.— Any person who desires to be licensed as set forth in § 5-59.1-4 shall in writing submit an application on forms provided by the department for a license accompanied by a fee as set forth in § 23-1-54 with all other credentials that the department requires and as required by this chapter. All the proceeds of any fees collected pursuant to the provisions of this chapter shall be deposited as general revenues.

5-59.1-6. Qualifications for license.— (a) Qualification for licensing under this chapter shall be the possession of the title "certified prosthetist" or "certified orthotist", as issued by and under the rules of the American Board for Certification in Orthotics and Prosthetics, Inc. or the Board for Orthotist/Prosthetist certification. Evidence of the possession of that title shall be presented to the department.

(b) In order to qualify for a license to practice orthotics or prosthetics a person shall provide proof of:

- (1) Possession of a baccalaureate degree from an accredited college or university;
- (2) Completion of an orthotic, or prosthetic education program that meets or exceeds the requirements of the National Commission on Orthotic and Prosthetic Education;
- (3) Completion of a clinical residency in orthotics and/or prosthetics that meets or exceeds the standards of the National Commission on Orthotic and Prosthetic Education; and
- (4) Current certification by ABC or BOC in the discipline for which the application corresponds.

5-59.1-7. Use of "licensed prosthetist" or "licensed orthotist" title.— No person offering service to the public shall use the title licensed prosthetist or licensed orthotist or shall use the abbreviation "L.P." or "L.O.", or in any other way represent themselves as licensed practitioners unless they hold a current license as provided in this chapter.

~~§ 59.1-8. Exceptions.~~— This chapter shall not be construed to prohibit:

~~(a) A physician licensed in this state from engaging in the practice for which he or she is licensed;~~

~~(b) The practice of orthotics or prosthetics by a person who is employed by the federal government while in the discharge of the employee's official duties;~~

~~(c) The practice of orthotics or prosthetics by a resident continuing his or her clinical education in a residency accredited by the National Commission on Orthotic and Prosthetic Education;~~

~~(d) Consistent with his or her license, a licensed pharmacist, physical or occupational therapist, or certified athletic trainer from engaging in his or her profession; or~~

~~(e) Measuring, fitting, or adjusting an off the shelf orthosis by employees or authorized representatives of an orthosis manufacturer, which is registered with the Federal Food and Drug Administration when such employee or representative is supervised by a physician.~~

~~§ 59.1-9. License and biannual renewal required.~~— No person may practice orthotics or prosthetics without a license issued under authority of this chapter, which license has not been suspended or revoked as provided under this chapter, without renewal biannually, as provided in § 59.1-12.

~~§ 59.1-10. Grandfather clause.~~— Any person currently practicing full time in the state of Rhode Island on January 1, 2007 in an orthotist and/or prosthetic facility as a certified BOC or ABC orthotist and/or prosthetist must file an application for licensure prior to sixty (60) days after January 1, 2007 to continue practice at his or her identified level of practice. The applicant must provide verifiable proof of active certification in orthotics and/or prosthetics by the ABC or BOC. This section shall not be construed to grant licensing to a person who is a certified or registered orthotic or prosthetic "fitter" or orthotic or prosthetic "assistant."

~~§ 59.1-11. Limitation on provisions of care and services.~~— A licensed orthotist and/or prosthetist may provide care and services only if care and services are provided pursuant to an order from a licensed physician, unless the item which may be purchased without a prescription.

~~§ 59.1-12. Relicensing— Renewal.~~— Every holder of a license issued under this chapter shall biannually attest to the department as to current certification issued by the American Board of Certification in Orthotics and Prosthetics or the Board for Orthotists/Prosthetist Certification. All licenses issued under this chapter shall expire biannually on the last day of September of every odd numbered year. A biennial renewal fee as set forth in § 23-1-54 shall be required. Every orthotist and prosthetist shall conform to the standards of the American Board for Certification in Orthotics and Prosthetics or Board for Orthotists/Prosthetists Certification.

~~§ 59.1-13. Rules and regulations.~~— The department is authorized to promulgate such regulations as it deems necessary to implement the provisions of this chapter.

~~§ 59.1-14. Responsibilities of the department.~~— In addition to other authority provided by law, the department has the authority to:

(1) Register applicants, issue licenses to applicants who have met the education, training and requirements for licensure, and deny licenses to applicants who do not meet the minimum qualifications;

(2) Maintain the official department records of all applicants and licensees;

(3) Establish requirements and procedures for an inactive license; and

(4) Seek the advice and knowledge of the prosthetic and orthotic associations in this state on any matter relating to the enforcement of this chapter.

~~§ 59.1-15. Penalty for violations.~~— Any person, firm, corporation or association violating

any of the provisions of this chapter is deemed to have committed a misdemeanor and upon conviction shall be punished by a fine not to exceed two hundred dollars (\$200), or imprisonment for a period not to exceed three (3) months, or both, and for a second or subsequent violation by a fine of not less than three hundred dollars (\$300) nor more than five hundred dollars (\$500), or imprisonment for one year, or both the fine and imprisonment.

~~5-59.1-16. Severability. — If any provision of this chapter or of any rule or regulation made under this chapter, or the application of this chapter to any person or circumstances, is held invalid by a court of competent jurisdiction, the remainder of the chapter, rule or regulation, and the application of that provision to other persons or circumstances shall not be affected.~~

~~5-59.1-17. Advisory Board of orthotics and prosthetics practice — Composition — Appointment and terms — Powers and duties. — (a) There is hereby created an advisory licensing board to review applications for licensure to obtain a license as an orthotist or prosthetist pursuant to this chapter of the general laws. The review of each applicant's licensing shall require that the applicant have completed an NCOPE (National Commission on Orthotic and Prosthetic Education); accredited residency under a board certified practitioner in the respective discipline; and meet all of the requirements of the chapter. The board shall conduct its interviews and/or investigation and shall report its findings to the director of the department of health.~~

~~(b) The licensing board shall be composed of three (3) persons: the director of the department of health, or his or her designee; one board certified Rhode Island state licensed prosthetist; and one board certified Rhode Island state licensed orthotist. The board certified orthotist and the board certified prosthetist shall be certified by the American Board of Certification in orthotics and prosthetics and licensed by the State of Rhode Island, shall serve for three (3) year terms and shall be selected by the board of directors of the Rhode Island Society of Orthotists and Prosthetists, Inc. The members of the board shall serve without compensation.~~

SECTION 12. Sections 5-68.1-2, 5-68.1-4, 5-68.1-5, and 5-68.1-8 of the General Laws in Chapter 5-68.1 entitled "Radiologic Technologists" are hereby amended to read as follows:

5-68.1-2. Definitions. — As used in this chapter:

(1) "Authorized user" means a licensed practitioner who meets the training and experience requirements defined in rules and regulations promulgated pursuant to chapter 23-1.3.

(2) "Board" means the board of radiologic technology.

(3) "Department" means the Rhode Island department of health.

(4) "Director" means the director of the Rhode Island department of health.

(5) "Financial interest" means being:

(i) A licensed practitioner of radiologic technology; or

(ii) A person who deals in goods and services that are uniquely related to the practice of radiologic technology; or

(iii) A person who has invested anything of value in a business that provides radiologic technology services.

(6) "License" means a license issued by the director to practice radiologic technology.

(7) "Licensed practitioner" means an individual licensed to practice medicine, chiropractic, or podiatry, or an individual licensed as a registered nurse practitioner or physician assistant in this state.

(8) "Medical physicist" means an individual, other than a licensed practitioner, who practices independently one or more of the subfields of medical physics, and is registered or licensed under rules and regulations promulgated pursuant to section 23-1.3

(9) "National organization" means a professional association or registry, approved by the director, that examines, registers, certifies or approves individuals and education programs relating to operators of sources of radiation.

(10) "Nuclear medicine technologist" means an individual, other than a licensed practitioner, who compounds, calibrates, dispenses and administers radiopharmaceuticals, pharmaceuticals, and radionuclides under the general supervision of an authorized user for benefit of performing a comprehensive scope of nuclear medicine procedures, and who has met and continues to meet the licensure standards of this chapter.

(11) "Person" means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, agency, political subdivision of this state or any other state, or political subdivision of any agency thereof and any legal successor, representative, agent or agency of the foregoing.

(12) "Radiation therapist" means an individual, other than a licensed practitioner, who utilizes ionizing radiation under the general supervision of an authorized user for the planning and delivery of therapeutic procedures, and who has met and continues to meet the licensure standards of this chapter.

(13) "Radiology technologist" also known as a "radiographer" means an individual, other than a licensed practitioner, who performs a comprehensive scope of diagnostic radiologic procedures under the general supervision of a licensed practitioner using external ionizing radiation, resulting in radiographic or digital images, and who has met and continues to meet the licensure standard of this chapter.

(14) "Radiologist" means a licensed practitioner specializing in radiology who is certified by or eligible for certification by the American Board of Radiology or the American Osteopathic Board of Radiology, the British Royal College of Radiology, or the Canadian College of Physicians and Surgeons.

(15) "Radiologist assistant" means an unlicensed individual, other than a licensed practitioner, who performs as an advanced level radiologic technologist and works under the general supervision of a radiologist to enhance patient care by assisting the radiologist in the medical imaging environment, and who ~~has met and continues to meet the licensure standards of this chapter~~ is certified by the American Registry of Radiologic Technologists, or by a comparable national certifying board as approved by the director.

~~(16)~~(16) "Source of radiation" means any substance or device emitting or capable of producing ionizing radiation, for the purpose of performing therapeutic or diagnostic radiologic procedures on human beings.

~~(17)~~(17) "Student" means an individual enrolled in a course of study for medicine or radiologic technology.

~~(18)~~(18) "Supervision" means and includes:

(i) "Direct supervision" means supervision and control by a licensed practitioner who assumes legal liability for the services rendered by the radiologic technologist, which supervision requires the physical presence of the licensed practitioner for consultation and direction of the actions of the radiologic technologist.

(ii) "General supervision" means supervision whereby a licensed practitioner, who assumes legal liability for the services rendered, authorizes the services to be performed by the radiologic technologist, which supervision, except in cases of emergency, requires the easy availability or physical presence of the licensed practitioner for consultation and direction of the actions of the radiologic technologist.

5-68.1-4. License required. – (a) No individual shall practice radiologic technology or shall represent themselves as practicing radiologic technology, unless they are licensed under this chapter. The provisions of this section do not apply to:

- (1) A licensed practitioner when practicing within his or her field of expertise.
- (2) A student of medicine, when under the general supervision of an instructor who is a radiologist and when acting within the scope of practice.
- (3) A dentist, licensed dental hygienist or certified dental assistant when practicing within his or her field of expertise.
- (4) A podiatry assistant who has received a "certificate of completion" from the Community College of Rhode Island or other equivalent training approved by the board, after having taken and passed the course on "radiography for podiatry assistance" and when acting within the practice of podiatry.
- (5) A medical physicist when practicing within his or her field of expertise.
- (6) A licensed healthcare provider at a licensed ambulatory care facility on Block Island and where the director of health determines a waiver of the licensure requirements to be in the interest of public health.

(7) A radiologist assistant who is certified by the American Registry of Radiologic Technologists, or by a comparable national certifying board as approved by the director.

(b) Nothing in this chapter is intended to limit, preclude or interfere with the practice of persons and health care providers licensed by appropriate agencies of Rhode Island.

(c) This chapter does not prohibit an individual enrolled in an approved school of radiologic technology, under the direct supervision of a radiologist or a licensed radiologic technologist, from performing those duties essential for completion of a student's clinical service.

(d) This chapter is not intended to supersede the mammography rules and regulations promulgated pursuant to § 23-17-32.

5-68.1-5. Licensure standards. – (a) The director shall develop standards for licensure of the following categories of radiologic technology:

- (1) Radiographer;
- (2) Nuclear medicine technologist;
- (3) Radiation therapist; and
- ~~(4) Radiologist assistant.~~

(b) The director may promulgate rules and regulations which authorize additional categories of licensure, consistent with a radiologic technology certification established by the American Registry of Radiologic Technologists, the Nuclear Medicine Technology Certification Board or other national organization.

(c) The director may promulgate rules and regulations that establish requirements for radiologic technologist authorization to operate hybrid imaging modalities, including, but not limited to, a combination nuclear medicine-computed tomography device.

5-68.1-8. Other licensing provisions. – (a) Each radiologic technologist license issued by the director shall only specify one category of radiologic technology. An individual qualified to practice more than one category of radiologic technology shall submit a separate application for each category to be licensed. Each radiologic technologist license issued by the director shall indicate, as appropriate, that the individual is a licensed radiographer, a licensed nuclear medicine technologist, a licensed radiation therapist, ~~a licensed radiologist assistant~~ or other category of radiologic technology license established by the director pursuant to subsection 5-68.1-5(c).

(b) Unless licensed as a radiologic technologist pursuant to this chapter, no individual shall use any title or abbreviation to indicate that the individual is a licensed radiologic technologist.

(1) An individual holding a license as a radiographer may use the title "Licensed Radiologic Technologist-Radiographer" or the letters "LRT-R" after his or her name.

(2) An individual holding a license as a radiation therapy technologist may use the title "Licensed Radiologic Technologist-Therapy" or the letters "LRT-T" after his or her name.

(3) An individual holding a license as a nuclear medicine technologist may use the title "Licensed Radiologic Technologist-Nuclear Medicine" or the letters "LRT-N" after his or her name.

~~(4) An individual holding a license as a radiologist assistant may use the title "Licensed Radiologist Assistant" or the letters "LRA" after his or her name.~~

(c) A valid license issued pursuant to this chapter shall be carried on the person of the radiologic technologist while performing the duties for which the license is required.

(d) Licenses, with the exception of initial licenses, shall be issued for a period of two (2) years.

(e) The director shall promulgate rules and regulations which specify a renewal date for all licenses issued pursuant to this chapter.

(f) The director shall promulgate rules and regulations which specify the minimum continuing education credits required for renewal of a radiologic technologist license. Failure to attest to completion of the minimum continuing education credits shall constitute grounds for revocation, suspension or refusal to renew the license.

SECTION 13. Section 5-68.1-9 of the General Laws in Chapter 5-68.1 entitled "Radiologic Technologists" is hereby repealed.

~~5-68.1-9. Special requirements pertaining to licensure of radiologist assistants.— (a) The director shall promulgate rules and regulations that delineate the specific duties allowed for a licensed radiologist assistant. These duties shall be consistent with guidelines adopted by the American College of Radiology, the American Society of Radiologic Technologists and the American Registry of Radiologic Technologists, with the level of supervision required by such guidelines.~~

~~(b) A licensed radiologist assistant is specifically not authorized to:~~

~~(1) Perform nuclear medicine or radiation therapy procedures unless currently licensed and trained to perform those duties under the individual's nuclear medicine technologist or radiation therapy technologist license;~~

~~(2) Interpret images;~~

~~(3) Make diagnoses; and~~

~~(4) Prescribe medications or therapies.~~

SECTION 14. The title of Chapter 16-11.1 of the General Laws entitled "Certification of Athletic Coaches" is hereby amended to read as follows:

~~CHAPTER 16-11.1~~

~~Certification of Athletic Coaches~~

CHAPTER 16-11.1

ATHLETIC COACHES

SECTION 15. Section 16-11.1-1 of the General Laws in Chapter 16-11.1 entitled "Certification of Athletic Coaches" is hereby amended to read as follows:

16-11.1-1. Certification of athletic coaches — Athletic coaches — Red cross First aid

~~course required.— Athletic coaches - First aid course required. – The department of elementary and secondary education shall promulgate rules and regulations concerning the necessary requirements for first aid certification for any person who coaches in any athletic program in any school supported wholly or in part by public money. No person shall coach in any athletic program in any school supported wholly or in part by public money unless the person shall have acquired a certificate of qualification issued by or under the authority of the department of elementary and secondary education which indicates that the person has, no more than three (3) years prior to the application for certification, successfully completed the minimum of a red cross first aid course or a comparable course approved by the department of elementary and secondary education. Participating schools shall require annual proof of current and valid first aid training from all coaches in their athletic programs.~~

SECTION 16. Section 20-2-30 of the General Laws in Chapter 20-2 entitled “Licensing” is hereby amended to read as follows:

~~20-2-30. Fur trapping and buying licenses~~ Fur trapping and licenses. – (a)(1) Fur trapper – Resident: ten dollars (\$10.00);
(2) Fur trapper – Non-resident: thirty dollars (\$30.00);
(3) Fur buyer – Resident: ten dollars (\$10.00);
(4) Fur buyer – Non resident: thirty dollars (\$30.00).
(b) Fur trapper and fur buyer licenses expire on the last day of March of each year.

~~SECTION 17. Sections 20-16-14 and 20-16-15 of the General Laws in Chapters 20-16 entitled “Fur bearing Animals” are hereby repealed.~~

~~20-16-14. Fur buyer's license.— No person, firm, or corporation shall purchase raw furs within this state unless the person, firm or corporation has a valid fur buyer's license. Raw fur buyer's licenses shall be issued by the department upon application and payment of license fees as provided in chapter 2 of this title.~~

~~20-16-15. Fur buyers — Records and reports.— All licensed fur buyers shall keep records of purchase of furs within the state, which shall be open to the inspection by personnel of the department of environmental management at all times. A complete and accurate record of purchases within the state shall be furnished to the department upon request. Failure to do so within fourteen (14) days may be punishable by forfeiture of license and no future license shall be granted if, in the opinion of the director, information is being deliberately withheld.~~

SECTION 18. Sections 23-16.2-2, 23-16.2-6 and 23-16.2-7 of the General Laws in Chapter 23-16.2 entitled "Laboratories" are hereby amended to read as follows:

23-16.2-2. Definitions. –When used in this chapter:

(1) "Analytical laboratory" means a facility for the biological, microbiological, chemical, physical, and radiochemical examination of potable water, nonpotable water or other environmental matrices.

(2) "Clinical laboratory" means a facility for the biological, microbiological, serological, chemical, immunohematological, hematological, radiobioassay, cytological, pathological, or other examination of materials derived from the human body for the purposes of providing information for the diagnosis, prevention, or treatment of any disease or impairment of or the assessment of the health of human beings.

(3) "Director" means the director of the department of health.

(4) "Persons" means any individual, firm, partnership, corporation, company, association, or joint stock association.

(5) "Station" means a facility for the collection, processing, and transmission of the

materials described in subdivisions (1) and (2) for the purposes described in subdivisions (1) and (2).

(6) "Certification" means the determination by the department of health that an analytical laboratory is capable of performing specific tests or analyses of environmental samples in accordance with the requirements of the regulations promulgated pursuant to this chapter.

(7) "Clinical laboratory test" or "laboratory test" means a microbiological, serological, chemical, hematological, radiobioassay, cytological, immunological, or other pathological examination which is performed on material derived from the human body, the test or procedure conducted by a clinical laboratory which provides information for the diagnosis, prevention, or treatment of a disease or assessment of a medical condition.

(8) "Nationally recognized certification examination" means an appropriate examination, as determined by the director, covering both academic and practical knowledge, including, but not limited to, those offered by the American Society of Clinical Pathologists (ASCP), American Medical Technologists (AMT), National Credentialing Agency (NCA), or the American Association of Bioanalysts Board of Registry (AAB), and including any appropriate categorical or specialty examinations.

23-16.2-6. Issuance or denial of license. – Not less than thirty (30) days from the time any application for the license is received, the director shall grant the application and issue a license to maintain a laboratory or station if the director shall be satisfied that the applicant complies with the rules and regulations promulgated in accordance with this chapter, establishing standards for the qualifications of personnel and adequacy of equipment and facilities. The standards for qualification of personnel who perform clinical laboratory tests shall require, as a minimum, successful completion of a nationally recognized certification examination. Notwithstanding this requirement, the director may establish, by regulation, alternative criteria for individuals who previously qualified under federal regulatory requirements, such as 42 CFR § 493.1433 of the March 14, 1990 federal register, or other criteria which may be established to have met the requirements of this chapter. ~~shall include provision for minimum standards of professional education or experience, as determined by the director. The director may provide for the examination of applicants to determine their qualifications.~~ Notwithstanding the preceding statements in this section, upon payment of any applicable license fees, the director may grant immediate licensure to any clinical laboratory licensed as a clinical laboratory in another state and certified under the Clinical Laboratory Improvement Act of 1988, when the clinical laboratory has been asked to perform a clinical laboratory service which is not offered by any other clinical laboratory then licensed in this state.

23-16.2-7. Suspension and revocation of license. – (a) The department of health may revoke or suspend the license or specific certification of any laboratory or station for conduct by or chargeable to the laboratory or stations as follows:

(1) Failure to observe any term of the license or specific certification issued under authority of this chapter by the department of health;

(2) Failure to observe any order made under authority of this chapter or under the statutory authority vested in the department of health;

(3) Engaging in, aiding, abetting, causing, or permitting any action prohibited under this chapter;

(4) Failing to observe any regulations promulgated by the department of health.

(b) Whenever the director shall have reason to believe that any laboratory or station, for the maintenance of which the director has issued a license or specific certification as provided

for in § 23-16.2-4, is being maintained in violation of the rules and regulations provided in § 23-16.2-5, the director may, pending an investigation and hearing, suspend for a period not exceeding thirty (30) days, any license or specific certification issued under authority of this chapter and may, after due notice and hearing, revoke the license or specific certification if the director finds that the laboratory or station is being maintained in violation of the rules and regulations. The holder of a license shall upon its revocation promptly surrender the license or specific certification to the director.

(c) The director may revoke or suspend the license, or may impose appropriate fines as promulgated in regulation, of any laboratory or station that does not ensure that all personnel meet the requirements of this chapter.

SECTION 19. Chapter 23-16.3 of the General Laws entitled "Clinical Laboratory Science Practice" is hereby repealed in its entirety.

CHAPTER 23-16.3

Clinical Laboratory Science Practice

23-16.3-1. Short title. -- This chapter shall be known and may be cited as the "Clinical Laboratory Science Practice Act".

23-16.3-2. Declaration of policy and statement of purpose. -- It is declared to be a policy of the state that the practice of clinical laboratory science by health care professionals affects the public health, safety, and welfare and is subject to control and regulation in the public interest. It is further declared that clinical laboratories and clinical laboratory science practitioners provide essential services to practitioners of the healing arts by furnishing vital information which may be used in the diagnosis, prevention, and treatment of disease or impairment and the assessment of the health of humans. The purpose of this chapter is to provide for the better protection of public health by providing minimum qualifications for clinical laboratory science practitioners, and by ensuring that clinical laboratory tests are performed with the highest degree of professional competency by those engaged in providing clinical laboratory science services in the state.

23-16.3-3. Definitions. -- The following words and terms when used in this chapter have the following meaning unless otherwise indicated within the context:

(1) "Accredited clinical laboratory program" means a program planned to provide a predetermined amount of instruction and experience in clinical laboratory science that has been accredited by one of the accrediting agencies recognized by the United States Department of Education.

(2) "Board" means the clinical laboratory science board appointed by the director of health.

(3) "Clinical laboratory" or "laboratory" means any facility or office in which clinical laboratory tests are performed.

(4) "Clinical laboratory science practitioner" or "one who engages in the practice of clinical laboratory science" means a health care professional who performs clinical laboratory tests or who is engaged in management, education, consulting, or research in clinical laboratory science, and includes laboratory directors, supervisors, clinical laboratory scientists (technologists), specialists, and technicians working in a laboratory, but does not include persons employed by a clinical laboratory to perform supportive functions not related to direct performance of laboratory tests and does not include clinical laboratory trainees. Provided, however, nothing contained in this chapter shall apply to a clinical perfusionist engaged in the testing of human laboratory specimens for extracorporeal functions, which shall include those

functions necessary for the support, treatment, measurement, or supplementation of the cardiopulmonary or circulatory system of a patient.

~~(5) "Clinical laboratory scientist" and/or "technologist" means a person who performs clinical laboratory tests pursuant to established and approved protocols requiring the exercise of independent judgment and responsibility, maintains equipment and records, performs quality assurance activities related to test performance, and may supervise and teach within a clinical laboratory setting.~~

~~(6) "Clinical laboratory technician" means a person who performs laboratory tests pursuant to established and approved protocols which require limited exercise of independent judgment and which are performed under the personal and direct supervision of a clinical laboratory scientist (technologist), laboratory supervisor, or laboratory director.~~

~~(7) "Clinical laboratory test" or "laboratory test" means a microbiological, serological, chemical, hematological, radiobioassay, cytological, immunological, or other pathological examination which is performed on material derived from the human body, the test or procedure conducted by a clinical laboratory which provides information for the diagnosis, prevention, or treatment of a disease or assessment of a medical condition.~~

~~(8) "Department" means the Rhode Island department of health.~~

~~(9) "Director" means the director of the Rhode Island department of health.~~

~~(10) "Limited function test" means a test conducted using procedures which as determined by the director have an insignificant risk of an erroneous result, including those which:~~

~~(i) Have been approved by the United States Food and Drug Administration for home use;~~

~~(ii) Employ methodologies that are so simple and accurate as to render the likelihood of erroneous results negligible; or~~

~~(iii) The director has determined pose no reasonable risk of harm to the patient if performed incorrectly.~~

~~23-16.3-4. Exceptions. -- This chapter shall not apply to:~~

~~(1) Any person performing clinical laboratory tests within the scope of his or her practice and for which he or she is licensed pursuant to any other provisions of the general laws.~~

~~(2) Clinical laboratory science practitioners employed by the United States government or any bureau, division, or agency of the United States government while in the discharge of the employee's official duties.~~

~~(3) Clinical laboratory science practitioners engaged in teaching or research, provided that the results of any examination performed are not used in health maintenance, diagnosis, or treatment of disease.~~

~~(4) Students or trainees enrolled in a clinical laboratory science education program provided that these activities constitute a part of a planned course in the program, that the persons are designated by title such as intern, trainee, or student, and the persons work directly under the supervision of an individual licensed by this state to practice laboratory science.~~

~~(5) Individuals performing limited function tests.~~

~~23-16.3-5. License required. (a) No person shall practice clinical laboratory science or hold himself or herself out as a clinical laboratory science practitioner in this state unless he or she is licensed pursuant to this chapter.~~

~~(b) All persons who were engaged in the practice of clinical laboratory science on July 1, 1992, who are certified by or eligible for certification by an agency approved by the department~~

of health, and who have applied to the department of health on or before July 1, 1994, and have complied with all necessary requirements for the application, may continue to perform clinical laboratory tests until July 1, 1995 unless the application is denied by the department of health, or the withdrawal of the application, whichever occurs first.

~~(c) Persons not meeting the education, training, and experience qualifications for any license described in this chapter may be considered to have met the qualifications providing they have:~~

~~(1) Three (3) years acceptable experience between January 1, 1986 and January 1, 1996 and submits to the department of health the job description of the position which the applicant has most recently performed attested to by his or her employer and notarized; or~~

~~(2) No less than twelve (12) years acceptable experience prior to 1993 and submits to the department of health the job description of the position which the applicant has most recently performed attested to by his or her employer and notarized on or before December 1, 2001.~~

~~(d) After December 1, 2001, no initial license shall be issued until an applicant meets all of the requirements under this chapter, and successfully completes a nationally recognized certification examination, such as NCA, DHHS, ASCP, state civil service examination, or others including appropriate categorical and specialty exams. Provided, however, that the provisions of this subsection shall not be available to any individual who has been previously denied a license as a clinical laboratory science practitioner by the department of health.~~

~~23-16.3-6. Administration. (a) There is created within the division of professional regulation of the department of health a clinical laboratory advisory board which shall consist of seven (7) persons who have been residents of the state for at least two (2) years prior to their appointment, and who are actively engaged in their areas of practice. The director of the department of health, with the approval of the governor, shall make appointments to the board from lists submitted by organizations of clinical laboratory science practitioners and organizations of physicians and pathologists.~~

~~(b) The board shall be composed of:~~

~~(1) One physician certified by the American Board of Pathology or American Board of Osteopathic Pathology;~~

~~(2) One physician who is not a laboratory director and is not a pathologist;~~

~~(3) Four (4) clinical laboratory science practitioners, at least one of whom is a non-physician laboratory director, one of whom is a clinical laboratory scientist (technologist), and one of whom is a clinical laboratory technician, and who, except for the initial appointments, hold active and valid licenses as clinical laboratory science practitioners in this state and one of whom is a clinical laboratory science practitioner not falling in one of the first three (3) categories; and~~

~~(4) One public member who is not associated with or financially interested in the practice of clinical laboratory science.~~

~~(c) Board members shall serve for a term of three (3) years, and until their successors are appointed and qualified, except that the initial appointments, which shall be made within sixty (60) days after July 1, 1992, shall be as follows:~~

~~(1) One pathologist, one non-physician laboratory director, and one clinical laboratory scientist, shall be appointed to serve for three (3) years;~~

~~(2) One public representative and one non-pathologist physician, shall be appointed to serve for two (2) years; and~~

~~(3) The remaining members shall be appointed to serve for one year.~~

~~(d) The membership of the board shall receive no compensation for their services.~~

~~(e) Whenever a vacancy shall occur on the board by reason other than the expiration of a term of office, the director of the department of health with the approval of the governor shall appoint a successor of like qualifications for the remainder of the unexpired term. No person shall be appointed to serve more than two (2) successive three (3) year terms.~~

~~23-16.3-7. Duties and powers of the clinical laboratory advisory board. — In addition to any other power conferred upon the board pursuant to this chapter, the board shall recommend to the director:~~

~~(1) Rules and regulations for the implementation of this chapter including, but not limited to, regulations that delineate qualifications for licensure of clinical laboratory science practitioners as defined in this chapter, specify requirements for the renewal of licensure, establish standards of professional conduct, and recommend on the amendment or on the repeal of the rules and regulations. Following their adoption, the rules and regulations shall govern and control the professional conduct of every person who holds a license to perform clinical laboratory tests or otherwise engages in the profession of clinical laboratory science;~~

~~(2) Standard written, oral, or practical examinations for purposes of licensure of clinical laboratory science practitioners as provided for in § 23-16.3-5;~~

~~(3) Rules and regulations governing qualifications for licensure of specialists in those clinical laboratory science specialties that the board may determine in accordance with § 23-16.3-8(e);~~

~~(4) Rules and regulations governing personnel performing tests in limited function laboratories;~~

~~(5) A schedule of fees for applications and renewals;~~

~~(6) Establish criteria for the continuing education of clinical laboratory science practitioners as required for license renewal;~~

~~(7) Any other rules and regulations necessary to implement and further the purpose of this chapter.~~

~~23-16.3-8. Standards for licensure. — (a) Clinical laboratory scientist (technologist). — The department of health shall issue a clinical laboratory scientist's license to an individual who meets the qualifications developed by the board, including at least one of the following qualifications:~~

~~(1) A baccalaureate degree in clinical laboratory science (medical technology) from an accredited college or university whose curriculum included appropriate clinical education;~~

~~(2) A baccalaureate degree in biological, chemical, or physical science from an accredited college or university, and subsequent to graduation has at least twelve (12) months of appropriate clinical education in an accredited clinical laboratory science program;~~

~~(3) A baccalaureate degree which includes a minimum of thirty-six (36) semester (or equivalent) hours in the biological, chemical, and physical sciences from an accredited college or university plus two (2) years of full-time work experience including a minimum of four (4) months in each of the four (4) major disciplines of laboratory practice (clinical chemistry, clinical microbiology, hematology, immunology/immunohematology); or~~

~~(4) A baccalaureate degree consisting of ninety (90) semester (or equivalent) hours, thirty-six (36) of which must be in the biological, chemical, or physical sciences, from an accredited university, and appropriate clinical education in an accredited clinical laboratory science program.~~

~~(5) A clinical laboratory scientist (technologist) who previously qualified under federal~~

~~regulatory requirements such as 42 CFR § 493.1433 of the March 14, 1990 federal register or other regulations or criteria which may be established by the board.~~

~~(b) Clinical laboratory technician.— The department of health shall issue a clinical laboratory technician's license to an individual who meets the qualifications promulgated by the board, including at least one of the following qualifications:~~

~~(1) An associate degree or completion of sixty (60) semester (or equivalent) hours from a clinical laboratory technician program (MLT or equivalent) accredited by an agency recognized by the United States Department of Education that included a structured curriculum in clinical laboratory techniques;~~

~~(2) A high school diploma (or equivalent) and (i) completion of twelve (12) months in a technician training program in an accredited school such as CLA (ASCP) clinical laboratory assistant (American Society of Clinical Pathologists), and MLT-C medical laboratory technician-certificate programs approved by the board; or (ii) successful completion of an official military medical laboratory procedure course of at least fifty (50) weeks duration and has held the military enlisted occupational specialty of medical laboratory specialist (laboratory technician); or~~

~~(3) A clinical laboratory technician who previously qualified under federal regulatory requirements such as 42 CFR § 493.1441 of the March 14, 1990 federal register which meet or exceed the requirements for licensure set forth by the board.~~

~~(c) Clinical histologic technician.— The department of health shall issue a clinical histologic technician license to an individual who meets the qualifications promulgated by the board, including at least one of the following:~~

~~(1) Associate degree or at least sixty (60) semester hours (or equivalent) from an accredited college/university to include a combination of mathematics and at least twelve (12) semester hours of biology and chemistry, and successfully complete an accredited program in histologic technique or one full year of training in histologic technique under the supervision of a certified histotechnologist or an appropriately certified histopathology supervisor with at least three (3) years experience.~~

~~(2) High school graduation (or equivalent) and two (2) years full time acceptable experience under the supervision of a certified/licensed clinical histologic technician at a licensed clinical laboratory in histologic technique.~~

~~(d) Cytotechnologist.— The department of health shall issue a cytotechnologist license to an individual who meets the qualifications promulgated by the board including at least one of the following:~~

~~(1) A baccalaureate degree from an accredited college or university with twenty (20) semester hours (30 quarter hours) of biological science, eight (8) semester hours (12 quarter hours) of chemistry, and three (3) semester hours (4 quarter hours) of mathematics and successful completion of a twelve (12) month cytotechnology program.~~

~~(2) A baccalaureate degree from an accredited college or university with twenty (20) semester hours (30 quarter hours) of biological science, eight (8) semester hours (12 quarter hours) of chemistry, and three (3) semester hours (4 quarter hours) of mathematics and five (5) years full time acceptable clinical laboratory experience including cytopreparatory techniques, microscopic analysis, and evaluation of the body systems within the last ten (10) years. At least two (2) of these years must be subsequent to the completion of the academic component and at least two (2) years must be under the supervision of a licensed physician who is a pathologist, certified, or eligible for certification, by the American Board of Pathology in anatomic pathology~~

or has other suitable qualifications acceptable to the board.

~~(3) A cytotechnologist who previously qualified under federal regulatory requirements such as 42 CFR § 493.1437 of the March 14, 1990 federal register.~~

~~(e) The board shall recommend standards for any other clinical laboratory science practitioners specializing in areas such as nuclear medical technology, radioimmunoassay, electron microscopy, forensic science, molecular biology, or similar recognized academic and scientific disciplines with approval of the director of health.~~

~~23-16.3-9. Waiver of requirements.— The board shall recommend regulations providing procedures for waiver of the requirements of § 23-16.3-8 for all applicants who hold a valid license or its equivalent issued by another state; provided that the requirements under which that license or its equivalent was issued to meet or exceed the standards required by this chapter with the approval of the director. The board may also recommend regulations it deems appropriate with respect to individuals who hold valid licenses or their equivalent in other countries.~~

~~23-16.3-10. Licensure application procedures.— (a) Licensure applicants shall submit their application for licensure to the department of health upon the forms prescribed and furnished by the department of health, and shall pay the designated application or examination fee.~~

~~(b) Upon receipt of application and payment of a fee, the department of health shall issue a license for a clinical laboratory scientist or technologist, a clinical laboratory technician, or an appropriate specialty license to any person who meets the qualifications specified in this chapter and the regulations promulgated under this chapter.~~

~~(c) The board may recommend a procedure for issuance of temporary permits to individuals otherwise qualified under this chapter who intend to engage in clinical laboratory science practice in this state for a limited period of time not to exceed eighteen (18) months.~~

~~(d) The board may recommend a procedure for issuance of provisional licenses to individuals who otherwise qualify under this chapter but are awaiting the results of certification examinations. A provisional license so issued shall be converted to a license under the provisions of § 23-16.3-8 or expire not more than twelve (12) months after issuance. At the discretion of the board, the provisional license may be reissued at least one time with the director's approval.~~

~~23-16.3-11. Licensure renewal.— (a) Licenses issued pursuant to this chapter shall expire on a date and time specified by the department of health.~~

~~(b) Every person licensed pursuant to this chapter shall be issued a renewal license every two (2) years upon:~~

~~(1) Submission of an application for renewal on a form prescribed by the department of health and payment of an appropriate fee recommended by the board; and~~

~~(2) Proof of completion, in the period since the license was first issued or last renewed, of at least thirty (30) hours of continuing education courses, clinics, lectures, training programs, seminars, or other programs related to clinical laboratory practice which are approved or accepted by the board; or proof of re-certification by a national certification organization that mandates an annual minimum of fifteen (15) hours of continuing education, such as the National Certification Agency for Medical Laboratory Personnel.~~

~~(c) The board may recommend any other evidence of competency it shall deem reasonably appropriate as a prerequisite to the renewal of any license provided for by this chapter, as long as these requirements are uniform as to application, are reasonably related to the measurement of qualification, performance, or competence, and are desirable and necessary for the protection of the public health.~~

~~23-16.3-12. Disciplinary requirements.— The board may recommend to the director of health issuance, renewal, or revocation of a license, or suspension, placement on probation, censure, or reprimand of a licensee, or any other disciplinary action that the board may deem appropriate, including the imposition of a civil penalty, for conduct that may result from, but not necessarily be limited to:~~

- ~~(1) A material misstatement in furnishing information to the department of health;~~
- ~~(2) A violation or negligent or intentional disregard of this chapter, or of the rules or regulations promulgated under this chapter;~~
- ~~(3) A conviction of any crime under the laws of the United States or any state or territory of the United States which is a felony or which is a misdemeanor, an essential element of which is dishonesty, or of any crime which is directly related to the practice of the profession;~~
- ~~(4) Making any misrepresentation for the purpose of obtaining registration or violating any provision of this chapter;~~
- ~~(5) Violating any standard of professional conduct adopted by the board;~~
- ~~(6) Engaging in dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud, or harm the public;~~
- ~~(7) Providing professional services while mentally incompetent, under the influence of alcohol or narcotic or controlled dangerous substance that is in excess of therapeutic amounts or without valid medical indication;~~
- ~~(8) Directly or indirectly contracting to perform clinical laboratory tests in a manner which offers or implies an offer of rebate, fee splitting inducements or arrangements, or other unlawful remuneration; or~~
- ~~(9) Aiding or assisting another person in violating any provision of this chapter or any rule adopted under this chapter.~~

~~23-16.3-13. Hearing requirements — Procedure.— (a) The proceedings for the revocation, suspension or limiting of any license may be initiated by any person, corporation, association, or public officer or by the board by the filing of written charges with the board, but no license shall be revoked, suspended, or limited without a hearing before the board within sixty (60) days after the filing of written charges in accordance with the procedures established by the board. A license may be temporarily suspended without a hearing for the period not to exceed thirty (30) days upon notice to the licensee following a finding by the board that there exists a significant threat to the public health and approved by the director.~~

~~(b) Any appeal from the action of the board shall be in accordance with the provisions of chapter 35 of title 42.~~

~~23-16.3-14. Roster of licenses.— The department of health shall maintain a roster of the names and addresses of persons currently licensed and registered under the provision of this chapter, and of all persons whose licenses have been suspended or revoked within the previous year.~~

~~23-16.3-15. Receipts.— The proceeds of any fees collected pursuant to the provisions of this chapter shall be deposited as general revenues.~~

~~23-16.3-16. Severability.— If any provision of this chapter or the application of any provision to any person or circumstance shall be held invalid, that invalidity shall not affect the provisions or application of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of the chapter are declared to be severable.~~

SECTION 20. Chapter 23-19.3 of the General Laws entitled “Sanitarians” is hereby repealed in its entirety.

~~23-19.3-1. Definitions.— The following words as used in this chapter shall, unless the context requires otherwise, have the following meanings:~~

~~(1) "Division" means the division of professional regulation in the department of health.~~

~~(2) "Sanitarian" means a person with broad basic education experience in the field of environmental health sciences and technology, and who is qualified to carry out instructional and surveillance duties and enforce the laws in the field of environmental health.~~

~~23-19.3-2. Division of professional regulation— Powers and duties.— The division of professional regulation shall have the following powers and duties:~~

~~(1) To prepare and establish regulations governing registration of sanitarians.~~

~~(2) To appoint persons to prepare and administer examinations to applicants for registration as sanitarian.~~

~~23-19.3-3. Qualification for registration.— The division of professional regulation shall establish the minimum educational and experience qualifications which applicants must possess before being allowed to take the examinations for registration as sanitarians and may, in a similar manner, provide for the issuance of certificates of registration without examination to persons holding certificates of registration or licenses as sanitarians under the laws of another state, where the requirements are substantially equivalent or exceed the requirements of this state.~~

~~23-19.3-4. Ad hoc committee.— The director of health may establish, as the director deems necessary, an ad hoc committee of three professional environmental health scientists who are registered sanitarians with 10 or more years' experience in the field of environmental health services to assist the division of professional regulation in establishing any standards deemed necessary to carry out the provisions of this chapter.~~

~~23-19.3-5. Application for registration— Examination— Issuance of certificate.— (a) A person who desires to be registered as a sanitarian shall file with the division of professional regulation an application upon a form to be prescribed and furnished by the division of professional regulation. He or she shall include in the application, under oath, his or her qualifications as a sanitarian. The application shall be accompanied by a registration fee as set forth in § 23-1-54.~~

~~(b) If the division of professional regulation deems the education qualifications of the applicant are satisfactory and if he or she passes an examination, both written and oral, satisfactory to the division of professional regulation, the division shall issue him or her a certificate of registration. The certificate of registration shall expire at the end of the calendar year, and may be renewed on or before January fifteenth (15th) of the following year. The fee for renewal of a certificate of registration shall be as set forth in § 23-1-54.~~

~~23-19.3-6. Designation of registered sanitarian.— Any person to whom a certificate of registration as a sanitarian has been issued shall have the right to use after his name the title "registered sanitarian" or the letters "R.S." No other person shall assume the title or use the letters or any other words, letters, or writing to indicate that he or she is a registered sanitarian.~~

~~23-19.3-7. Restricted receipts.— From the proceeds of any fees collected pursuant to the provisions of this chapter, there is created a restricted receipts account which shall be used for the general purposes of the division of professional regulation within the Rhode Island department of health.~~

~~(a) No person, firm, corporation, partnership, or association shall engage in the business of pumping, cleaning, and/or transporting septage, industrial wastes, or oil waste unless a license is obtained from the department of environmental management.~~

~~(b) Any person, firm, corporation, partnership or association who desires to engage in~~

~~this business shall submit in writing in any form as is required by the department, an application for a license to engage in this business.~~

~~23-19.3-8. Repealed. —~~

~~23-19.3-9. Repealed. —~~

SECTION 21. Section 41-5-21 of the General Laws in Chapter 41-5 entitled "Boxing and Wrestling" is hereby amended to read as follows:

~~41-5-21. Application of chapter to wrestling and kickboxing matches. —~~ Application of chapter to wrestling matches. — (a) The division of racing and athletics shall have and exercise the same authority, supervision, and control over wrestling and kickboxing matches and exhibitions as is conferred upon the division by this chapter over boxing and sparring matches and exhibitions, and the provisions of this chapter, except those of § 41-5-12, shall apply in all respects to wrestling ~~and kickboxing~~ matches and exhibitions to the same extent and with the same force and effect as they apply to boxing and sparring matches.

(b) Whenever in this chapter, except in § 41-5-12, the words "boxing or sparring match or exhibition" or the plural form thereof are used, they shall be construed to include the words "wrestling ~~or kickboxing~~ match or exhibition" or the plural form thereof, and the word "boxer" shall be construed to include "wrestler ~~or kickboxer~~," unless the context otherwise requires, and any person holding, conducting, or participating in a wrestling ~~or kickboxing~~ match or exhibition shall be subject to the same duties, liabilities, licensing requirements, penalties, and fees as are imposed by this chapter upon any person holding, conducting, or participating in a boxing or sparring match or exhibition.

(c) For the purpose of this chapter a "professional wrestler" is defined as one who competes for a money prize or teaches or pursues or assists in the practice of wrestling as a means of obtaining a livelihood or pecuniary gain; ~~and a "professional kickboxer" is defined as one who competes for a money prize or teaches or pursues or assists in the practice of kickboxing as a means of obtaining a livelihood or pecuniary gain.~~

(d) The division of racing and athletics may waive the provisions of this chapter within its discretion in the case of wrestling as a form of pre-determined entertainment.

SECTION 22. Sections 41-5.1-1, 41-5.1-2, and 41-5.1-3 of the General Laws in Chapter 41-5.1 entitled "Commission on Professional Boxing, Wrestling, and Kick Boxing" are hereby amended to read as follows:

41-5.1-1. Composition of commission – Expenses. — There shall be a commission on professional boxing ~~and~~, wrestling, ~~and kick boxing~~, consisting of five (5) qualified electors, three (3) of whom shall be appointed by the speaker of the house, not more than two (2) from the same political party, one by the president of the senate, and one by the governor. All members shall serve at the pleasure of the appointing authority. The commission shall serve without compensation, but shall be allowed their travel and necessary expenses in accordance with the rates from time to time established by the legislative department in its rules and regulations and may expend such sums of money as may be appropriated from time to time by the general assembly.

41-5.1-2. Duties of commission. — It shall be the duty of the commission on boxing ~~and~~, wrestling, ~~and kick boxing~~ to study professional boxing ~~and~~, wrestling, ~~and kick boxing~~ and make recommendations for the regulation thereof to the division of racing and athletics.

41-5.1-3 Record – Reports. — The commission on professional boxing ~~and~~, wrestling, ~~and kick boxing~~ shall keep a record of all its transactions and shall, at the January session in each year, and may at any other time make a report of its doings and of its recommendations to the

general assembly. The reports shall state in detail the nature of and extent of the commission's investigations of the previous year and an outline of its proposed goals and projects for the forthcoming year.

SECTION 23. This article shall take effect upon passage, except for Section 18, which shall take effect on January 1, 2016."

Respectfully submitted,

Representative Gallison

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LC002193/3
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Representative Gallison discusses the amendment.

The motion to amend prevails on a roll call vote 72 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 72: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

Representative Chippendale discusses the Article, as amended.

Article 20 prevails, as amended, on a roll call vote 74 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 74: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

ARTICLE 21

RELATING TO PENSIONS

Representative Gallison moves passage of the article seconded by Representatives Amore, Handy, Canario, Ruggiero, Carnevale, Hearn, Azzinaro, Bennett, Abney, and Corvese.

Representative Gallison discusses the Article.

Article 21 prevails on a roll call vote 64 members voting in the affirmative and 10 members voting in the negative as follows:

YEAS - 64: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Morgan, Morin, Naughton, Nunes, O'Brien, O'Grady, Palangio, Regunberg, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 10: Representatives Barros, Chippendale, Filippi, Lancia, Messier, Nardolillo, Newberry, Price, Reilly, Roberts.

RECUSED - 0:

ARTICLE 5

THE REINVENTING MEDICAID ACT OF 2015

Representative Naughton moves passage of the article seconded by Representatives Hearn, McLaughlin, Morin, Tobon, Barros, Abney, Lima, Ruggiero, Almeida, McKiernan, O'Brien, Carnevale, McEntee, Kennedy, Bennett, and Casey.

Representative Naughton discusses the Article.

By unanimous consent, Representative Naughton, seconded by Representatives Barros and Marshall offers a written motion to amend.

FLOOR AMENDMENT TO 2015 -- H 5900 SUBSTITUTE A

AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE
FISCAL YEAR ENDING JUNE 30, 2016

Mr. Speaker:

I hereby move to amend 2015 -- H 5900 SUBSTITUTE A, entitled "AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016", as follows:

1. In Article 5, by deleting all of the language after the title "THE REINVENTING MEDICAID ACT OF 2015" and inserting the following:

"Preamble: The following Act shall be known as "The Reinventing Medicaid Act of 2015", which achieves significant Medicaid savings while improving quality, controlling costs and putting Rhode Island on a path toward closing a \$190 million structural deficit.

The Rhode Island Medicaid program is an integral component of the State's health care system. Medicaid provides services and supports to as many as one out of four Rhode Islanders, including low-income children and families, developmentally-disabled residents, elders and individuals with severe and persistent mental illness.

Rhode Island currently spends more than 30 cents of every state revenue dollar on Medicaid, much of it on fee-for-service payments to hospitals and nursing homes. As the program's reach expands, the costs of Medicaid have continued to rise, the delivery of care has become more fragmented and uncoordinated and funding for Medicaid has crowded out investments for important economic development priorities like education, skills training and infrastructure.

Given the crucial role of the Medicaid program to the state, it is of compelling importance that the state conduct a fundamental restructuring of its Medicaid program that achieves measurable improvement in health outcomes for the people of Rhode Island and transforms the health care system to one that pays for outcomes and quality at a sustainable, predictable and affordable cost for Rhode Island taxpayers and employers.

Rhode Island cannot build a foundation for economic growth unless the state addresses its structural deficit. Nor can it tackle the structural deficit without reforming Medicaid. Rhode Island needs a strong Medicaid system that functions as a safety net for the most vulnerable Rhode Islanders, but it also needs a sustainable model that works for patients, providers, and taxpayers.

The Reinventing Medicaid Act of 2015 makes a number of statutory changes to the state Medicaid program, including the creation of incentive models that reward better hospitals and nursing homes for better quality and better coordination, a pilot coordinated care program that establishes person-centered care and payment methods, targeted community-based programs for individuals who need intensive services and managed care for Rhode Islanders with severe and persistent mental illness.

This Act shall be known as the "Reinventing Medicaid Act of 2015."

SECTION 1. Chapter 15-10 of the General Laws entitled "Support of Parents" is hereby amended by adding thereto the following section:

15-10-8. Support for certain patients of nursing facilities. -- The uncompensated costs of care provided by a licensed nursing facility to any person may be recovered by the nursing facility from any child of that person who is above the age of eighteen (18) years, to the extent that the child previously received a transfer of any interests or assets from the person receiving such care, which transfer resulted in a period of Medicaid ineligibility imposed pursuant to 42 USC 1396p(c), as amended from time to time, on a person whose assets have been transferred for less than fair market value.

Recourse hereunder shall be limited to the fair market value of the interests or assets transferred at the time of transfer. For the purposes of this section "the costs of care" shall mean the costs of providing care, including nursing care, personal care, meals, transportation and any other costs, charges, and expenses incurred by the facility. Costs of care shall not exceed the customary rate the nursing facility charges to a patient who pays for his or her care directly rather than through a governmental or other third party payor. Nothing contained in this section shall prohibit or otherwise diminish any other causes of action possessed by any such nursing facility. The death of the person receiving nursing facility care shall not nullify or otherwise affect the liability of the person or persons charged with the costs of care hereunder.

SECTION 2. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled "Licensing of Health Care Facilities" is hereby amended to read as follows:

23-17-38.1 Hospitals - Licensing fee. -- (a) There is imposed a hospital licensing fee at the rate of five and four hundred eighteen thousandths percent (5.418%) upon the net patient services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2012, except that the license fee for all hospitals located in Washington County, Rhode Island, shall be discounted by thirty seven percent (37%). The discount for Washington County hospitals is subject to approval by the Secretary of the US Department of Health and Human Services of a state plan amendment submitted by the executive office of health and human services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the administration, collection, and other provisions of chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 14, 2014, and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund. Every hospital shall, on or before June 16, 2014, make a return to the tax administrator containing the correct computation of net patient services revenue for the hospital fiscal year ending September 30, 2012, and the licensing fee due upon that amount. All returns shall be signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

(b)(a) There is also imposed a hospital licensing fee at the rate of five and seven hundred three forty-five thousandths percent (5.703%) (5.745%) upon the net patient services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2013, except that the license fee for all hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent (37%). The discount for Washington County hospitals is subject to approval by the Secretary of the US Department of Health and Human Services of a state plan amendment submitted by the executive office of health and human services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the administration, collection and other provisions of chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 13, 2015 and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund. Every hospital shall, on or before June 15, 2015, make a return to the tax administrator containing the correct computation of net patient services revenue for the hospital fiscal year ending September 30, 2013, and the licensing fee due upon that amount. All returns shall be signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

(b) There is also imposed a hospital licensing fee at the rate of five and eight hundred

sixty-two thousandths percent (5.862%) upon the net patient services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2014, except that the license fee for all hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent (37%). The discount for Washington County hospitals is subject to approval by the Secretary of the US Department of Health and Human Services of a state plan amendment submitted by the executive office of health and human services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the administration, collection and other provisions of chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 11, 2016 and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund. Every hospital shall, on or before June 13, 2016, make a return to the tax administrator containing the correct computation of net patient services revenue for the hospital fiscal year ending September 30, 2014, and the licensing fee due upon that amount. All returns shall be signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

(c) For purposes of this section the following words and phrases have the following meanings:

(1) "Hospital" means a person or governmental unit duly licensed in accordance with this chapter to establish, maintain, and operate a hospital, except a hospital whose primary service and primary bed inventory are psychiatric. the actual facilities and buildings in existence in Rhode Island, licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on that license, regardless of changes in licensure status pursuant to § 23-17.14 (hospital conversions) and §23-17-6 (b) (change in effective control), that provides short-term acute inpatient and/or outpatient care to persons who require definitive diagnosis and treatment for injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language, the negotiated Medicaid managed care payment rates for a court-approved purchaser that acquires a hospital through receivership, special mastership or other similar state insolvency proceedings (which court-approved purchaser is issued a hospital license after January 1, 2013) shall be based upon the newly negotiated rates between the court-approved purchaser and the health plan, and such rates shall be effective as of the date that the court-approved purchaser and the health plan execute the initial agreement containing the newly negotiated rate. The rate-setting methodology for inpatient hospital payments and outpatient hospital payments set for the §§ 40-8-13.4(b)(1)(B)(iii) and 40-8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases for each annual twelve (12) month period as of July 1 following the completion of the first full year of the court-approved purchaser's initial Medicaid managed care contract.

(2) "Gross patient services revenue" means the gross revenue related to patient care services.

(3) "Net patient services revenue" means the charges related to patient care services less (i) charges attributable to charity care; (ii) bad debt expenses; and (iii) contractual allowances.

(d) The tax administrator shall make and promulgate any rules, regulations, and procedures not inconsistent with state law and fiscal procedures that he or she deems necessary for the proper administration of this section and to carry out the provisions, policy, and purposes of this section.

(e) The licensing fee imposed by this section shall apply to hospitals as defined herein that are duly licensed on July 1, ~~2014~~ 2015, and shall be in addition to the inspection fee imposed

by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-38.1.

SECTION 3. Section 23-17.5-17 of the General Laws in Chapter 23-17.5 entitled "Rights of Nursing Home Patients" is hereby amended to read as follows:

23-17.5-17. Transfer to another facility. -- (a) Before transferring a patient to another facility or level of care within a facility, the patient shall be informed of the need for the transfer and of any alternatives to the transfer.

(b) A patient shall be transferred or discharged only for medical reasons, or for the patient's welfare or that of other patients or for nonpayment of the patient's stay. A facility seeking to discharge a patient for nonpayment of the patient's stay must, if the patient has been a patient of the facility for thirty (30) days or longer, provide the patient and, if known, a family member or legal representative of the patient, with written notice of the proposed discharge thirty (30) days in advance of the discharge.

(c) The patient may file an appeal of the proposed discharge with the state agency designated for hearing such appeals, and if the appeal is received by that agency within ten days after the date of written notice, the patient may remain in the facility until the decision of the hearing officer. For appeals where the patient remains in the facility:

(i) Any hearing on the appeal shall be scheduled no later than thirty (30) days after the receipt by the state agency of the request for appeal;

(ii) No more than one request for continuance by the patient shall be permitted and, if granted, the hearing on the appeal must be rescheduled for a date and time no later than forty (40) days after the receipt by the state agency of the request for appeal; and

(iii) The decision of the hearing officer shall be rendered as soon as possible, but in any event within five (5) days after the date of the hearing.

~~(e)~~(d) Reasonable advance notice of transfers to health care facilities other than hospitals shall be given to ensure orderly transfer or discharge and those actions shall be documented in the medical record.

~~(d)~~(e) In the event that a facility seeks a variance from the required thirty (30) day notice of closure of the facility, reasonable advance notice of the hearing for the variance shall be given by the facility to the patient, his or her guardian, or relative so appointed or elected to be his or her decision-maker, and an opportunity to be present at the hearing shall be granted to the designated person.

~~(e)~~(f) In the event of the voluntary closure of a facility, which closure is the result of a variance from the required thirty (30) day notice of closure, granted by the director of the department of health, reasonable advance notice of the closure shall be given by the facility to the patient, his or her guardian, or relative so appointed or elected to be his or her decision-maker.

(g) Nothing herein shall be construed to relieve a patient from any obligation to pay for the patient's stay in a facility.

SECTION 4. Section 27-18-64 of the General Laws in Chapter 27-18 entitled "Accident and Sickness Insurance Policies" is hereby amended to read as follows:

27-18-64. Coverage for early intervention services. -- (a) Every individual or group hospital or medical expense insurance policy or contract providing coverage for dependent children, delivered or renewed in this state on or after July 1, 2004, shall include coverage of early intervention services which coverage shall take effect no later than January 1, 2005. Such coverage shall be limited to a benefit of five thousand dollars (\$5,000) per dependent child per policy or calendar year and shall not be subject to deductibles and coinsurance factors. Any

amount paid by an insurer under this section for a dependent child shall not be applied to any annual or lifetime maximum benefit contained in the policy or contract. For the purpose of this section, "early intervention services" means, but is not limited to, speech and language therapy, occupational therapy, physical therapy, evaluation, case management, nutrition, service plan development and review, nursing services, and assistive technology services and devices for dependents from birth to age three (3) who are certified by the ~~department of human services executive office of health and human services~~ as eligible for services under part C of the Individuals with Disabilities Education Act (20 U.S.C. § 1471 et seq.).

(b) ~~Subject to the annual limits provided in this section, insurers~~ Insurers shall reimburse certified early intervention providers, who are designated as such by the ~~Department of Human Services executive office~~, for early intervention services as defined in this section ~~at rates of reimbursement equal to or greater than the prevailing integrated state/Medicaid rate for early intervention services as established by the Department of Human Services.~~

(c) This section shall not apply to insurance coverage providing benefits for: (1) hospital confinement indemnity; (2) disability income; (3) accident only; (4) long-term care; (5) Medicare supplement; (6) limited benefit health; (7) specified disease indemnity; (8) sickness or bodily injury or death by accident or both; and (9) other limited benefit policies.

SECTION 5. Section 27-20.11-3 of the General Laws in Chapter 27-20.11 entitled "Autism Spectrum Disorders" is hereby amended to read as follows:

27-20.11-3. Scope of coverage. -- (a) Benefits under this section shall include coverage for pharmaceuticals, applied behavior analysis, physical therapy, speech therapy, psychology, psychiatric and occupational therapy services for the treatment of Autism spectrum disorders, as defined in the most recent edition of the DSM. Provided, however:

(1) Coverage for physical therapy, speech therapy and occupational therapy and psychology, psychiatry and pharmaceutical services shall be, to the extent such services are a covered benefit for other diseases and conditions under such policy ; and

(2) Applied behavior analysis ~~shall be limited to thirty two thousand dollars (\$32,000) per person per year.~~

(b) Benefits under this section shall continue until the covered individual reaches age fifteen (15).

(c) The health care benefits outlined in this chapter apply only to services delivered within the State of Rhode Island; provided, that all health insurance carriers shall be required to provide coverage for those benefits mandated by this chapter outside of the State of Rhode Island where it can be established through a pre-authorization process that the required services are not available in the State of Rhode Island from a provider in the health insurance carrier's network.

SECTION 6: Section 35-17-1 of the General Laws in Chapter 35-17 entitled "Medical Assistance and Public Assistance Caseload Estimating Conferences" is hereby amended to read as follows:

35-17-1. Purpose and membership. -- (a) In order to provide for a more stable and accurate method of financial planning and budgeting, it is hereby declared the intention of the legislature that there be a procedure for the determination of official estimates of anticipated medical assistance expenditures and public assistance caseloads, upon which the executive budget shall be based and for which appropriations by the general assembly shall be made.

(b) The state budget officer, the house fiscal advisor, and the senate fiscal advisor shall meet in regularly scheduled caseload estimating conferences (C.E.C.). These conferences shall be open public meetings.

(c) The chairpersonship of each regularly scheduled C.E.C. will rotate among the state budget officer, the house fiscal advisor, and the senate fiscal advisor, hereinafter referred to as principals. The schedule shall be arranged so that no chairperson shall preside over two (2) successive regularly scheduled conferences on the same subject.

(d) Representatives of all state agencies are to participate in all conferences for which their input is germane.

(e) The department of human services shall provide monthly data to the members of the caseload estimating conference by the fifteenth day of the following month. Monthly data shall include, but is not limited to, actual caseloads and expenditures for the following case assistance programs: Rhode Island Works, SSI state program, general public assistance, and child care. The executive office of health and human services shall report relevant caseload information and expenditures for the following medical assistance categories: hospitals, long-term care, managed care, pharmacy, and other medical services. In the category of managed care, caseload information and expenditures for the following populations shall be separately identified and reported: children with disabilities, children in foster care, and children receiving adoption assistance. The information shall include the number of Medicaid recipients whose estate may be subject to a recovery and the anticipated amount to be collected from those subject to recovery estate, and the total recoveries collected each month and number of estates attached to the collections and each month, the number of open cases and the number of cases that have been open longer than three months.

SECTION 7. Section 40-5-13 of the General Laws in Chapter 40-5 entitled "Support of the Needy" is hereby amended to read as follows:

40-5-13. Obligation of kindred for support. – (a) The kindred of any poor person, if any he or she shall have in the line or degree of father or grandfather, mother or grandmother, children or grandchildren, by consanguinity, or children by adoption, living within this state and of sufficient ability, shall be holden to support the pauper in proportion to their ability.

(b) The uncompensated costs of care provided by a licensed nursing facility to any person may be recovered by the nursing facility from any person who is obligated to provide support to that patient under subsection (a) hereof, to the extent that the individual so obligated received a transfer of any interests or assets from the patient receiving such care, which transfer resulted in a period of Medicaid ineligibility imposed pursuant to 42 USC 1396p(c), as amended from time to time, on a person whose assets have been transferred for less than fair market value.

Recourse hereunder shall be limited to the fair market value of the interests or assets transferred at the time of transfer. For the purposes of this section "the costs of care" shall mean the costs of providing care, including nursing care, personal care, meals, transportation and any other costs, charges, and expenses incurred by the facility. Costs of care shall not exceed the customary rate the nursing facility charges to a patient who pays for his or her care directly rather than through a governmental or other third party payor. Nothing contained in this section shall prohibit or otherwise diminish any other causes of action possessed by any such nursing facility. The death of the person receiving nursing facility care shall not nullify or otherwise affect the liability of the person or persons charged with the costs of care hereunder.

SECTION 8. Sections 40-6-27 and 40-6-27.2 of the General Laws in Chapter 40-6 entitled General Public Assistance are hereby amended to read as follows:

40-6-27. Supplemental security income. -- (a)(1) The director of the department is hereby authorized to enter into agreements on behalf of the state with the secretary of the U.S. Department of Health and Human Services or other appropriate federal officials, under the

supplementary and security income (SSI) program established by title XVI of the Social Security Act, 42 U.S.C. § 1381 et seq., concerning the administration and determination of eligibility for SSI benefits for residents of this state, except as otherwise provided in this section. The state's monthly share of supplementary assistance to the supplementary security income program shall be as follows:

(i) Individual living alone: \$39.92
 (ii) Individual living with others: \$51.92
 (iii) Couple living alone: \$79.38
 (iv) Couple living with others: \$97.30
 (v) Individual living in state licensed assisted living residence: \$332.00
 (vi) Individual eligible to receive Medicaid-funded long-term services and supports and living in a Medicaid certified state licensed assisted living residence or adult supportive housing care residence, as defined in §23-17.24, participating in the program authorized under § 40-8.13-2.1:

(a) with countable income above one hundred and twenty (120) percent of poverty: up to \$465.00;

(b) with countable income at or below one hundred and twenty (120) percent of poverty: up to the total amount established in (v) and \$465: \$797

~~(vi)~~(vii) Individual living in state licensed supportive residential care settings that, depending on the population served, meet the standards set by the department of human services in conjunction with the department(s) of children, youth and families, elderly affairs and/or behavioral healthcare, developmental disabilities and hospitals: \$300.00.

Provided, however, that the department of human services shall by regulation reduce, effective January 1, 2009, the state's monthly share of supplementary assistance to the supplementary security income program for each of the above listed payment levels, by the same value as the annual federal cost of living adjustment to be published by the federal social security administration in October 2008 and becoming effective on January 1, 2009, as determined under the provisions of title XVI of the federal social security act [42 U.S.C. § 1381 et seq.]; and provided further, that it is the intent of the general assembly that the January 1, 2009 reduction in the state's monthly share shall not cause a reduction in the combined federal and state payment level for each category of recipients in effect in the month of December 2008; provided further, that the department of human services is authorized and directed to provide for payments to recipients in accordance with the above directives.

(2) As of July 1, 2010, state supplement payments shall not be federally administered and shall be paid directly by the department of human services to the recipient.

(3) Individuals living in institutions shall receive a twenty dollar (\$20.00) per month personal needs allowance from the state which shall be in addition to the personal needs allowance allowed by the Social Security Act, 42 U.S.C. § 301 et seq.

(4) Individuals living in state licensed supportive residential care settings and assisted living residences who are receiving SSI supplemental payments under this section who are participating in the program under §40-8.13-2.1 or otherwise shall be allowed to retain a minimum personal needs allowance of fifty-five dollars (\$55.00) per month from their SSI monthly benefit prior to payment of any monthly fees in addition to any amounts established in an administrative rule promulgated by the secretary of the executive office of health and human services for persons eligible to receive Medicaid-funded long-term services and supports in the settings identified in subsection (a)(1)(v) and (a)(1)(vi).

(5) ~~Except as authorized for the program authorized under §40-8.13-2.4, To~~ to ensure that supportive residential care or an assisted living residence is a safe and appropriate service setting, the department is authorized and directed to make a determination of the medical need and whether a setting provides the appropriate services for those persons who:

(i) Have applied for or are receiving SSI, and who apply for admission to supportive residential care setting and assisted living residences on or after October 1, 1998; or

(ii) Who are residing in supportive residential care settings and assisted living residences, and who apply for or begin to receive SSI on or after October 1, 1998.

(6) The process for determining medical need required by subsection ~~(4)~~ (5) of this section shall be developed by the office of health and human services in collaboration with the departments of that office and shall be implemented in a manner that furthers the goals of establishing a statewide coordinated long-term care entry system as required pursuant to the ~~Global Consumer Choice Compact Waiver Medicaid section 1115 waiver demonstration.~~

(7) To assure access to high quality coordinated services, the ~~department~~ executive office of health and human services is further authorized and directed to establish ~~rules specifying the payment certification or contract~~ standards that must be met by those state licensed supportive residential care settings, including adult supportive care homes and assisted living residences admitting or serving any persons eligible for state-funded supplementary assistance under this section or the program established under §40-8.13-2.4. Such ~~payment certification or contract~~ standards shall define:

(i) The scope and frequency of resident assessments, the development and implementation of individualized service plans, staffing levels and qualifications, resident monitoring, service coordination, safety risk management and disclosure, and any other related areas;

(ii) The procedures for determining whether the ~~payment~~ certifications or contract standards have been met; and

(iii) The criteria and process for granting a one time, short-term good cause exemption from the ~~payment~~ certification or contract standards to a licensed supportive residential care setting or assisted living residence that provides documented evidence indicating that meeting or failing to meet said standards poses an undue hardship on any person eligible under this section who is a prospective or current resident.

(8) The ~~payment~~ certification or contract standards required by this section or § 40-8.13-2.4 shall be developed in collaboration by the departments, under the direction of the executive office of health and human services, so as to ensure that they comply with applicable licensure regulations either in effect or in development.

(b) The department is authorized and directed to provide additional assistance to individuals eligible for SSI benefits for:

(1) Moving costs or other expenses as a result of an emergency of a catastrophic nature which is defined as a fire or natural disaster; and

(2) Lost or stolen SSI benefit checks or proceeds of them; and

(3) Assistance payments to SSI eligible individuals in need because of the application of federal SSI regulations regarding estranged spouses; and the department shall provide such assistance in a form and an amount in which the department shall by regulation determine.

40-6-27.2. Supplementary cash assistance payment for certain supplemental security income recipients. -- There is hereby established a \$206 monthly payment for disabled and elderly individuals who, on or after July 1, 2012, receive the state supplementary assistance

payment for an individual in state licensed assisted living residence under § 40-6-27 and further reside in an assisted living facility that is not eligible to receive funding under Title XIX of the Social Security Act, 42 U.S.C. § 1381 et seq., ~~including through the program authorized under §40-8-13-2.1~~ or reside in any assisted living facility financed by the Rhode Island housing and mortgage finance corporation prior to January 1, 2006, and receive a payment under § 40-6-27. Such a monthly payment shall not be made on behalf of persons participating in the program authorized under §40-8.13-2.

SECTION 9. Sections 40-8-4 and 40-8-13.4 of the General Laws in Chapter 40-8 entitled "Medical Assistance" is hereby amended to read as follows:

40-8-4. Direct vendor payment plan. -- (a) The department shall furnish medical care benefits to eligible beneficiaries through a direct vendor payment plan. The plan shall include, but need not be limited to, any or all of the following benefits, which benefits shall be contracted for by the director:

- (1) Inpatient hospital services, other than services in a hospital, institution, or facility for tuberculosis or mental diseases;
- (2) Nursing services for such period of time as the director shall authorize;
- (3) Visiting nurse service;
- (4) Drugs for consumption either by inpatients or by other persons for whom they are prescribed by a licensed physician;
- (5) Dental services; and
- (6) Hospice care up to a maximum of two hundred and ten (210) days as a lifetime benefit.

(b) For purposes of this chapter, the payment of federal Medicare premiums or other health insurance premiums by the department on behalf of eligible beneficiaries in accordance with the provisions of Title XIX of the federal Social Security Act, 42 U.S.C. § 1396 et seq., shall be deemed to be a direct vendor payment.

(c) With respect to medical care benefits furnished to eligible individuals under this chapter or Title XIX of the federal Social Security Act, the department is authorized and directed to impose:

- (i) Nominal co-payments or similar charges upon eligible individuals for non-emergency services provided in a hospital emergency room; and
- (ii) Co-payments for prescription drugs in the amount of one dollar (\$1.00) for generic drug prescriptions and three dollars (\$3.00) for brand name drug prescriptions in accordance with the provisions of 42 U.S.C. § 1396, et seq.

(d) The department is authorized and directed to promulgate rules and regulations to impose such co-payments or charges and to provide that, with respect to subdivision (ii) above, those regulations shall be effective upon filing.

(e) No state agency shall pay a vendor for medical benefits provided to a recipient of assistance under this chapter until and unless the vendor has submitted a claim for payment to a commercial insurance plan, Medicare, and/or a Medicaid managed care plan, if applicable for that recipient, in that order. This includes payments for skilled nursing and therapy services specifically outlined in Chapter 7, 8 and 15 of the Medicare Benefit Policy Manual.

SECTION 10. Chapter 40-8 of the General Laws entitled "Medical Assistance" is hereby amended by adding thereto the following section:

40-8-6.1. Nursing facility care during pendency of application. -- (a) Definitions. or purposes of this section, the following terms shall have the meanings indicated:

"Applied Income" – The amount of income a Medicaid beneficiary is required to contribute to the cost of his or her care.

"Authorized Representative" – An individual who signs an application for Medicaid benefits on behalf of a Medicaid Applicant

"Complete Application" – An application for Medicaid benefits filed by or on behalf of an individual receiving care and services from a nursing facility, including attachments and supplemental information as necessary, which provides sufficient information for the director or designee to determine the applicant's eligibility for coverage. An application shall not be disqualified from status as a complete application hereunder except for failure on the part of the Medicaid applicant, or his or her authorized representative, to provide necessary information or documentation, or to take any other action necessary to make the application a complete application.

"Medicaid Applicant" – An individual who is receiving care in a nursing facility during the pendency of an application for Medicaid benefits.

"Nursing Facility" – A nursing facility licensed under Chapter 17 of Title 23, which is a participating provider in the Rhode Island Medicaid program.

"Uncompensated Care" – Care and services provided by a nursing facility to a Medicaid applicant without receiving compensation therefore from Medicaid, Medicare, the Medicaid applicant, or other source. The acceptance of any payment representing actual or estimated applied income shall not disqualify the care and services provided from qualifying as uncompensated care.

(b) Uncompensated Care During Pendency of an Application for Benefits. A nursing facility may not discharge a Medicaid applicant for non-payment of the facility's bill during the pendency of a complete application; nor may a nursing facility charge a Medicaid applicant for care provided during the pendency of a complete application, except for an amount representing the estimated applied income. A nursing facility may discharge a Medicaid applicant for non-payment of the facility's bill during the pendency of an application for Medicaid coverage that is not a complete application, but only if the nursing facility has provided the patient (and his or her authorized representative, if known) with thirty (30) days' written notice of its intention to do so, and the application remains incomplete during that thirty (30) day period.

(c) Notice Of Application Status. When a nursing facility is providing uncompensated care to a Medicaid applicant, then the nursing facility may inform the director or designee of its status, and the director or designee shall thereafter inform the nursing facility of any decision on the application at the time the decision is rendered and, if coverage is approved, of the date that coverage will begin. In addition, a nursing facility providing uncompensated care to a Medicaid applicant may inquire of the director or designee as to the status of that individual's application, and the director or designee shall respond within five business days as follows:

(i) Without Release – If the nursing facility has not obtained a signed release authorizing disclosure of information to the facility, the director or designee must provide the following information only, in writing: (a) whether or not the application has been approved; (b) the identity of any authorized representative; and (c) if the application has not yet been decided, whether or not the application is a complete application.

(ii) With Release – If the nursing facility has obtained a signed release, the director or designee must additionally provide any further information requested by the nursing facility, to the extent that the release permits its disclosure.

40-8-13.4. Rate methodology for payment for in state and out of state hospital services. --

(a) The executive office of health and human services shall implement a new methodology for payment for in state and out of state hospital services in order to ensure access to and the provision of high quality and cost-effective hospital care to its eligible recipients.

(b) In order to improve efficiency and cost effectiveness, the executive office of health and human services shall:

(1)(A) With respect to inpatient services for persons in fee for service Medicaid, which is non-managed care, implement a new payment methodology for inpatient services utilizing the Diagnosis Related Groups (DRG) method of payment, which is, a patient classification method which provides a means of relating payment to the hospitals to the type of patients cared for by the hospitals. It is understood that a payment method based on Diagnosis Related Groups may include cost outlier payments and other specific exceptions. The executive office will review the DRG payment method and the DRG base price annually, making adjustments as appropriate in consideration of such elements as trends in hospital input costs, patterns in hospital coding, beneficiary access to care, and the Center for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS) Hospital Input Price index. For the twelve (12) month period beginning July 1, 2015, the DRG base rate for Medicaid fee-for-service inpatient hospital services shall not exceed ninety-seven and one-half percent (97.5%) of the payment rates in effect as of July 1, 2014.

(B) With respect to inpatient services, (i) it is required as of January 1, 2011 until December 31, 2011, that the Medicaid managed care payment rates between each hospital and health plan shall not exceed ninety and one tenth percent (90.1%) of the rate in effect as of June 30, 2010. Negotiated increases in inpatient hospital payments for each annual twelve (12) month period beginning January 1, 2012 may not exceed the Centers for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS) Hospital Input Price index for the applicable period; (ii) provided, however, for the twenty-four (24) month period beginning July 1, 2013 the Medicaid managed care payment rates between each hospital and health plan shall not exceed the payment rates in effect as of January 1, 2013 and for the twelve (12) month period beginning July 1, 2015, the Medicaid managed care payment inpatient rates between each hospital and health plan shall not exceed ninety-seven and one-half percent (97.5%) of the payment rates in effect as of January 1, 2013; (iii) negotiated increases in inpatient hospital payments for each annual twelve (12) month period beginning July 1, ~~2015~~ 2016 may not exceed the Centers for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS) Hospital Input Price Index, less Productivity Adjustment, for the applicable period; (iv) The Rhode Island executive office of health and human services will develop an audit methodology and process to assure that savings associated with the payment reductions will accrue directly to the Rhode Island Medicaid program through reduced managed care plan payments and shall not be retained by the managed care plans; (v) All hospitals licensed in Rhode Island shall accept such payment rates as payment in full; and (vi) for all such hospitals, compliance with the provisions of this section shall be a condition of participation in the Rhode Island Medicaid program.

(2) With respect to outpatient services and notwithstanding any provisions of the law to the contrary, for persons enrolled in fee for service Medicaid, the executive office will reimburse hospitals for outpatient services using a rate methodology determined by the executive office and in accordance with federal regulations. Fee-for-service outpatient rates shall align with Medicare payments for similar services. Notwithstanding the above, there shall be no increase in the Medicaid fee-for-service outpatient rates effective on July 1, 2013 ~~or~~, July 1, 2014, or July 1,

2015. For the twelve (12) month period beginning July 1, 2015, Medicaid fee-for-service outpatient rates shall not exceed ninety-seven and one-half percent (97.5%) of the rates in effect as of July 1, 2014. Thereafter, changes to outpatient rates will be implemented on July 1 each year and shall align with Medicare payments for similar services from the prior federal fiscal year. With respect to the outpatient rate, (i) it is required as of January 1, 2011 until December 31, 2011, that the Medicaid managed care payment rates between each hospital and health plan shall not exceed one hundred percent (100%) of the rate in effect as of June 30, 2010. Negotiated increases in hospital outpatient payments for each annual twelve (12) month period beginning January 1, 2012 may not exceed the Centers for Medicare and Medicaid Services national CMS Outpatient Prospective Payment System (OPPS) hospital price index for the applicable period; (ii) provided, however, for the twenty-four (24) month period beginning July 1, 2013 the Medicaid managed care outpatient payment rates between each hospital and health plan shall not exceed the payment rates in effect as of January 1, 2013 and for the twelve (12) month period beginning July 1, 2015, the Medicaid managed care outpatient payment rates between each hospital and health plan shall not exceed ninety-seven and one-half percent (97.5%) of the payment rates in effect as of January 1, 2013; (iii) negotiated increases in outpatient hospital payments for each annual twelve (12) month period beginning July 1, ~~2015~~ 2016 may not exceed the Centers for Medicare and Medicaid Services national CMS Outpatient Prospective Payment System (OPPS) Hospital Input Price Index, less Productivity Adjustment, for the applicable period.

(3) "Hospital" as used in this section shall mean the actual facilities and buildings in existence in Rhode Island, licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on that license, regardless of changes in licensure status pursuant to § 23-17.14 (hospital conversions) and § 23-17-6 (b) (change in effective control), that provides short-term acute inpatient and/or outpatient care to persons who require definitive diagnosis and treatment for injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language, the negotiated Medicaid managed care payment rates for a court-approved purchaser that acquires a hospital through receivership, special mastership or other similar state insolvency proceedings (which court-approved purchaser is issued a hospital license after January 1, 2013) shall be based upon the newly negotiated rates between the court-approved purchaser and the health plan, and such rates shall be effective as of the date that the court-approved purchaser and the health plan execute the initial agreement containing the newly negotiated rate. The rate-setting methodology for inpatient hospital payments and outpatient hospital payments set for the §§ 40-8-13.4(b)(1)(B)(iii) and 40-8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases for each annual twelve (12) month period as of July 1 following the completion of the first full year of the court-approved purchaser's initial Medicaid managed care contract.

(c) It is intended that payment utilizing the Diagnosis Related Groups method shall reward hospitals for providing the most efficient care, and provide the executive office the opportunity to conduct value based purchasing of inpatient care.

(d) The secretary of the executive office of health and human services is hereby authorized to promulgate such rules and regulations consistent with this chapter, and to establish fiscal procedures he or she deems necessary for the proper implementation and administration of this chapter in order to provide payment to hospitals using the Diagnosis Related Group payment methodology. Furthermore, amendment of the Rhode Island state plan for medical assistance (Medicaid) pursuant to Title XIX of the federal Social Security Act is hereby authorized to provide for payment to hospitals for services provided to eligible recipients in accordance with

this chapter.

(e) The executive office shall comply with all public notice requirements necessary to implement these rate changes.

(f) As a condition of participation in the DRG methodology for payment of hospital services, every hospital shall submit year-end settlement reports to the executive office within one year from the close of a hospital's fiscal year. Should a participating hospital fail to timely submit a year-end settlement report as required by this section, the executive office shall withhold financial cycle payments due by any state agency with respect to this hospital by not more than ten percent (10%) until said report is submitted. For hospital fiscal year 2010 and all subsequent fiscal years, hospitals will not be required to submit year-end settlement reports on payments for outpatient services. For hospital fiscal year 2011 and all subsequent fiscal years, hospitals will not be required to submit year-end settlement reports on claims for hospital inpatient services. Further, for hospital fiscal year 2010, hospital inpatient claims subject to settlement shall include only those claims received between October 1, 2009 and June 30, 2010.

(g) The provisions of this section shall be effective upon implementation of the amendments and new payment methodology pursuant to this section and § 40-8-13.3, which shall in any event be no later than March 30, 2010, at which time the provisions of §§ 40-8-13.2, 27-19-14, 27-19-15, and 27-19-16 shall be repealed in their entirety.

40-8-13.5. Hospital Incentive Program (HIP). -- The secretary of the executive office of health and human services is authorized to seek the federal authorities required to implement a hospital incentive program (HIP). The HIP shall provide the participating licensed hospitals the ability to obtain certain payments for achieving performance goals established by the secretary. HIP payments shall commence no earlier than July 1, 2016.

SECTION 11. Section 40-8-19 of the General Laws in Chapter 40-8 entitled "Medical Assistance" is hereby amended to read as follows:

40-8-19. Rates of payment to nursing facilities. -- (a) Rate reform. (1) The rates to be paid by the state to nursing facilities licensed pursuant to chapter 17 of title 23, and certified to participate in the Title XIX Medicaid program for services rendered to Medicaid-eligible residents, shall be reasonable and adequate to meet the costs which must be incurred by efficiently and economically operated facilities in accordance with 42 U.S.C. § 1396a(a)(13). The executive office of health and human services shall promulgate or modify the principles of reimbursement for nursing facilities in effect as of July 1, 2011 to be consistent with the provisions of this section and Title XIX, 42 U.S.C. § 1396 et seq., of the Social Security Act.

(2) The executive office of health and human services ("Executive Office") shall review the current methodology for providing Medicaid payments to nursing facilities, including other long-term care services providers, and is authorized to modify the principles of reimbursement to replace the current cost based methodology rates with rates based on a price based methodology to be paid to all facilities with recognition of the acuity of patients and the relative Medicaid occupancy, and to include the following elements to be developed by the executive office:

- (i) A direct care rate adjusted for resident acuity;
- (ii) An indirect care rate comprised of a base per diem for all facilities;
- (iii) A rearray of costs for all facilities every three (3) years beginning October, 2015, which may or may not result in automatic per diem revisions;
- (iv) Application of a fair rental value system;
- (v) Application of a pass-through system; and
- (vi) Adjustment of rates by the change in a recognized national nursing home inflation

index to be applied on October 1st of each year, beginning October 1, 2012. This adjustment will not occur on October 1, 2013 or October 1, 2015 but will ~~resume~~ occur on April 1, 2015. Said inflation index shall be applied without regard for the transition factor in subsection (b)(2) below.

(b) Transition to full implementation of rate reform. For no less than four (4) years after the initial application of the price-based methodology described in subdivision (a)(2) to payment rates, the executive office of health and human services shall implement a transition plan to moderate the impact of the rate reform on individual nursing facilities. Said transition shall include the following components:

(1) No nursing facility shall receive reimbursement for direct care costs that is less than the rate of reimbursement for direct care costs received under the methodology in effect at the time of passage of this act; and

(2) No facility shall lose or gain more than five dollars (\$5.00) in its total per diem rate the first year of the transition. ~~The An~~ adjustment to the per diem loss or gain may be phased out by twenty-five percent (25%) each year; except, however, for the year beginning October 1, 2015, there shall be no adjustment to the per diem gain or loss, gain during state fiscal year 2016, but it may resume the phase out shall resume thereafter; and

(3) The transition plan and/or period may be modified upon full implementation of facility per diem rate increases for quality of care related measures. Said modifications shall be submitted in a report to the general assembly at least six (6) months prior to implementation.

(4) Notwithstanding any law to the contrary, for the twelve (12) month period beginning July 1, 2015, Medicaid payment rates for nursing facilities established pursuant to this section shall not exceed ninety-eight percent (98%) of the rates in effect on April 1, 2015.

40-8-19.2. Nursing Facility Incentive Program (NFIP). -- The secretary of the executive office of health and human services is authorized to seek the federal authority required to implement a nursing facility incentive program (NFIP). The NFIP shall provide the participating licensed nursing facilities the ability to obtain certain payments for achieving performance goals established by the secretary. NFIP payments shall commence no earlier than July 1, 2016.

SECTION 12. Sections 40-8.2-2 to 40-8.2-4, 40-8.2-10 to 40-8.2-12, and 40-8.2-14 to 40-8.2-22 of the General Laws in Chapter 40-8.2 entitled "Medical Assistance Fraud " are hereby amended to read as follows:

40-8.2-1. Short title. -- This chapter shall be known as the "Rhode Island Medical Assistance Fraud Law".

40-8.2-2. Definitions. -- Whenever used in this chapter:

(1) "Benefit" means pecuniary benefit as defined herein.

(2) "Claim" means any request for payment, electronic or otherwise, and shall also include any data commonly known as encounter data, which is used or is to be used for the development of a capitation fee payable to a provider of managed health care goods, merchandise or services.

(3) ~~"Department" means the Rhode Island department of human services~~ "Executive Office" means the executive office of health and human services, the agency designated by state law and the Medicaid state plan as the Medicaid single state agency.

(4) "Fee schedule" means a list of goods or services to be recognized as properly compensable under the Rhode Island Medicaid program and applicable rates of reimbursement.

(5) "Kickback" means a return in any form by any individual of a part of an expenditure made by a provider:

(i) To the same provider;
(ii) To an entity controlled by the provider; or
(iii) To an entity, which the provider intends to benefit whenever the expenditure is reimbursed, or reimbursable, or claimed by a provider as being reimbursable by the Rhode Island Medicaid program and when the sum or value returned is not credited to the benefit of the Rhode Island Medicaid program.

(6) "Medicaid fraud control unit" means a duly certified Medicaid fraud control unit under federal regulation authorized to perform those functions as described by § 1903(q) of the Social Security Act, 42 U.S.C. § 1396b(q).

(7) "Medically unnecessary services or merchandise" means services or merchandise provided to recipients intentionally without any expectation that the services or merchandise will alleviate or aid the recipient's medical condition.

(8) "Office of Program Integrity or OPI" means the unit division within the executive office of health and human services authorized pursuant to §42-7.2-18 to coordinate state and local agencies, law enforcement entities, and investigative units in order to increase the effectiveness of programs and initiatives dealing with the prevention, detection, and prosecution of Medicaid and public assistance fraud; to develop cooperative strategies to investigate and eliminate Medicaid and public assistance fraud and to recover state and federal funds; and to represent the executive office and act on the secretary's behalf in any matters related to the prevention, detection, and prosecution of Medicaid fraud under this chapter.

~~(8)~~(9) "Pecuniary benefit" means benefit in the form of money, property, commercial interests, or anything else the primary significance of which is economic gain.

~~(9)~~(10) "Person" means any person or individual, natural or otherwise and includes those person(s) or entities defined by the term "provider".

~~(10)~~(11) "Provider" means any individual, individual medical vendor, firm, corporation, professional association, partnership, organization, or other legal entity that provides goods or services under the Rhode Island Medicaid program or the employee of any person or entity who, on his or her own behalf or on the behalf of his or her employer, knowingly performs any act or is knowingly responsible for an omission prohibited by this chapter.

~~(11)~~(12) "Recipient" means any person receiving medical assistance under the Rhode Island Medicaid program.

~~(12)~~(13) "Records" means all documents developed by a provider and related to the provision of services reimbursed or claimed as reimbursable by the Rhode Island Medicaid program.

~~(13)~~(14) "Rhode Island Medicaid program" means a state administered, medical assistance health care program which is funded by the state and federal governments under Title XIX and Title XXI of the U.S., Social Security Act, 42 U.S.C. § 1396 et seq and any general or public laws and administered by the executive office of health and human services.

40-8.2-3. Prohibited acts. -- (a) It shall be unlawful for any person intentionally to:

(1) Present or cause to be presented for preauthorization or payment to the Rhode Island Medicaid program:

(i) Any materially false or fraudulent claim or cost report for the furnishing of services or merchandise; or

(ii) Present or cause to be presented for preauthorization or payment, any claim or cost report for medically unnecessary services or merchandise; or

(iii) To submit or cause to be submitted materially false or fraudulent information, for the

intentional purpose(s) of obtaining greater compensation than that to which the provider is legally entitled for the furnishing of services or merchandise; or

(iv) Submit or cause to be submitted materially false information for the purpose of obtaining authorization for furnishing services or merchandise; or

(v) Submit or cause to be submitted any claim or cost report or other document which fails to make full disclosure of material information.

(2) (i) Solicit, receive, offer, or pay any remuneration, including any kickback, bribe, or rebate, directly or indirectly, in cash or in kind, to induce referrals from or to any person in return for furnishing of services or merchandise or in return for referring an individual to a person for the furnishing of any services or merchandise for which payment may be made, in whole or in part, under the Rhode Island Medicaid program.

(ii) Provided, however, that in any prosecution under this subsection, it shall not be necessary for the state to prove that the remuneration returned was taken from any particular expenditure made by a person.

(3) Submit or cause to be submitted a duplicate claim for services, supplies, or merchandise to the Rhode Island Medicaid program for which the provider has already received or claimed reimbursement from any source, unless the duplicate claim is filed

(i) For payment of more than one type of service or merchandise furnished or rendered to a recipient for which the use of more than one type of claim is necessary; or

(ii) Because of a lack of a response from or a request by the Rhode Island Medicaid program; provided, however, in such instance a duplicate claim will clearly be identified as such, in writing, by the provider; or

(iii) Simultaneous with a claim submission to another source of payment when the provider has knowledge that the other payor will not pay the claim.

(4) Submit or cause to be submitted to the Rhode Island Medicaid program a claim for service or merchandise which was not rendered to a recipient.

(5) Submit or cause to be submitted to the Rhode Island Medicaid program a claim for services or merchandise which includes costs or charges not related to the provision or rendering of services or merchandise to the recipient.

(6) Submit or cause to be submitted a claim or refer a recipient to a person for services or merchandise under the Rhode Island Medicaid program which are intentionally not documented in the provider's record and/or are medically unnecessary as that term is defined by § 40-8.2-2(7).

(7) Submit or cause to be submitted to the Rhode Island Medicaid program a claim which materially misrepresents:

(i) The description of services or merchandise rendered or provided to a recipient;

(ii) The cost of the services or merchandise rendered or provided to a recipient;

(iii) The dates that the services or merchandise were rendered or provided to a recipient;

(iv) The identity of the recipient(s) of the services or merchandise; or

(v) The identity of the attending, prescribing, or referring practitioner or the identity of the actual provider.

(8) Submit a claim for reimbursement to the Rhode Island Medicaid program for service(s) or merchandise at a fee or charge, which exceeds the provider's lowest fee or charge for the provision of the service or merchandise to the general public.

(9) Submit or cause to be submitted to the Rhode Island Medicaid program a claim for a service or merchandise which was not rendered by the provider, unless the claim is submitted on

behalf of:

(i) A bona fide provider employee of such provider; or
(ii) An affiliated provider entity owned or controlled by the provider; or
(iii) Is submitted on behalf of a provider by a third party billing service under a written agreement with the provider, and the claims are submitted in a manner which does not otherwise violate the provisions of this chapter.

(10) Render or provide services or merchandise under the Rhode Island Medicaid program unless otherwise authorized by the regulations of the Rhode Island Medicaid program without a provider's written order and the recipient's consent, or submit or cause to be submitted a claim for services or merchandise, except in emergency situations or when the recipient is a minor or is incompetent to give consent. The type of consent to be required hereunder can include verbal acquiescence of the recipient and need not require a signed consent form or the recipient's signature, except where otherwise required by the regulations of the Rhode Island Medicaid program.

(11) Charge any recipient or person acting on behalf of a recipient, money or other consideration in addition to, or in excess of the rates of remuneration established under the Rhode Island Medicaid program.

(12) Enter into an agreement, combination or conspiracy with any party other than the Rhode Island Medicaid program to obtain or aid another to obtain reimbursement or payments from the Rhode Island Medicaid program to which the person, recipient, or provider seeking reimbursement or payment is not entitled.

(13) Make a material false statement in the application for enrollment as a provider under the Rhode Island Medicaid program.

(14) Refuse to provide representatives of the Medicaid fraud control unit and/or the office of program integrity upon reasonable request, access to information and data pertaining to services or merchandise rendered to eligible recipients, and/or former recipients while recipients under the Rhode Island Medicaid program.

(15) Obtain any monies by false pretenses through the use of any artifice, scheme, or design prohibited by this section.

(16) Seek or obtain employment with or as a provider after having actual or constructive knowledge of a then existing exclusion issued under the authority of 42 U.S.C. § 1320a-7.

(17) Grant or offer to grant employment in violation of a then existing exclusion issued under the authority of 42 U.S.C. § 1320a-7, having actual or constructive knowledge of the existence of such exclusion.

(18) File a false document to gain employment in a Medicaid funded facility or with a provider.

(b) (1) A provider or person who violates any provision of subsection (a), excepting subsection (a)(14), (a)(16), or (a)(18), is guilty of a felony for each violation, and upon conviction therefor, shall be sentenced to a term of imprisonment not exceeding ten (10) years, nor fined more than ten thousand dollars (\$10,000), or both.

(2) A provider or person who violates the provisions of subsection (a)(14), (a)(16), or (a)(18), shall be guilty of a misdemeanor for each violation and, upon conviction, be fined not more than five hundred dollars (\$500).

(3) Any provider who knowingly and willfully participates in any offense either as a principal or as an accessory, or conspirator shall be subject to the same penalty as if the provider had committed the substantive offense.

(c) The provisions of subsection (a)(2) shall not apply to:

(1) A discount or other reduction in price obtained by a person or provider of services or merchandise under the Rhode Island Medicaid program, if the reduction in price is properly disclosed and appropriately reflected in the costs claimed or charges made by the person or provider under the Rhode Island Medicaid program.

(2) Any amount paid by an employer to an employee, who has a bona fide employment relationship with the employer, for employment in the provision of covered services or merchandise furnished under the Rhode Island Medicaid program.

(3) Any amounts paid by a vendor of services or merchandise to a person authorized to act as a purchasing agent for a group of individuals or entities who are furnishing services or merchandise which are reimbursed by the Rhode Island Medicaid program, as long as:

(i) The purchasing agent has a written agreement with each individual or entity in the group that specifies the amount the agent will be paid by each vendor (where the sum may be a fixed sum or a fixed percentage of the value of the purchases made from the vendor by the group under the contract between the vendor and the purchasing agent); and

(ii) In the case of an entity that is a provider of services to the Rhode Island Medicaid program, the agent discloses in writing to the individual or entity in accordance with regulations to be promulgated by the ~~department~~ executive office, and to the ~~department~~ office of program integrity upon request, the amount received from each vendor with respect to purchases made by or on behalf of the entity.

40-8.2-4. Statute of limitations. -- The statute of limitations for any violation of the provisions of this chapter shall be ten (10) years.

40-8.2-5. Civil remedy. -- Any person, including the ~~Rhode Island Medicaid program secretary of the executive office of health and human services or the office of program integrity acting on behalf of the secretary of the office~~, injured by any violation of the provisions of § 40-8.2-3 or § 40-8.2-4 may recover through a civil action from the persons inflicting the injury three (3) times the amount of the injury.

40-8.2-6. Civil actions brought by attorney general on behalf of persons injured by violations of chapter. -- (a) The attorney general may bring a civil action in superior court in the name of the state, as parens patriae on behalf of persons residing in this state, to secure monetary relief as provided in this section for injuries sustained by such persons by reason of any violation of this chapter. The court shall exclude from the amount of monetary relief awarded in an action any amount of monetary relief:

Which duplicates amounts which have been awarded for the same injury, or

Which is properly allocable to persons who have excluded their claims pursuant to subsection (c)(1) of this section.

(b) The court shall award the state as monetary relief threefold the total damage sustained as described in subsection (a) of this section and the costs of bringing suit, including reasonable attorney's fees.

(c) In any action brought under subsection (a) of this section, the attorney general shall, at such times, in such manner, and with such content as the court may direct, cause notice thereof to be given by publication.

(1) Any person on whose behalf an action is brought under subsection (a), may elect to exclude from adjudication the portion of the state claim for monetary relief attributable to him or her by filing notice of the election with the court within such time as specified in the notice given pursuant to this subsection.

(2) The final judgment in an action under subsection (a) shall be res judicata as to any claim under § 40-8.2-5 by any person on behalf of whom the action was brought and who fails to give notice within the period specified in the notice given pursuant to this subsection.

(d) An action under subsection (a) shall not be dismissed or compromised without the approval of the court, and notice of any proposed dismissal or compromise shall be given by publication at such times, in such manner, and with such content as the court may direct.

(e) In any action under subsection (a):

(1) The amount of the plaintiff's attorney's fees, if any, shall be determined by the court, and any attorney's fees awarded to the attorney general shall be deposited with the state as general revenues; and

(2) The court may, in its discretion, award a reasonable attorney's fee to a prevailing defendant upon a finding that the attorney general has acted in bad faith, vexatiously, wantonly, or for oppressive reasons.

(f) Monetary relief recovered in an action under this section shall:

(1) Be distributed in such manner as the court, in its discretion, may authorize; or

(2) Be deemed a civil penalty by the court and deposited with the state as general revenues; subject in either case to the requirement that any distribution procedure adopted afford each person a reasonable opportunity to secure his or her appropriate portion of the net monetary relief.

(g) In any action under this section the fact that a person or public body has not dealt directly with the defendant shall not bar or otherwise limit recovery. Provided, however, that the court shall exclude from the amount of monetary relief which duplicates amounts which have been awarded for the same injury.

40-8.2-10. Other civil remedies and criminal penalties. -- The penalties and remedies under this statute are not exclusive and shall not preclude the use of any other civil remedy or the application of any other criminal penalty deemed appropriate by the attorney general in accordance with federal law or regulations governing Title XIX or Title XXI or the general or public laws of this state.

40-8.2-11. Barring or suspending participation in program. -- Whenever a provider is sentenced or placed on probation for an offense under this chapter, the trial judge may, in his or her discretion, order that the provider be permanently barred from further participation in the program, that the provider's participation in the program be suspended for a definite period of time not exceeding two (2) years, or that the provider conform to applicable federal regulations. For the purposes of this section, ~~the Rhode Island Medicaid program~~ office of program integrity may submit a recommendation to the trial judge as to whether the provider should be suspended or barred from the Medicaid program. Nothing contained herein shall be construed to prevent the ~~Rhode Island Medicaid program~~ executive office of health and human services from imposing its own administrative sanctions.

40-8.2-17. Stays and review of revocation orders. -- An order of the ~~Rhode Island Medicaid program~~ executive office of health and human services revoking a provider's certification may, in the discretion of the program, go into immediate effect or may be stayed. Review of any order may be had in accordance with the Rhode Island administrative procedures law, §§ 42-35-1 -42-35-18. If an administrative hearing is claimed, the program may, in its discretion, stay the effect of a revocation until a hearing is ~~had~~ held and a decision is rendered, and for a period not to exceed ten (10) days after the administrative decision is rendered.

40-8.2-18. Filing and enforcement of administrative decision. -- An administrative

decision, not appealed, or which has been affirmed after judicial review under the Rhode Island administrative procedures law, §§ 42-35-1 - 42-35-18, determining any amounts due to the ~~Rhode Island Medicaid program~~ executive office of health and human services or to a provider, may be filed with the clerk of the superior court for Providence County and shall be enforceable as a judgment of that court.

40-8.2-19. Certification as a provider. -- Revocation or suspension of certification.- Before any provider of medical services receives payment from the Rhode Island Medicaid program, and as a condition of receipt of payment, the provider must have in effect a valid certification of eligibility from the Rhode Island ~~department of human services~~ executive office of health and human services. This certification of eligibility will take the form of either a separate provider agreement or language as required by federal regulations imprinted on the medical assistance billing form, which must be signed by the provider. This certification may be revoked or suspended, in accordance with administrative rules to be promulgated by the ~~department~~ executive office, if a provider fails to meet professional licensure requirements, violates any administrative regulations of the ~~Rhode Island Medicaid program~~ executive office of health and human services, does not provide proper professional services, is the subject of a suspension of payments order, is convicted of Medicaid fraud, or otherwise violates any provision of this chapter.

40-8.2-21. Suspension of payments to a provider. -- (a) The ~~Rhode Island Medicaid program~~ executive office of health and human services may issue a suspension of payments order if:

(1) The provider does not meet certification requirements of the Rhode Island Medicaid program; or

(2) The Rhode Island Medicaid program has been unable to collect (or make satisfactory arrangements for the collection of) amounts due on account of overpayments to any provider; or

(3) The ~~Rhode Island Medicaid program~~ office of program integrity and/or the Medicaid fraud control unit of the attorney general's office has been unable to obtain, from a provider, the data and information necessary to enable it to determine the existence or amount (if any) of the overpayments made to a provider; or

(4) The office of program integrity or the Medicaid fund control unit of the attorney general's office has been denied reasonable access to information by a provider which pertains to a patient or resident of a long term residential care facility or to a former patient or resident of a long term residential care facility; or

(5) The ~~Rhode Island Medicaid program~~ office of program integrity and/or the Medicaid fraud control unit of the attorney general's office has been denied reasonable access to data and information by the provider for the purpose of conducting activities as described in § 1903(g) of the Social Security Act, 42 U.S.C. § 1396b(g); or

(6) The ~~Rhode Island Medicaid program~~ office of program integrity has been presented with reliable evidence that the provider has engaged in fraud or willful misrepresentation under the Medicaid program.

(b) Any such order of the ~~Rhode Island Medicaid program~~ executive office of health and human services may cease to be effective at such time as the ~~program~~ office of program integrity is satisfied that the provider is participating in substantial negotiations which seek to remedy the conditions which gave rise to its order of suspension of payments, or that amounts are no longer due from the provider or that a satisfactory arrangement has been made for the payment of the provider or that a satisfactory arrangement has been made for the payment by the

provider of any such amounts.

40-8.2-22. Interest on overcharges. -- Any provider of services or goods contracting with the department of human services executive office of health and human services pursuant to Title XIX or Title XXI of the Social Security Act, 42 U.S.C. § 1396 et seq., who, without intent to defraud, obtains payments under this chapter in excess of the amount to which the provider is entitled, thereby becomes liable for payment of the amount of the excess with payment of interest allowable by law, under § 6-26-2, as was in effect on the date payment was made to the provider. The interest period will commence on the date upon which payment was made and will extend to the date upon which repayment is made to the state of Rhode Island.

SECTION 13. Chapter 40-8 of the General Laws entitled "Medical Assistance" is hereby amended by adding thereto the following section:

40-8-32. Support for certain patients of nursing facilities. -- (a) Definitions. For purposes of this section,

"Applied Income" shall mean the amount of income a Medicaid beneficiary is required to contribute to the cost of his or her care.

"Authorized Individual" shall mean a person who has authority over the income of a patient of a Nursing Facility such as a person who has been given or has otherwise obtained authority over a patient's bank account, has been named as or has rights as a joint account holder, or is a fiduciary as defined below.

"Costs of Care" shall mean the costs of providing care to a patient of a nursing facility, including nursing care, personal care, meals, transportation and any other costs, charges, and expenses incurred by a nursing facility in providing care to a patient. Costs of care shall not exceed the customary rate the nursing facility charges to a patient who pays for his or her care directly rather than through a governmental or other third party payor.

"Fiduciary" shall mean a person to whom power or property has been formally entrusted for the benefit of another such as an attorney-in-fact, legal guardian, trustee, or representative payee.

"Nursing Facility" shall mean a nursing facility licensed under Chapter 17 of Title 23, which is a participating provider in the Rhode Island Medicaid program.

"Penalty Period" means the period of Medicaid ineligibility imposed pursuant to 42 USC 1396p(c), as amended from time to time, on a person whose assets have been transferred for less than fair market value;

"Uncompensated Care" – Care and services provided by a nursing facility to a Medicaid applicant without receiving compensation therefore from Medicaid, Medicare, the Medicaid Applicant, or other source. The acceptance of any payment representing actual or estimated Applied Income shall not disqualify the care and services provided from qualifying as uncompensated care.

(b) Penalty Period Resulting from Transfer. Any transfer or assignment of assets resulting in the establishment or imposition of a penalty period shall create a debt that shall be due and owing to a nursing facility for the unpaid costs of care provided during the penalty period to a patient of that facility who has been subject to the penalty period. The amount of the debt established shall not exceed the fair market value of the transferred assets at the time of transfer that are the subject of the penalty period. A nursing facility may bring an action to collect a debt for the unpaid costs of care given to a patient who has been subject to a penalty period, against either the transferor or the transferee, or both. The provisions of this section shall not affect other rights or remedies of the parties.

(c) Applied Income. A nursing facility may provide written notice to a patient who is a Medicaid recipient and any authorized individual of that patient of:

(1) Of the amount of applied income due;

(2) Of the recipient's legal obligation to pay the applied income to the nursing facility;

and

(3) That the recipient's failure to pay applied income due to a nursing facility not later than thirty days after receiving such notice from the Nursing Facility may result in a court action to recover the amount of applied income due.

A nursing facility that is owed applied income may, in addition to any other remedies authorized under law, bring a claim to recover the applied income against a patient and any authorized individual. If a court of competent jurisdiction determines, based upon clear and convincing evidence, that a defendant willfully failed to pay or withheld applied income due and owing to a Nursing Facility for more than thirty days after receiving notice pursuant to this subsection (d), the court may award the amount of the debt owed, court costs and reasonable attorneys' fees to the nursing facility.

(d) Effects. Nothing contained in this section shall prohibit or otherwise diminish any other causes of action possessed by any such nursing facility. The death of the person receiving nursing facility care shall not nullify or otherwise affect the liability of the person or persons charged with the costs of care rendered or the applied income amount as referenced in this section.

SECTION 14. Sections 40-8.3-2 and 40-8.3-3 of the General Laws in Chapter 40-8.3 entitled "Uncompensated Care" are hereby amended to read as follows:

40-8.3-2. Definitions. -- As used in this chapter:

(1) "Base year" means for the purpose of calculating a disproportionate share payment for any fiscal year ending after September 30, ~~2013~~ 2014, the period from October 1, ~~2011~~ 2012 through September 30, ~~2012~~ 2013, and for any fiscal year ending after September 30, 2014 ~~2015~~, the period from October 1, ~~2012~~ 2013 through September 30, ~~2013~~ 2014.

(2) "~~Medical assistance~~ Medicaid inpatient utilization rate for a hospital" means a fraction (expressed as a percentage) the numerator of which is the hospital's number of inpatient days during the base year attributable to patients who were eligible for medical assistance during the base year and the denominator of which is the total number of the hospital's inpatient days in the base year.

(3) "Participating hospital" means any nongovernment and nonpsychiatric hospital that:
(i) was licensed as a hospital in accordance with chapter 17 of title 23 during the base year; and shall mean the actual facilities and buildings in existence in Rhode Island, licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on that license, regardless of changes in licensure status pursuant to § 23-17.14 (hospital conversions) and §23-17-6 (b) (change in effective control), that provides short-term acute inpatient and/or outpatient care to persons who require definitive diagnosis and treatment for injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language, the negotiated Medicaid managed care payment rates for a court-approved purchaser that acquires a hospital through receivership, special mastership or other similar state insolvency proceedings (which court-approved purchaser is issued a hospital license after January 1, 2013) shall be based upon the newly negotiated rates between the court-approved purchaser and the health plan, and such rates shall be effective as of the date that the court-approved purchaser and the health plan execute the initial agreement containing the newly negotiated rate. The rate-setting methodology for

inpatient hospital payments and outpatient hospital payments set for the §§ 40-8-13.4(b)(1)(B)(iii) and 40-8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases for each annual twelve (12) month period as of July 1 following the completion of the first full year of the court-approved purchaser's initial Medicaid managed care contract.

(ii) achieved a medical assistance inpatient utilization rate of at least one percent (1%) during the base year; and

(iii) continues to be licensed as a hospital in accordance with chapter 17 of title 23 during the payment year.

(4) "Uncompensated care costs" means, as to any hospital, the sum of: (i) the cost incurred by such hospital during the base year for inpatient or outpatient services attributable to charity care (free care and bad debts) for which the patient has no health insurance or other third-party coverage less payments, if any, received directly from such patients; and (ii) the cost incurred by such hospital during the base year for inpatient or out-patient services attributable to Medicaid beneficiaries less any Medicaid reimbursement received therefor; multiplied by the uncompensated care index.

(5) "Uncompensated care index" means the annual percentage increase for hospitals established pursuant to § 27-19-14 for each year after the base year, up to and including the payment year, provided, however, that the uncompensated care index for the payment year ending September 30, 2007 shall be deemed to be five and thirty-eight hundredths percent (5.38%), and that the uncompensated care index for the payment year ending September 30, 2008 shall be deemed to be five and forty-seven hundredths percent (5.47%), and that the uncompensated care index for the payment year ending September 30, 2009 shall be deemed to be five and thirty-eight hundredths percent (5.38%), and that the uncompensated care index for the payment years ending September 30, 2010, September 30, 2011, September 30, 2012, September 30, 2013, September 30, 2014 and, September 30, 2015, and September 30, 2016 shall be deemed to be five and thirty hundredths percent (5.30%).

~~40-8.3-3. Implementation. -- (a) For federal fiscal year 2013, commencing on October 1, 2012 and ending September 30, 2013, the executive office of health and human services shall submit to the Secretary of the U.S. Department of Health and Human Services a state plan amendment to the Rhode Island Medicaid state plan for disproportionate share hospital payments (DSH Plan) to provide:~~

~~(1) That the disproportionate share hospital payments to all participating hospitals, not to exceed an aggregate limit of \$128.3 million, shall be allocated by the executive office of health and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,~~

~~(2) That the Pool D allotment shall be distributed among the participating hospitals in direct proportion to the individual participating hospital's uncompensated care costs for the base year, inflated by the uncompensated care index to the total uncompensated care costs for the base year inflated by uncompensated care index for all participating hospitals. The disproportionate share payments shall be made on or before July 15, 2013 and are expressly conditioned upon approval on or before July 8, 2013 by the Secretary of the U.S. Department of Health and Human Services, or his or her authorized representative, of all Medicaid state plan amendments necessary to secure for the state the benefit of federal financial participation in federal fiscal year 2013 for the disproportionate share payments.~~

~~(b)(a) For federal fiscal year 2014, commencing on October 1, 2013 and ending September 30, 2014, the executive office of health and human services shall submit to the Secretary of the U.S. Department of Health and Human Services a state plan amendment to the~~

Rhode Island Medicaid state plan for disproportionate share hospital payments (DSH Plan) to provide:

(1) That the disproportionate share hospital payments to all participating hospitals, not to exceed an aggregate limit of \$136.8 million, shall be allocated by the executive office of health and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,

(2) That the Pool D allotment shall be distributed among the participating hospitals in direct proportion to the individual participating hospital's uncompensated care costs for the base year, inflated by the uncompensated care index to the total uncompensated care costs for the base year inflated by uncompensated care index for all participating hospitals. The disproportionate share payments shall be made on or before July 14, 2014 and are expressly conditioned upon approval on or before July 7, 2014 by the Secretary of the U.S. Department of Health and Human Services, or his or her authorized representative, of all Medicaid state plan amendments necessary to secure for the state the benefit of federal financial participation in federal fiscal year 2014 for the disproportionate share payments.

~~(e)~~(b) For federal fiscal year 2015, commencing on October 1, 2014 and ending September 30, 2015, the executive office of health and human services shall submit to the Secretary of the U.S. Department of Health and Human Services a state plan amendment to the Rhode Island Medicaid state plan for disproportionate share hospital payments (DSH Plan) to provide:

(1) That the disproportionate share hospital payments to all participating hospitals, not to exceed an aggregate limit of ~~\$136.8~~ \$140.0 million, shall be allocated by the executive office of health and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,

(2) That the Pool D allotment shall be distributed among the participating hospitals in direct proportion to the individual participating hospital's uncompensated care costs for the base year, inflated by the uncompensated care index to the total uncompensated care costs for the base year inflated by uncompensated care index for all participating hospitals. The disproportionate share payments shall be made on or before July 13, 2015 and are expressly conditioned upon approval on or before July 6, 2015 by the Secretary of the U.S. Department of Health and Human Services, or his or her authorized representative, of all Medicaid state plan amendments necessary to secure for the state the benefit of federal financial participation in federal fiscal year 2015 for the disproportionate share payments.

(c) For federal fiscal year 2016, commencing on October 1, 2015 and ending September 30, 2016, the executive office of health and human services shall submit to the Secretary of the U.S. Department of Health and Human Services a state plan amendment to the Rhode Island Medicaid state plan for disproportionate share hospital payments (DSH Plan) to provide:

(1) That the disproportionate share hospital payments to all participating hospitals, not to exceed an aggregate limit of \$138.2 million, shall be allocated by the executive office of health and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,

(2) That the Pool D allotment shall be distributed among the participating hospitals in direct proportion to the individual participating hospital's uncompensated care costs for the base year, inflated by the uncompensated care index to the total uncompensated care costs for the base year inflated by uncompensated care index for all participating hospitals. The disproportionate share payments shall be made on or before July 11, 2016 and are expressly conditioned upon approval on or before July 5, 2016 by the Secretary of the U.S. Department of Health and Human Services, or his or her authorized representative, of all Medicaid state plan amendments necessary to secure for the state the benefit of federal financial participation in federal fiscal year

2016 for the disproportionate share payments.

(d) No provision is made pursuant to this chapter for disproportionate share hospital payments to participating hospitals for uncompensated care costs related to graduate medical education programs.

(e) The executive office of health and human services is directed, on at least a monthly basis, to collect patient level uninsured information, including, but not limited to, demographics, services rendered, and reason for uninsured status from all hospitals licensed in Rhode Island.

(f) Beginning with federal FY 2016, Pool D DSH payments will be recalculated by the state based on actual hospital experience. The final Pool D payments will be based on the data from the final DSH audit for each federal fiscal year. Pool D DSH payments will be redistributed among the qualifying hospitals in direct proportion to the individual qualifying hospital's uncompensated care to the total uncompensated care costs for all qualifying hospitals as determined by the DSH audit. No hospital will receive an allocation that would incur funds received in excess of audited uncompensated care costs.

SECTION 15. Section 5 of Article 18 of Chapter 145 of the Public Laws of 2014 is hereby amended to read as follows:

A pool is hereby established of up to ~~\$1.5 million~~ \$2.5 million to support Medicaid Graduate Education funding for Academic Medical Centers with level I Trauma Centers who provide care to the state's critically ill and indigent populations. The office of Health and Human Services shall utilize this pool to provide up to ~~\$3 million~~ \$5 million per year in additional Medicaid payments to support Graduate Medical Education programs to hospitals meeting all of the following criteria:

(a) Hospital must have a minimum of 25,000 inpatient discharges per year for all patients regardless of coverage.

(b) Hospital must be designated as Level I Trauma Center.

(c) Hospital must provide graduate medical education training for at least 250 interns and residents per year.

The Secretary of the Executive Office of Health and Human Services shall determine the appropriate Medicaid payment mechanism to implement this program and amend any state plan documents required to implement the payments.

Payments for Graduate Medical Education programs shall be ~~effective July 1, 2014~~ made annually.

SECTION 16. Section 40-8.9-9 of the General Laws in Chapter 40-8.9 entitled "Medical Assistance – Long-Term Care Service and Finance Reform" is hereby amended to read as follows:

40-8.9-9. Long-term care re-balancing system reform goal. -- (a) Notwithstanding any other provision of state law, the ~~department of human services~~ executive office of health and human services is authorized and directed to apply for and obtain any necessary waiver(s), waiver amendment(s) and/or state plan amendments from the secretary of the United States department of health and human services, and to promulgate rules necessary to adopt an affirmative plan of program design and implementation that addresses the goal of allocating a minimum of fifty percent (50%) of Medicaid long-term care funding for persons aged sixty-five (65) and over and adults with disabilities, in addition to services for persons with developmental disabilities ~~and mental disabilities~~, to home and community-based care ~~on or before December 31, 2013~~; provided, further, the ~~executive office of health and human services~~ executive office shall report annually as part of its budget submission, the percentage distribution between

institutional care and home and community-based care by population and shall report current and projected waiting lists for long-term care and home and community-based care services. The ~~department~~ executive office is further authorized and directed to prioritize investments in home and community-based care and to maintain the integrity and financial viability of all current long-term care services while pursuing this goal.

(b) The reformed long-term care system re-balancing goal is person-centered and encourages individual self-determination, family involvement, interagency collaboration, and individual choice through the provision of highly specialized and individually tailored home-based services. Additionally, individuals with severe behavioral, physical, or developmental disabilities must have the opportunity to live safe and healthful lives through access to a wide range of supportive services in an array of community-based settings, regardless of the complexity of their medical condition, the severity of their disability, or the challenges of their behavior. Delivery of services and supports in less costly and less restrictive community settings, will enable children, adolescents and adults to be able to curtail, delay or avoid lengthy stays in long-term care institutions, such as behavioral health residential treatment facilities, long-term care hospitals, intermediate care facilities and/or skilled nursing facilities.

(c) Pursuant to federal authority procured under § 42-7.2-16 of the general laws, the ~~department of human services~~ executive office of health and human services is directed and authorized to adopt a tiered set of criteria to be used to determine eligibility for services. Such criteria shall be developed in collaboration with the state's health and human services departments and, to the extent feasible, any consumer group, advisory board, or other entity designated for such purposes, and shall encompass eligibility determinations for long-term care services in nursing facilities, hospitals, and intermediate care facilities for ~~the mentally retarded~~ persons with intellectual disabilities as well as home and community-based alternatives, and shall provide a common standard of income eligibility for both institutional and home and community-based care. The ~~department~~ executive office is, ~~subject to prior approval of the general assembly,~~ authorized to adopt clinical and/or functional criteria for admission to a nursing facility, hospital, or intermediate care facility for ~~the mentally retarded~~ persons with intellectual disabilities that are more stringent than those employed for access to home and community-based services. The ~~department~~ executive office is also authorized to promulgate rules that define the frequency of re-assessments for services provided for under this section. Legislatively approved levels Levels of care may be applied in accordance with the following:

(1) The ~~department~~ executive office shall continue to apply pre-waiver the level of care criteria in effect on June 30, 2015 for any recipient determined eligible for and receiving Medicaid recipient eligible for Medicaid-funded long-term services in supports in a nursing facility, hospital, or intermediate care facility for the mentally retarded persons with intellectual disabilities as of June 30, 2009 on or before that date, unless: (a) the recipient transitions to home and community based services because he or she: (a) ~~Improves to a level where he/she would no longer meet the pre-waiver level of care criteria~~ in effect on June 30, 2015; or (b) ~~The individual~~ the recipient chooses home and community based services over the nursing facility, hospital, or intermediate care facility for ~~the mentally retarded~~ persons with intellectual disabilities. For the purposes of this section, a failed community placement, as defined in regulations promulgated by the ~~department~~ executive office, shall be considered a condition of clinical eligibility for the highest level of care. The ~~department~~ executive office shall confer with the long-term care ombudsperson with respect to the determination of a failed placement under the ombudsperson's jurisdiction. Should any Medicaid recipient eligible for a nursing facility, hospital, or

intermediate care facility for ~~the mentally retarded persons with intellectual disabilities~~ as of June 30, ~~2009~~ 2015 receive a determination of a failed community placement, the recipient shall have access to the highest level of care; furthermore, a recipient who has experienced a failed community placement shall be transitioned back into his or her former nursing home, hospital, or intermediate care facility for ~~the mentally retarded persons with intellectual disabilities~~ whenever possible. Additionally, residents shall only be moved from a nursing home, hospital, or intermediate care facility for ~~the mentally retarded persons with intellectual disabilities~~ in a manner consistent with applicable state and federal laws.

(2) Any Medicaid recipient eligible for the highest level of care who voluntarily leaves a nursing home, hospital, or intermediate care facility for ~~the mentally retarded persons with intellectual disabilities~~ shall not be subject to any wait list for home and community based services.

(3) No nursing home, hospital, or intermediate care facility for ~~the mentally retarded persons with intellectual disabilities~~ shall be denied payment for services rendered to a Medicaid recipient on the grounds that the recipient does not meet level of care criteria unless and until the ~~department of human services executive office~~ has: (i) performed an individual assessment of the recipient at issue and provided written notice to the nursing home, hospital, or intermediate care facility for ~~the mentally retarded persons with intellectual disabilities~~ that the recipient does not meet level of care criteria; and (ii) the recipient has either appealed that level of care determination and been unsuccessful, or any appeal period available to the recipient regarding that level of care determination has expired.

(d) The ~~department of human services executive office~~ is further authorized ~~and directed~~ to consolidate all home and community-based services currently provided pursuant to § 1915(c) of title XIX of the United States Code into a single system of home and community-based services that include options for consumer direction and shared living. The resulting single home and community-based services system shall replace and supersede all §1915(c) programs when fully implemented. Notwithstanding the foregoing, the resulting single program home and community-based services system shall include the continued funding of assisted living services at any assisted living facility financed by the Rhode Island housing and mortgage finance corporation prior to January 1, 2006, and shall be in accordance with chapter 66.8 of title 42 of the general laws as long as assisted living services are a covered Medicaid benefit.

(e) The ~~department of human services executive office~~ is authorized to promulgate rules that permit certain optional services including, but not limited to, homemaker services, home modifications, respite, and physical therapy evaluations to be offered to persons at risk for Medicaid-funded long-term care subject to availability of state-appropriated funding for these purposes.

(f) To promote the expansion of home and community-based service capacity, the ~~department of human services executive office~~ is authorized ~~and directed~~ to pursue rate payment methodology reforms that increase access to ~~for~~ homemaker, personal care (home health aide), assisted living, adult supportive care homes, and adult day care ~~care~~ services, as follows:

(1) ~~A prospective base adjustment effective, not later than July 1, 2008, across all departments and programs, of ten percent (10%) of the existing standard or average rate, contingent upon a demonstrated increase in the state-funded or Medicaid caseload by June 30, 2009;~~

(2) (1) ~~Development, not later than September 30, 2008, of revised or new Medicaid certification standards supporting and defining targeted rate increments to encourage that~~

increase access to service specialization and scheduling accommodations including but not limited to, medication and pain management, wound management, certified Alzheimer's Syndrome treatment and support programs, and work and shift differentials for night and weekend services; and by using payment strategies designed to achieve specific quality and health outcomes.

~~(3) Development and submission to the governor and the general assembly, not later than December 31, 2008, of a proposed rate setting methodology for home and community based services to assure coverage of the base cost of service delivery as well as reasonable coverage of changes in cost caused by wage inflation.~~

(2) Development of Medicaid certification standards for state authorized providers of adult day services, excluding such providers of services authorized under § 40.1-24-1(3), assisted living, and adult supportive care (as defined under § 23-17.24) that establish for each, an acuity-based, tiered service and payment methodology tied to: licensure authority, level of beneficiary needs; the scope of services and supports provided; and specific quality and outcome measures. The standards for adult day services for persons eligible for Medicaid-funded long-term services may differ from those who do not meet the clinical/functional criteria set forth in § 40-8.10-3.

~~(g) The department, in collaboration with the executive office of human services, executive office shall implement a long-term care options counseling program to provide individuals or their representatives, or both, with long-term care consultations that shall include, at a minimum, information about: long-term care options, sources and methods of both public and private payment for long-term care services and an assessment of an individual's functional capabilities and opportunities for maximizing independence. Each individual admitted to or seeking admission to a long-term care facility regardless of the payment source shall be informed by the facility of the availability of the long-term care options counseling program and shall be provided with long-term care options consultation if they so request. Each individual who applies for Medicaid long-term care services shall be provided with a long-term care consultation.~~

~~(h) The department of human services executive office is also authorized, subject to availability of appropriation of funding, and federal Medicaid-matching funds, to pay for certain expenses services and supports necessary to transition residents back to the community or divert beneficiaries from institutional or restrictive settings and optimize their health and safety when receiving care in a home or the community. The secretary is authorized to obtain any state plan or waiver authorities required to maximize the federal funds available to support expanded access to such home and community transition and stabilization services; provided, however, payments shall not exceed an annual or per person amount.~~

~~(i) To ensure persons with long-term care needs who remain living at home have adequate resources to deal with housing maintenance and unanticipated housing related costs, the department of human services secretary is authorized to develop higher resource eligibility limits for persons or obtain any state plan or waiver authorities necessary to change the financial eligibility criteria for long-term services and supports to enable beneficiaries receiving home and community waiver services to have the resources to continue who are living in their own homes or rental units or other home-based settings.~~

(j) The executive office shall implement, no later than January 1, 2016, the following home and community-based service and payment reforms:

(1) Community-based supportive living program established in § 40-8.13-2.1;

(2) Adult day services level of need criteria and acuity-based, tiered payment methodology; and

(3) Payment reforms that encourage home and community-based providers to provide the specialized services and accommodations beneficiaries need to avoid or delay institutional care.

(k) The secretary is authorized to seek any Medicaid section 1115 waiver or state plan amendments and take any administrative actions necessary to ensure timely adoption of any new or amended rules, regulations, policies, or procedures and any system enhancements or changes, for which appropriations have been authorized, that are necessary to facilitate implementation of the requirements of this section by the dates established. The secretary shall reserve the discretion to exercise the authority established under §§ 42-7.2-5(6)(v) and 42-7.2-6.1, in consultation with the governor, to meet the legislative directives established herein.

SECTION 17: Sections 40-8.10-1, 40-8.10-2, 40-8.10-3, 40-8.10-4, 40-8.10-5, and 40-8.10-6 of the General Laws in Chapter 40-8.10 entitled "Long Term Care Service Reform for Medicaid Eligible Individuals" are hereby amended to read as follows:

40-8.10-1. Purpose. -- (a) In order to ensure that all Medicaid recipients eligible for long-term care have access to the full continuum of services they need, the secretary of the executive office of health and human services, in collaboration with the ~~director of the department of human services and the directors of the departments of children youth and families, elderly affairs, health, and mental health, retardation and hospitals,~~ directors of EOHHS departments, shall offer eligible Medicaid recipients the full range of services as allowed under the terms and conditions of the Rhode Island ~~Global Consumer Choice Compact 1115a Demonstration Waiver~~ Medicaid section 1115 demonstration waiver, including institutional services and the home and community based services provided for under the previous Medicaid Section 1915(c) waivers, as well as additional services for medication management, transition services and other authorized services as defined in this chapter, in order to meet the individual needs of the Medicaid recipient.

40-8.10-2. Definitions. -- As used in this chapter,

(a) "Core services" mean homemaker services, environmental modifications (home accessibility adaptations, special medical equipment (minor assistive devices), meals on wheels (home delivered meals), personal emergency response (PERS), licensed practical nurse services, community transition services, residential supports, day supports, supported employment, supported living arrangements, private duty nursing, supports for consumer direction (supports facilitation), participant directed goods and services, case management, senior companion services, assisted living, personal care assistance services and respite.

(b) "Preventive services" mean homemaker services, minor environmental modifications, physical therapy evaluation and services and respite services.

40-8.10-3. Levels of care. -- (a) The secretary of the executive office of health and human services shall coordinate responsibilities for long-term care assessment in accordance with the provisions of this chapter ~~within the department of human services, and with the cooperation of the directors of the department of elderly affairs, the department of children, youth and families, and the department of mental health, retardation and hospitals.~~ Assessments conducted by each department's staff shall be coordinated through the Assessment Coordination Unit (ACU). Members of each department's staff responsible for assessing level of care, developing care plans, and determining budgets will meet on a regular basis in order to ensure that services are provided in a uniform and consistent manner. Importance shall be placed upon the proper and consistent determination of levels of care across the state departments for each long-term care setting, including behavioral health residential treatment facilities, long-term care hospitals, intermediate care facilities, and/or skilled nursing facilities. ~~Three (3) appropriate~~ Specialized

plans of care that meet the needs of the individual Medicaid recipients shall be coordinated and consistent across all state departments. The development of care plans shall be person-centered and shall support individual self-determination, family involvement, when appropriate, individual choice and interdepartmental collaboration.

(b) Levels of care for long-term care institutions (behavioral health residential treatment facilities, long-term care hospitals, intermediate care facilities and/or skilled nursing facilities), for which alternative community-based services and supports are available, shall be established pursuant to the § 40-8.9-9. The structure of the three (3) levels of care is as follows:

(i) Highest level of care. Individuals who are determined, based on medical need, to require the institutional level of care will have the choice to receive services in a long-term care institution or in a home and community-based setting.

(ii) High level of care. Individuals who are determined, based on medical need, to benefit from home and community-based services.

(iii) Preventive level of care. Individuals who do not presently need an institutional level of care but who need services targeted at preventing admission, re-admissions or reducing lengths of stay in an institution.

(c) Determinations of levels of care and the provision of long term care health services shall be determined in accordance with this section and shall be in accordance with the applicable provisions of § 40-8.9-9.

40-8.10-4. Long-term Care Assessment and Coordination Assessment and Coordination Unit (ACU). -- (a) ~~The department of human services, in collaboration with the~~ The executive office of health and human services, shall implement a long-term care options counseling program to provide individuals or their representative, or both, with long-term care consultations that shall include, at a minimum, information about long-term care options, sources and methods of both public and private payment for long term care services, information on caregiver support services, including respite care, and an assessment of an individual's functional capabilities and opportunities for maximizing independence. Each individual admitted to or seeking admission to a long-term care facility, regardless of the payment source, shall be informed by the facility of the availability of the long-term care options counseling program and shall be provided with a long-term care options consultation, if he or she so requests. Each individual who applies for Medicaid long-term care services shall be provided with a long-term care consultation.

(b) Core and preventative home and community based services defined and delineated in § 40-8.10-2 shall be provided only to those individuals who meet one of the levels of care provided for in this chapter. Other long term care services authorized by the federal government, such as medication management, may also be provided to Medicaid eligible recipients who have established the requisite need. ~~as determined by the Assessment and Coordination Unit (ACU). Access to institutional and community based supports and services shall be through the Assessment and Coordination Unit (ACU). The provision of Medicaid-funded long-term care services and supports shall be based upon a comprehensive assessment that shall include, but not be limited to, an evaluation of the medical, social and environmental needs of each applicant for these services or programs. The assessment shall serve as the basis for the development and provision of an appropriate plan of care for the applicant.~~

(c) ~~The ACU shall assess the financial eligibility of beneficiaries to receive long-term care services and supports in accordance with the applicable provisions of § 40-8.9-9.~~

(d) ~~The ACU shall be responsible for conducting assessments; determining a level of care for applicants for medical assistance; developing service plans; pricing a service budget and~~

~~developing a voucher when appropriate; making referrals to appropriate settings; maintaining a component of the unit that will provide training to and will educate consumers, discharge planners and providers; tracking utilization; monitoring outcomes; and reviewing service/care plan changes. The ACU shall provide interdisciplinary high cost case reviews and choice counseling for eligible recipients.~~

~~(e)~~ The assessments for individuals conducted in accordance with this section shall serve as the basis for individual budgets for those medical assistance recipients eligible to receive services utilizing a self-directed delivery system.

~~(f)~~(d) Nothing in this section shall prohibit the secretary of the executive office of health and human services, or the directors of that office's departments from utilizing community agencies or contractors when appropriate to perform assessment functions outlined in this chapter.

40-8.10-5. Payments. -- ~~The department of human services~~ executive office of health and human services shall not make payment for a person receiving a long-term home health care program, while payments are being made for that person for inpatient care in a skilled nursing and/or intermediate care facility or hospital.

40-8.10-6. Rules and regulations. -- The secretary of the executive office of health and human services, the directors of the department of human services, the ~~department~~ division of elderly affairs, the department of children youth and families and the department of ~~mental health retardation and hospitals~~ behavioral healthcare, development disabilities and hospitals are hereby authorized to promulgate rules and regulations necessary to implement all provisions of this chapter and to seek necessary federal approvals in accordance with the provisions of the ~~Global Compact Waiver~~ state's Medicaid section 1115 demonstration waiver.

SECTION 18. Section 40-8.13-5 of the General Laws in Chapter 40-8.13 entitled "Long-Term Managed Care Arrangements" is hereby amended to read as follows:

40-8.13-5. Financial savings under managed care. Financial principles under managed care. -- To the extent that financial savings are a goal under any managed long-term care arrangement, it is the intent of the legislature to achieve such savings through administrative efficiencies, care coordination, ~~and~~ improvements in care outcomes and in a way that encourages the highest quality care for patients and maximizes value for the managed care organization and the state. ~~rather than through reduced reimbursement rates to providers.~~ Therefore, any managed long-term care arrangement shall include a requirement that the managed care organization reimburse providers for services in accordance with ~~the following:~~ these principles. Notwithstanding any law to the contrary, for the twelve (12) month period beginning July 1, 2015, Medicaid managed long term care payment rates to nursing facilities established pursuant to this section shall not exceed ninety-eight percent (98.0%) of the rates in effect on April 1, 2015.

(1) For a duals demonstration project, the managed care organization:

(i) Shall not combine the rates of payment for post-acute skilled and rehabilitation care provided by a nursing facility and long-term and chronic care provided by a nursing facility in order to establish a single payment rate for dual eligible beneficiaries requiring skilled nursing services;

(ii) Shall pay nursing facilities providing post-acute skilled and rehabilitation care or long-term and chronic care rates that reflect the different level of services and intensity required to provide these services; and

(iii) For purposes of determining the appropriate rate for the type of care identified in

subsection (1)(ii) of this section, the managed care organization shall pay no less than the rates which would be paid for that care under traditional Medicare and Rhode Island Medicaid for these service types. The managed care organization shall not, however, be required to use the same payment methodology as EOHHS.

The state shall not enter into any agreement with a managed care organization in connection with a duals demonstration project unless that agreement conforms to this section, and any existing such agreement shall be amended as necessary to conform to this subsection.

(2) For a managed long-term care arrangement that is not a duals demonstration project, the managed care organization shall reimburse providers in an amount not less than the rate amount that would be paid for the same care by EOHHS under the Medicaid program. The managed care organization shall not, however, be required to use the same payment methodology as EOHHS.

(3) Notwithstanding any provisions of the general or public laws to the contrary, the protections of subsections (1) and (2) of this section may be waived by a nursing facility in the event it elects to accept a payment model developed jointly by the managed care organization and skilled nursing facilities, that is intended to promote quality of care and cost effectiveness, including, but not limited to, bundled payment initiatives, value-based purchasing arrangements, gainsharing, and similar models.

(b) Notwithstanding any law to the contrary, for the twelve (12) month period beginning July 1, 2015, Medicaid managed long-term care payment rates to nursing facilities established pursuant to this section shall not exceed ninety-eight percent (98.0%) of the rates in effect on April 1, 2015.

SECTION 19. Chapter 40-8.13 of the General Laws entitled "Long-Term Managed Care Arrangements" is hereby amended by adding thereto the following section:

40-8.13-12. Community-based supportive living program. -- (a) To expand the number of community-based service options, the executive office of health and human services shall establish a program for beneficiaries opting to participate in managed care long-term care arrangements under this chapter who choose to receive Medicaid-funded assisted living, adult supportive care home, or shared living long-term care services and supports. As part of the program, the executive office shall implement Medicaid certification or, as appropriate, managed care contract standards for state authorized providers of these services that establish an acuity-based, tiered service and payment system that ties reimbursements to: beneficiary's clinical/functional level of need; the scope of services and supports provided; and specific quality and outcome measures. Such standards shall set the base level of Medicaid state plan and waiver services that each type of provider must deliver, the range of acuity-based service enhancements that must be made available to beneficiaries with more intensive care needs, and the minimum state licensure and/or certification requirements a provider must meet to participate in the pilot at each service/payment level. The standards shall also establish any additional requirements, terms or conditions a provider must meet to ensure beneficiaries have access to high quality, cost effective care.

(b) Room and board. The executive office shall raise the cap on the amount Medicaid certified assisted living and adult supportive home care providers are permitted to charge participating beneficiaries for room and board. In the first year of the program, the monthly charges for a beneficiary living in a single room who has income at or below three hundred percent (300%) of the Supplemental Security Income (SSI) level shall not exceed the total of both the maximum monthly federal SSI payment and the monthly state supplement authorized

for persons requiring long-term services under § 40-6-27.2(a)(1)(vi), less the specified personal need allowance. For a beneficiary living in a double room, the room and board cap shall be set at eighty-five percent (85%) of the monthly charge allowed for a beneficiary living in a single room.

(c) Program Cost-effectiveness. The total cost to the state for providing the state supplement and Medicaid-funded services and supports to beneficiaries participating in the program in the initial year of implementation shall not exceed the cost for providing Medicaid-funded services to the same number of beneficiaries with similar acuity needs in an institutional setting in the initial year of the operations. The program shall be terminated if the executive office determines to that the program has not met this target.

SECTION 20. Sections 42-7.2-2, 42-7.2-5, 42-7.2-6.1, 42-7.2-16, 42-7.2-18 of the General Laws in Chapter 42-7.2 entitled " Executive Office of Health and Human Services" are hereby amended to read as follows:

42-7.2-2. Executive office of health and human services. -- There is hereby established within the executive branch of state government an executive office of health and human services to serve as the principal agency of the executive branch of state government for managing the departments of children, youth and families, health, human services, and behavioral healthcare, developmental disabilities and hospitals. In this capacity, the office shall:

(a) Lead the state's four (4) health and human services departments in order to:

(1) Improve the economy, efficiency, coordination, and quality of health and human services policy and planning, budgeting and financing.

(2) Design strategies and implement best practices that foster service access, consumer safety and positive outcomes.

(3) Maximize and leverage funds from all available public and private sources, including federal financial participation, grants and awards.

(4) Increase public confidence by conducting independent reviews of health and human services issues in order to promote accountability and coordination across departments.

(5) Ensure that state health and human services policies and programs are responsive to changing consumer needs and to the network of community providers that deliver assistive services and supports on their behalf.

~~(b)(6) Administer the federal and state medical assistance programs~~ Rhode Island Medicaid in the capacity of the single state agency authorized under title XIX of the U.S. Social Security act, 42 U.S.C. § 1396a et seq., and exercise such single state agency authority for such other federal and state programs as may be designated by the governor. Except as provided for herein, nothing in this chapter shall be construed as transferring to the secretary the powers, duties or functions conferred upon the departments by Rhode Island general laws for the management and operations of programs or services approved for federal financial participation under the authority of the Medicaid state agency.

42-7.2-5. Duties of the secretary. -- The secretary shall be subject to the direction and supervision of the governor for the oversight, coordination and cohesive direction of state administered health and human services and in ensuring the laws are faithfully executed, notwithstanding any law to the contrary. In this capacity, the Secretary of Health and Human Services shall be authorized to:

(1) Coordinate the administration and financing of health care benefits, human services and programs including those authorized by the ~~Global Consumer Choice Compact Waiver~~ the state's Medicaid section 1115 demonstration waiver and, as applicable, the Medicaid State Plan

under Title XIX of the US Social Security Act. However, nothing in this section shall be construed as transferring to the secretary the powers, duties or functions conferred upon the departments by Rhode Island public and general laws for the administration of federal/state programs financed in whole or in part with Medicaid funds or the administrative responsibility for the preparation and submission of any state plans, state plan amendments, or authorized federal waiver applications, once approved by the secretary.

(2) Serve as the governor's chief advisor and liaison to federal policymakers on Medicaid reform issues as well as the principal point of contact in the state on any such related matters.

(3) (a) Review and ensure the coordination of any ~~Global Consumer Choice Compact Waiver~~ the state's Medicaid section 1115 demonstration waiver requests and renewals as well as any initiatives and proposals requiring amendments to the Medicaid state plan or category two (II) or three (III) changes, as described in the special terms and conditions of the ~~Global Consumer Choice Compact Waiver~~ the state's Medicaid section 1115 demonstration waiver with the potential to affect the scope, amount or duration of publicly-funded health care services, provider payments or reimbursements, or access to or the availability of benefits and services as provided by Rhode Island general and public laws. The secretary shall consider whether any such changes are legally and fiscally sound and consistent with the state's policy and budget priorities. The secretary shall also assess whether a proposed change is capable of obtaining the necessary approvals from federal officials and achieving the expected positive consumer outcomes. Department directors shall, within the timelines specified, provide any information and resources the secretary deems necessary in order to perform the reviews authorized in this section;

(b) Direct the development and implementation of any Medicaid policies, procedures, or systems that may be required to assure successful operation of the state's health and human services integrated eligibility system and coordination with HealthSource RI, the state's health insurance marketplace.

(c) Beginning in 2015, conduct on a biennial basis a comprehensive review of the Medicaid eligibility criteria for one or more of the populations covered under the state plan or a waiver to ensure consistency with federal and state laws and policies, coordinate and align systems, and identify areas for improving quality assurance, fair and equitable access to services, and opportunities for additional financial participation.

(d) Implement service organization and delivery reforms that facilitate service integration, increase value, and improve quality and health outcomes.

(4) Beginning in 2006, prepare and submit to the governor, the chairpersons of the house and senate finance committees, the caseload estimating conference, and to the joint legislative committee for health care oversight, by no later than March 15 of each year, a comprehensive overview of all Medicaid expenditures outcomes, and utilization rates. The overview shall include, but not be limited to, the following information:

(i) Expenditures under Titles XIX and XXI of the Social Security Act, as amended;

(ii) Expenditures, outcomes and utilization rates by population and sub-population served (e.g. families with children, ~~children~~ children persons with disabilities, children in foster care, children receiving adoption assistance, adults ~~with disabilities~~ ages nineteen (19) to sixty-four (64), and ~~the elderly~~ elders);

(iii) Expenditures, outcomes and utilization rates by each state department or other municipal or public entity receiving federal reimbursement under Titles XIX and XXI of the Social Security Act, as amended; and

(iv) Expenditures, outcomes and utilization rates by type of service and/or service provider.

The directors of the departments, as well as local governments and school departments, shall assist and cooperate with the secretary in fulfilling this responsibility by providing whatever resources, information and support shall be necessary.

(5) Resolve administrative, jurisdictional, operational, program, or policy conflicts among departments and their executive staffs and make necessary recommendations to the governor.

(6) Assure continued progress toward improving the quality, the economy, the accountability and the efficiency of state-administered health and human services. In this capacity, the secretary shall:

(i) Direct implementation of reforms in the human resources practices of the executive office and the departments that streamline and upgrade services, achieve greater economies of scale and establish the coordinated system of the staff education, cross-training, and career development services necessary to recruit and retain a highly-skilled, responsive, and engaged health and human services workforce;

(ii) Encourage ~~the departments to utilize~~ EOHHS-wide ~~the utilization of~~ consumer-centered approaches to service design and delivery that expand their capacity to respond efficiently and responsibly to the diverse and changing needs of the people and communities they serve;

(iii) Develop all opportunities to maximize resources by leveraging the state's purchasing power, centralizing fiscal service functions related to budget, finance, and procurement, centralizing communication, policy analysis and planning, and information systems and data management, pursuing alternative funding sources through grants, awards and partnerships and securing all available federal financial participation for programs and services provided ~~through the departments~~ EOHHS-wide;

(iv) Improve the coordination and efficiency of health and human services legal functions by centralizing adjudicative and legal services and overseeing their timely and judicious administration;

(v) Facilitate the rebalancing of the long term system by creating an assessment and coordination organization or unit for the expressed purpose of developing and implementing procedures ~~across departments~~ EOHHS-wide that ensure that the appropriate publicly-funded health services are provided at the right time and in the most appropriate and least restrictive setting; ~~and~~

(vi) Strengthen health and human services program integrity, quality control and collections, and recovery activities by consolidating functions within the office in a single unit that ensures all affected parties pay their fair share of the cost of services and are aware of alternative financing; ~~and~~

(vii) ~~Broaden access to publicly funded food and nutrition services by consolidating agency programs and initiatives to eliminate duplication and overlap and improve the availability and quality of services; and~~

(~~viii~~) Assure protective services are available to vulnerable elders and adults with developmental and other disabilities by reorganizing existing services, establishing new services where gaps exist and centralizing administrative responsibility for oversight of all related initiatives and programs.

(7) Prepare and integrate comprehensive budgets for the health and human services

departments and any other functions and duties assigned to the office. The budgets shall be submitted to the state budget office by the secretary, for consideration by the governor, on behalf of the state's health and human services agencies in accordance with the provisions set forth in § 35-3-4 of the Rhode Island general laws.

(8) Utilize objective data to evaluate health and human services policy goals, resource use and outcome evaluation and to perform short and long-term policy planning and development.

(9) Establishment of an integrated approach to interdepartmental information and data management that complements and furthers the goals of the CHOICES unified health infrastructure project and that will facilitate the transition to consumer-centered integrated system of state administered health and human services.

(10) At the direction of the governor or the general assembly, conduct independent reviews of state-administered health and human services programs, policies and related agency actions and activities and assist the department directors in identifying strategies to address any issues or areas of concern that may emerge thereof. The department directors shall provide any information and assistance deemed necessary by the secretary when undertaking such independent reviews.

(11) Provide regular and timely reports to the governor and make recommendations with respect to the state's health and human services agenda.

(12) Employ such personnel and contract for such consulting services as may be required to perform the powers and duties lawfully conferred upon the secretary.

(13) Assume responsibility for ~~implement the~~ complying with the provisions of any general or public law or regulation related to the disclosure, confidentiality and privacy of any information or records, in the possession or under the control of the executive office or the departments assigned to the executive office, that may be developed or acquired or transferred at the direction of the governor or the secretary for purposes directly connected with the secretary's duties set forth herein.

(14) Hold the director of each health and human services department accountable for their administrative, fiscal and program actions in the conduct of the respective powers and duties of their agencies.

42-7.2-6. Departments assigned to the executive office. -- Powers and duties.-(a) The departments assigned to the secretary shall:

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

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

(3) Provide such records and information as may be requested or required by the governor and/or the secretary to ~~the extent allowed under~~ perform the duties set forth in subsection 6 of this chapter. Upon developing, acquiring or transferring such records and information, the secretary shall assume responsibility for complying with the provisions of any applicable general or public law, regulation, or agreement relating to the confidentiality, privacy or disclosure of such records or information.

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

(b) Except as provided herein, no provision of this chapter or application thereof shall be construed to limit or otherwise restrict the department of children, youth and families, the

department of health, the department of human services, and the department of behavioral healthcare, developmental disabilities and hospitals from fulfilling any statutory requirement or complying with any valid rule or regulation.

42-7.2-6.1. Transfer of powers and functions. -- (a) There are hereby transferred to the executive office of health and human services the powers and functions of the departments with respect to the following:

(1) ~~By July 1, 2007, fiscal~~ Fiscal services including budget preparation and review, financial management, purchasing and accounting and any related functions and duties deemed necessary by the secretary;

(2) ~~By July 1, 2007, legal~~ Legal services including applying and interpreting the law, oversight to the rule-making process, and administrative adjudication duties and any related functions and duties deemed necessary by the secretary;

(3) ~~By September 1, 2007, communications~~ Communications including those functions and services related to government relations, public education and outreach and media relations and any related functions and duties deemed necessary by the secretary;

(4) ~~By March 1, 2008, policy~~ Policy analysis and planning including those functions and services related to the policy development, planning and evaluation and any related functions and duties deemed necessary by the secretary;

(5) ~~By June 30, 2008, information~~ Information systems and data management including the financing, development and maintenance of all data-bases and information systems and platforms as well as any related operations deemed necessary by the secretary;

(6) ~~By October 1, 2009, assessment~~ Assessment and coordination for long-term care including those functions related to determining level of care or need for services, development of individual service/care plans and planning, identification of service options, the pricing of service options and choice counseling; and

(7) ~~By October 1, 2009, program~~ Program integrity, quality control and collection and recovery functions including any that detect fraud and abuse or assure that beneficiaries, providers, and third-parties pay their fair share of the cost of services, as well as any that promote alternatives to publicly financed services, such as the long-term care health insurance partnership.

(8) ~~By January 1, 2011, client protective~~ Protective services including any such services provided to children, elders and adults with developmental and other disabilities;

(9) [Deleted by P.L. 2010, ch. 23, art. 7, § 1].

(10) ~~By July 1, 2012, the~~ The HIV/AIDS care and treatment programs.

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

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

(1) Minimal disruption of services to consumers;

(2) Elimination of duplication of functions and operations;

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

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

(5) Cost-savings are achieved whenever feasible;

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

(7) State and federal funds available to the office and the entities therein are allocated and

utilized for service delivery to the fullest extent possible.

(d) Except as provided herein, no provision of this chapter or application thereof shall be construed to limit or otherwise restrict the departments of children, youth and families, human services, health, and behavioral healthcare, developmental disabilities, and hospitals from fulfilling any statutory requirement or complying with any regulation deemed otherwise valid.

(e) The secretary shall prepare and submit to the leadership of the house and senate finance committees, by no later than January 1, 2010, a plan for restructuring functional responsibilities across the departments to establish a consumer centered integrated system of health and human services that provides high quality and cost-effective services at the right time and in the right setting across the life-cycle.

~~42-7.2-12. Medicaid program study. — (a) The secretary of the executive office of health and human services shall conduct a study of the Medicaid programs administered by the state to review and analyze the options available for reducing or stabilizing the level of uninsured Rhode Islanders and containing Medicaid spending.~~

~~(1) As part of this process, the study shall consider the flexibility afforded the state under the federal Deficit Reduction Act of 2006 and any other changes in federal Medicaid policy or program requirements occurring on or before December 31, 2006, as well as the various approaches proposed and/or adopted by other states through federal waivers, state plan amendments, public-private partnerships, and other initiatives.~~

~~(2) In exploring these options, the study shall examine fully the overall administrative efficiency of each program for children and families, elders and adults with disabilities and any such factors that may affect access and/or cost including, but not limited to, coverage groups, benefits, delivery systems, and applicable cost-sharing requirements.~~

~~(b) The secretary shall ensure that the study focuses broadly on the Medicaid programs administered by the executive office of health and human services and all of the state's four (4) health and human services departments, irrespective of the source or manner in which funds are budgeted or allocated. The directors of the departments shall cooperate with the secretary in preparing this study and provide any information and/or resources the secretary deems necessary to assess fully the short and long-term implications of the options under review both for the state and the people and the communities the departments serve. The secretary shall submit a report and recommendations based on the findings of the study to the general assembly and the governor no later than March 1, 2007.~~

~~42-7.2-12.1. Human services call center study (211). — (a) The secretary of the executive office of health and human services shall conduct a feasibility and impact study of the potential to implement a statewide 211 human services call center and hotline. As part of the process, the study shall catalog existing human service information hotlines in Rhode Island, including, but not limited to, state-operated call centers and private and not-for-profit information hotlines within the state.~~

~~(1) The study shall include analysis of whether consolidation of some or all call centers into a centralized 211 human services information hotline would be economically and practically advantageous for both the public users and agencies that currently operate separate systems.~~

~~(2) The study shall include projected cost estimates for any recommended actions, including estimates of cost additions or savings to private service providers.~~

~~(b) The directors of all state departments and agencies shall cooperate with the secretary in preparing this study and provide any information and/or resources the secretary deems necessary to assess fully the short and long-term implications of the operations under review~~

~~both for the state and the people and the communities the departments serve.~~

~~(c) The secretary shall submit a report and recommendations based on the findings of the study to the general assembly, the governor, and the house and senate fiscal advisors no later than February 1, 2007.~~

42-7.2-13. Severability. -- If any provision of this chapter or the application thereof to any person or circumstance is held invalid, such invalidity shall not ~~effect~~ affect other provisions or applications of the chapter, which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are declared to be severable.

42-7.2-16. Medicaid System Reform 2008. -- (a) The executive office of health and human services, in conjunction with the department of human services, the department of children youth and families, the department of health and the department of behavioral healthcare, developmental disabilities, and hospitals, is authorized to design options that further the reforms in the Medicaid program initiated in 2008 to ensure so that it is a person-centered, financially sustainable, cost-effective, and opportunity driven program that the program: utilizes competitive and value based purchasing to maximize the available service options, ~~promote~~ promotes accountability and transparency, and encourage and reward ~~encourages and rewards~~ healthy outcomes, independence, and responsible choices; promotes efficiencies and the coordination of services across all health and human services agencies; and ensures the state will have a fiscally sound source of publicly-financed health care for Rhode Islanders in need.

(b) Principles and Goals. In developing and implementing this system of reform, the executive office of health and human services and the four (4) health and human services departments shall pursue the following principles and goals:

(1) Empower consumers to make reasoned and cost-effective choices about their health by providing them with the information and array of service options they need and offering rewards for healthy decisions;

(2) Encourage personal responsibility by assuring the information available to beneficiaries is easy to understand and accurate, provide that a fiscal intermediary is provided when necessary, and adequate access to needed services;

(3) When appropriate, promote community-based care solutions by transitioning beneficiaries from institutional settings back into the community and by providing the needed assistance and supports to beneficiaries requiring long-term care or residential services who wish to remain, or are better served in the community;

(4) Enable consumers to receive individualized health care that is outcome-oriented, focused on prevention, disease management, recovery and maintaining independence;

(5) Promote competition between health care providers to ensure best value purchasing, to leverage resources and to create opportunities for improving service quality and performance;

(6) Redesign purchasing and payment methods to assure fiscal accountability and encourage and to reward service quality and cost-effectiveness by tying reimbursements to evidence-based performance measures and standards, including those related to patient satisfaction; and

(7) Continually improve technology to take advantage of recent innovations and advances that help decision makers, consumers and providers to make informed and cost-effective decisions regarding health care.

(c) The executive office of health and human services shall annually submit a report to the governor and the general assembly ~~commencing on a date no later than July 1, 2009~~ describing the status of the administration and implementation of the ~~Global Waiver Compact~~

Medicaid Section 1115 demonstration waiver.

42-7.2-16.1. Reinventing Medicaid Act of 2015. -- (a) The Rhode Island Medicaid program is an integral component of the state's health care system that provides crucial services and supports to many Rhode Islanders. As the program's reach has expanded, the costs of the program have continued to rise and the delivery of care has become more fragmented and uncoordinated. Given the crucial role of the Medicaid program to the state, it is of compelling importance that the state conduct a fundamental restructuring of its Medicaid program that achieves measurable improvement in health outcomes for the people and transforms the health care system to one that pays for the outcomes and quality they deserve at a sustainable, predictable and affordable cost.

(b) The Working Group to Reinvent Medicaid, which was established to refine the principles and goals of the Medicaid reforms begun in 2008, was directed to present to the general assembly and the governor initiatives to improve the value, quality, and outcomes of the health care funded by the Medicaid program.

42-7.2-18. Program integrity division. -- (a) There is hereby established a program integrity division within the office of health and human services to effectuate the transfer of functions pursuant to subdivision 42-7.2-6.1(a)(7). The purposes of this division are:

(1) To develop and implement a statewide strategy to coordinate state and local agencies, law enforcement entities, and investigative units in order to increase the effectiveness of programs and initiatives dealing with the prevention, detection, and prosecution of Medicaid and public assistance fraud; and

(2) To oversee and coordinate state and local efforts to investigate and eliminate Medicaid and public assistance fraud and to recover state and federal funds; and

(3) To pursue any opportunities to enhance health and human services program integrity efforts available under the federal Affordable Care Act of 2010, or any such federal or state laws or regulations pertaining to publicly-funded health and human services administered by the departments assigned to the executive office.

(b) The program integrity division shall provide advice and make recommendations, as necessary, to the secretary of health and human services and all departments assigned to the office to effectuate the purposes of the division. The division shall also propose and execute, with the secretary's approval, recommendations that assure the office and the departments implement in a timely and effective manner corrective actions to remediate any federal and/or state audit findings when warranted.

(c) The division shall have the following powers and duties:

(1) To conduct a census of local, state, and federal efforts to address Medicaid and public assistance fraud in this state, including fraud detection, prevention, and prosecution, in order to discern overlapping missions, maximize existing resources, and strengthen current programs;

(2) To develop a strategic plan for coordinating and targeting state and local resources for preventing and prosecuting Medicaid and public assistance fraud. The plan must identify methods to enhance multi-agency efforts that contribute to achieving the state's goal of eliminating Medicaid and public assistance fraud;

(3) To identify methods to implement innovative technology and data sharing in consultation with the office of digital excellence in order to detect and analyze Medicaid and public assistance fraud with speed and efficiency; Such methods as may be effective as a means of detecting incidences of fraud, assisting in directing the focus of an investigation or audit, and determining the amounts a provider owes as the result of such an investigation or audit

conducted by the division, a department assigned to the office, Rhode Island Department of Attorney General Medicaid Fraud Control Unit, the U.S. Department of Health and Human Services' Office of Inspector General, the U.S. Department of Justice's Federal Bureau of Investigation, or an authorized agent thereof.

(4) To develop and promote, in consultation with federal, state and local law enforcement agencies, crime prevention services and educational programs that serve the public; and

(5) To develop and implement electronic fraud monitoring systems and provide training for all Medicaid provider and managed care organizations on the use of such systems and other fraud detection and prevention mechanisms, concerning, but not limited to the following:

- (i) Coverage and billing policies;
- (ii) Participant-centered planning and options available;
- (iii) Covered and non-covered services;
- (iv) Provider accountability and responsibilities;
- (v) Claim submission policies and procedures; and
- (vi) Reconciling claim activity.

(d) The division shall annually prepare and submit a report on its activities and recommendations, by January 1, to the president of the senate, the speaker of the house of representatives, the governor, and the chairs of the house of representatives and senate finance committees.

SECTION 21. Chapter 42-72.5 of the General Laws entitled, "Children's Cabinet" is hereby amended to read as follows:

42-72.5-1. Establishment. -- There is established within the executive branch of state government a children's cabinet. The cabinet shall ~~be comprised of:~~ include, but not be limited to: the director of the department of administration; the secretary of the executive office of health and human services; the director of the department of children, youth, and families; the director of the department of ~~mental health, retardation, and hospitals;~~ behavioral healthcare, developmental disabilities, and hospitals; the director of the department of health; the commissioner of ~~higher~~ post-secondary education; the commissioner of elementary and secondary education; the director of the department of human services; ~~the chief information officer;~~ the director of the department of labor and training; the child advocate; ~~the director of the department of elderly affairs;~~ and ~~the director of policy in the governor's office.~~ governor or his or her designee. The governor shall designate one of the members of the cabinet to be chairperson.

42-72.5-2. Policy and goals. -- The children's cabinet shall:

(1) Meet at least monthly to address all issues, especially those that cross departmental lines, and relate to children's needs and services;

(2) Review, amend, and propose all interagency agreements necessary to provide coordinated services to children;

(3) Produce an annual comprehensive children's budget, to be submitted with other budget documents to the general assembly;

(4) Produce, by ~~July 1, 1992,~~ December 1, 2015, a comprehensive, five (5) year statewide plan and proposed budget for an integrated state child service system. This plan shall be submitted to the governor; ~~and to the chairperson of the permanent legislative commission on the department of children, youth, and families;~~ the speaker of the house of representatives and the president of the senate, and updated annually thereafter;

(5) ~~Report on its activities at least three (3) times per year to the permanent legislative~~

~~commission on the department of children, youth, and families; and~~

~~(6) Develop a strategic plan to design and implement a single, secure, universal student identifier system that does not involve a student's social security number and that will coordinate and share data to foster interagency communication, increase efficiency of service delivery, and simultaneously protect children's legitimate expectations of privacy and rights to confidentiality. This shall include data-sharing with research partners, pursuant to data-sharing agreements, that maintains data integrity and protects the security and confidentiality of these records. Any such data-sharing agreements shall comply with all privacy and security requirements of federal and state law and regulation governing the use of such data. Any universal student identifier now in use by the state or developed in the future shall not involve a student's social security number.~~

~~42-72.5-3. Cooperation required. -- The division of planning in the department of administration executive office of health and human services shall provide staff support to the children's cabinet in preparing the integrated state child service system plan as required by this chapter. All departments represented on the children's cabinet shall cooperate with the division of planning executive office of health and human services to facilitate the purposes of this chapter.~~

SECTION 22. Rhode Island Medicaid Reform Act of 2008.

WHEREAS, the General Assembly enacted Chapter 12.4 of Title 42 entitled "The Rhode Island Medicaid Reform Act of 2008"; and

WHEREAS, a Joint Resolution is required pursuant to Rhode Island General Laws § 42-12.4-1, et seq.; and

WHEREAS, Rhode Island General Law § 42-7.2-5 provides that the Secretary of the Office of Health and Human Services is responsible for the review and coordination of any Medicaid section 1115 demonstration waiver requests and renewals as well as any initiatives and proposals requiring amendments to the Medicaid state plan or category II or III changes as described in the demonstration, with "the potential to affect the scope, amount, or duration of publicly-funded health care services, provider payments or reimbursements, or access to or the availability of benefits and services provided by Rhode Island general and public laws"; and

WHEREAS, in pursuit of a more cost-effective consumer choice system of care that is fiscally sound and sustainable, the Secretary requests general assembly approval of the following proposals to amend the demonstration:

(a) Nursing Facility Payment Rates and Incentive Program. The executive office of health and human services proposes to eliminate the projected nursing facility rate increase that would otherwise take effect during the state fiscal year 2016. In addition, the executive office proposes to establish a nursing facility incentive program which ties certain payments to nursing facilities in state fiscal year (SFY) 2017 to specific performance-based outcomes. Implementation of these initiatives may require amendments to the Rhode Island's Medicaid state plan and/or Section 1115 waiver under the terms and conditions of the demonstration. Further, implementation of these initiatives may require the adoption of new or amended rules, regulations and procedures.

(b) Medicaid Hospital Payments Reform – Eliminate Rate Increases for Hospital Inpatient and Outpatient Payments, Incentive Program. In its role as the Medicaid Single State Agency, the EOHHS proposes to reduce inpatient and outpatient hospital payments by eliminating the projected rate increase for both managed care and fee-for-service for state fiscal year (SFY) 2016. Also, the EOHHS proposes to adopt alternative payment strategies for certain hospital services. A payment incentive program for participating hospitals is proposed for SFY 2017 that will support performance targets identified by the secretary. Changes in the Medicaid

state plan and/or section 1115 waiver authority are required to implement these initiatives.

(c) Pilot Coordinated Care Program. The executive office of health and human services proposes to establish a coordinated care program with a community provider that uses shared savings model. Creating a new service delivery option may require authority under the Medicaid waiver demonstration and may necessitate amendments to the state plan. The adoption of new or amended rules may also be required.

(d) Medicaid Managed Care Contracts – Improved Efficiency. The EOHHS seeks to realign managed care contracts to focus on paying for value, coordinating health care delivery across providers, and modifying risk/gain sharing arrangements. Implementation of these changes may require section 1115 waiver or state plan authorities.

(e) Long-term care arrangements. Implementation of Medicaid reinvention policy initiatives authorized by law or in the SFY 2016 budget that result in managed care contractual arrangements may require new or amended section 1115 and/or state plan authorities.

(f) Integrated Care Initiative (ICI) – Enrollment. The EOHHS proposes to establish mandatory enrollment for all Medicaid beneficiaries including but not limited to beneficiaries receiving long-term services and supports through the ICI, including those who are dually eligible for Medicaid and Medicare. Implementation of mandatory enrollment requires section 1115 waiver authority under the terms and conditions of the demonstration. New and/or amended rules, regulations and procedures are also necessary to implement this proposal.

(g) Behavioral Health --Coordinated Care Management. To improve health outcomes, the state is pursuing development of a population-based health home approach that uses an alternative payment methodology to maximize the cost-effectiveness and quality of services provided to persons living with serious mental illness. Implementation of this approach may require amendments to the Medicaid state plan and section 1115 waiver authorities as well as adoption or amendment of rules, regulations and procedures.

(h) Community Health Teams and Targeted Services. The EOHHS proposes to use community health teams to provide services and supports to beneficiaries with intensive care needs. Implementation of the initiative may require additional section 1115 waiver authorities. New and amended rules, regulations and procedures may also be necessary related to these program changes.

(i) Implementation of Home and Health Stabilization Services. The EOHHS may implement an innovative home and health stabilization program that targets beneficiaries who have complex needs and are homeless, at risk for homelessness, or transitioning from high cost intensive care settings back into the community. Implementation of this program requires Section 1115 waiver authority and may necessitate changes to EOHHS' rules, regulations and procedures.

(j) STOP Program Established. The Medicaid agency proposes to establish a new Sobering Treatment Opportunity Program (STOP). Section 1115 demonstration waiver authority for this program may be required and the adoption of new or amended rules and regulations.

(k) Medicaid Eligibility Criteria and System Processes – Review and Realignment. The EOHHS proposes to review state policies related to each Medicaid eligibility coverage group to ensure application, renewal, and service delivery requirements pose the least administrative burden on beneficiaries and provide the maximum amount of financial participation allowed under applicable federal laws and regulations. Changes in the section 1115 waiver and/or state plan may be required to implement any changes deemed necessary by the secretary necessary as a result of this review. New and amended rules, regulations and procedures may also be required.

(l) Reform of Long-term Care Eligibility Criteria – The EOHHS proposes to reform the clinical/functional eligibility used to determine access to the highest and high level of care to reflect regional and national standards and promote greater utilization of non-institutional care settings by beneficiaries with lower acuity care needs. Section 1115 waiver authority is required to implement the reform in clinical/functional criteria. Amendments to related rules, regulations and procedures are also necessary.

(m) Alternative Payment Arrangements – The EOHHS proposes to develop and implement alternative payment arrangements that maximize value and cost-effectiveness, and tie payments to improvements in service quality and health outcomes. Amendments to the section 1115 waiver and/or the Medicaid state plan may be required to implement any alternative payment arrangements the EOHHS is authorized to pursue.

(n) Behavioral Healthcare Services Reform – As part of its reform implementation plan for achieving integrated, coordinated care of those with chronic mental illness, the department of behavioral healthcare, developmental disabilities, and hospitals, in partnership with the executive office of health and human services, shall include the option for at least one population-based arrangement, pilot, contract, or agreement for the care of those with chronic mental illness.

The goal of this population-based arrangement shall be to test and evaluate this arrangement as an effective means of realizing total improved health outcomes for the population, improved quality of care, and the more efficient and effective utilization of resources.

The department, in partnership with the executive office of health and human services, will be given the authority to execute contracts with Medicaid and/or the contracted managed care entity/entities to achieve the alternative payment methodology for the population specified. These arrangements are targeted to be executed and implemented by September 1, 2015.

(o) Payment Methodology for Services to Adults with Developmental Disabilities. The department of behavioral healthcare developmental disabilities and hospitals proposes to revise the payment methodology and/or rates for services provided to adults with developmental disabilities pursuant to the individual services plans defined in §40.1-21-4.3. Amendments to the section 1115 waiver and/or the Medicaid state plan may be required to implement any alternative payment methodology, arrangements or rates. New and amended rules, regulations and procedures may also be required. The office of health and human services shall certify that sufficient funding exists within the current appropriation to implement the changes.

(p) Approved Authorities: Section 1115 Waiver Demonstration Extension. The Medicaid agency proposes to continue implementation of authorities approved under the Section 1115 waiver demonstration extension request – formerly known as the Global Consumer Choice Waiver – that (1) continue efforts to re-balance the system of long term services and supports by assisting people in obtaining care in the most appropriate and least restrictive setting; (2) pursue utilization of care management models that offer a "health home", promote access to preventive care, and provide an integrated system of services; (3) use payments and purchasing to finance and support Medicaid initiatives that fill gaps in the integrated system of care; and (4) recognize and assure access to the non-medical services and supports, such as peer navigation and employment and housing stabilization services, that are essential for optimizing a person's health, wellness and safety and reduce or delay the need for long term services and supports.

(q) ACA Opportunities --Medicaid Requirements and Opportunities under the U.S. Patient Protection and Affordable Care Act of 2010 (PPACA). The EOHHS proposes to pursue any requirements and/or opportunities established under the PPACA that may warrant a

Medicaid State Plan Amendment or amendment under the terms and conditions of Rhode Island's Section 1115 Waiver, its successor, or any extension thereof. Any such actions the EOHHS takes shall not have an adverse impact on beneficiaries or cause there to be an increase in expenditures beyond the amount appropriated for state fiscal year 2016. Now, therefore, be it

RESOLVED, that the general assembly hereby approves proposals (a) through (q) listed above to amend the demonstration; and be it further

RESOLVED, that the secretary of the office of health and human services is authorized to pursue and implement any waiver amendments, state plan amendments, and/or changes to the applicable department's rules, regulations and procedures approved herein and as authorized by § 42-12.4-7; and be it further

RESOLVED, that this joint resolution shall take effect upon passage.

SECTION 23. This article shall take effect upon passage."

Respectfully submitted,

Representative Gallison

=====
LC002178/5
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The motion to amend prevails on a roll call vote 74 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 74: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

Article 5 prevails, as amended, on a roll call vote 75 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 75: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

AT EASE

At 6:31 o'clock P.M. the Honorable Speaker Mattiello declares the House to be at ease.

ORDER

At 6:37 o'clock P.M. the Honorable Speaker Mattiello calls the House to order.

NEW ARTICLES

By unanimous consent, Representative Gallison, seconded by Representatives Ucci, Marshall, Amore, O'Grady, Jacquard, Shekarchi, Edwards, Barros, Abney, and Lombardi offers a written motion to amend.

FLOOR AMENDMENT

TO

2015 -- H 5900 SUBSTITUTE A

AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016

Mr. Speaker:

I hereby move to amend 2015 -- H 5900 SUBSTITUTE A, entitled "AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016", as follows:

By adding thereto the following new Article:

"ARTICLE _____

RELATING TO PUBLIC TRANSIT

SECTION 1. Section 39-18-4 of the General Laws in Chapter 39-18 entitled "Rhode Island Public Transit Authority" is hereby amended to read as follows:

39-18-4. Powers and duties of the authority. -- (a) The authority is hereby authorized and empowered:

- (1) To adopt bylaws for the regulation of its affairs and the conduct of its business;
- (2) To adopt an official seal and alter the seal at pleasure;
- (3) To maintain an office at such place or places within the state as it may designate;
- (4) To sue and be sued in its own name, plead and to be implead; provided, however, that any and all actions against the authority shall be brought only in the county in which the

principal office of the authority shall be located;

(5) To acquire, purchase, hold, use, and dispose of any property, real, personal, or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of the authority, and, to lease as lessee or lessor any property, real, personal or mixed, or any interest therein for such term and at such rental as the authority may deem fair and reasonable, and to sell, transfer, convey, mortgage, or give a security interest in any property, real, personal, or mixed, tangible or intangible, or any interest therein, at any time acquired by the authority;

(6) To employ, in its discretion, planning, architectural, and engineering consultants, attorneys, accountants, construction, financial, transportation, and traffic experts and consultants, superintendents, managers, and such other officers, employees, and agents as may be necessary in its judgment, and to fix their compensation;

(7) (i) To fix from time to time, subject to the provisions of this chapter, schedules and such rates of fare and charges for service furnished or operated as in its judgment are best adopted to insure sufficient income to meet the cost of service; provided, however, the authority is not empowered to operate a passenger vehicle under its control in competition with passenger vehicles of a private carrier over routes which the private carrier operates pursuant to a certificate of public convenience and necessity issued to the private carrier by the division of public utilities and carriers; and provided further that the authority shall not require any person who meets the means test criteria as defined by the Rhode Island Department of Elderly Affairs and who is either sixty-five (65) years of age, or over, or who is disabled to pay no more than one-half (1/2) of any fare or charge for bus rides ~~during peak hours~~; provided, however, that ~~such exclusion for under no circumstances shall fares or charges shall not apply: (A) to for special service routes be discounted and (B) during periods and routes of overcrowded conditions.~~ Any person who is either sixty-five (65) years of age, or over, or who is disabled, ~~and who meets the means test criteria as heretofore provided, shall not be required to pay any fare or charge for bus rides during off peak hours, and any person who is either sixty five (65) years of age, or over, or who is disabled, and who does not satisfy the means test criteria as heretofore provided, shall only be required to pay one-half (1/2) of the fare or charge for bus rides during off-peak hours, but shall not be eligible for a reduction during peak hours.~~ For the purposes of this chapter, "~~overcrowded conditions,~~" "peak hours," "off-peak hours" and "special service routes" shall be determined annually by the authority. The authority, in conjunction with the department of human services, shall establish an advisory committee comprised of seniors/persons with disabilities constituent users of the authority's services to assist in the implementation of this section;

(ii) Any person who accompanies and is assisting a person with a disability when the person with a disability uses a wheelchair shall be eligible for the same price exemptions extended to a person with a disability by subsection (7)(i). The cost to the authority for providing the service to the elderly shall be paid by the state;

(iii) Any person who accompanies and is assisting a passenger who is blind or visually impaired shall be eligible for the same price exemptions extended to the passenger who is blind or visually impaired by subsection (7)(i). The cost to the authority for providing the service to the elderly shall be paid by the state;

(iv) The authority shall be authorized and empowered to charge a fare for any paratransit services required by the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq., in accordance with 49 C.F.R. Part 37.

(8) To borrow money and to issue bonds of the authority for any of its purposes including, without limitation, the borrowing of money in anticipation of the issuance of bonds or

the receipt of any operating revenues or other funds or property to be received by the authority, and the financing of property to be owned by others and used, in whole or substantial part, by the authority for any of its purposes, all as may from time to time, be authorized by resolution of the authority; the bonds to contain on their face a statement to the effect that neither the state nor any municipality or other political subdivision of the state shall be obligated to pay the same or the interest thereon;

(9) To enter into management contracts for the operation, management, and supervision of any or all transit properties under the jurisdiction of the authority, and to make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this chapter;

(10) Without limitation of the foregoing, to borrow money from, to receive and accept grants for or in aid of the purchase, leasing, improving, equipping, furnishing, maintaining, repairing, constructing, and operating of transit property, and to enter into contracts, leases, or other transactions with any federal agency; and to receive and accept from the state, from any municipality, or other political subdivision thereof, and from any other source, aid or contributions of either money, property, labor, or other things of value, to be held, used and applied only for the purposes for which the grants and contributions may be made;

(11) To acquire in the name of the authority, by negotiated purchase or otherwise, on such terms and conditions and in such manner as it may deem proper, or by the exercise of the power of condemnation to the extent only and in the manner as provided in this chapter, such public and private lands, including public parks, playgrounds or reservations, or parts thereof, or rights therein, rights-of-way, property rights, easements, and interests as it may deem necessary for carrying out the provisions of this chapter; provided, however, that all public property damaged in carrying out the powers granted by this chapter shall be restored or repaired and placed in its original condition as nearly as practicable;

(12) To contract with any municipality, public or private company or organization, whereby the authority will receive a subsidy to avoid discontinuance of service, and each municipality within the state is hereby authorized to make and enter into such contracts and to make, grant, or give to the authority a subsidy in such amount and for such period of time as it may deem advisable;

(13) To operate service to nearby Massachusetts and nearby Connecticut terminals for the purpose of deboarding Rhode Island passengers at major traffic generating locations for the benefit of passengers and to board Rhode Islanders for the return trip, provided, however, that the authority operate closed door in Massachusetts and nearby Connecticut to and from its destination; and

(14) To do all things necessary, convenient, or desirable to carry out the purpose of this chapter.

(b) To effectuate the purposes of this chapter the authority shall have the following duties:

(1) To participate in and contribute to transportation planning initiatives that are relevant to the purposes of the authority;

(2) To plan, coordinate, develop, operate, maintain and manage a statewide public transit system consistent with the purposes of the authority, including plans to meet demands for public transit where such demand, current or prospective, exceeds supply and/or availability of public transit services;

(3) To work with departments, agencies, authorities and corporations of federal, state and

local government, public and private institutions, businesses, non-profit organization, users of the system and other entities and persons to coordinate public transit services and provide a seamless network of mobility options.

SECTION 2. This article shall take effect October 1, 2015."

Respectfully submitted,

Representative Gallison

LC002168/10

Representatives Amore, Chippendale, Regunberg, and McLaughlin discuss the amendment.

The motion to amend prevails on a roll call vote 68 members voting in the affirmative and 3 members voting in the negative as follows:

YEAS - 68: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, Maldonado, Malik, Marshall, McEntee, McKiernan, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 3: Representatives MacBeth, Marcello, McLaughlin.

RECUSED - 0:

ARTICLE 1

RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2016

Representative Gallison moves passage of the article seconded by Representatives Naughton, Hearn, Canario, Craven, Ruggiero, Carson, Almeida, McKiernan, O'Brien, McEntee, Carnevale, Almeida, Marshall, Tanzi, Maldonado, Fogarty, Jacquard, Costantino, Shekarchi, Morin, Malik, McNamara, Corvese, Azzinaro, Diaz, Slater, Bennett, Hull, Phillips, Melo, Tobon, Barros, Abney, Edwards, Solomon, Coughlin, Kazarian, Casey, Johnston, and Blazejewski.

Representative Gallison discusses the Article.

By unanimous consent, Representative Gallison, seconded by Representatives Amore, Tanzi, Marshall, Carnevale, Barros, Azzinaro, Casey, and Canario offers a written motion to amend.

FLOOR AMENDMENT TO

2015 -- H 5900 SUBSTITUTE A

AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE
FISCAL YEAR ENDING JUNE 30, 2016

Mr. Speaker:

I hereby move to amend 2015 -- H 5900 SUBSTITUTE A, entitled "AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016", as follows:

1. In Article 1, by deleting the language after the title "Relating to Making Appropriations in Support of FY 2016", and by inserting in place thereof the following language:

"SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained in this act, the following general revenue amounts are hereby appropriated out of any money in the treasury not otherwise appropriated to be expended during the fiscal year ending June 30, 2016. The amounts identified for federal funds and restricted receipts shall be made available pursuant to section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For the purposes and functions hereinafter mentioned, the state controller is hereby authorized and directed to draw his or her orders upon the general treasurer for the payment of such sums or such portions thereof as may be required from time to time upon receipt by him or her of properly authenticated vouchers.

Administration

Central Management

General Revenues	2,806,924
Office of Digital Excellence	984,019
Total – Central Management	3,790,943

Legal Services General Revenues

2,166,696

Accounts and Control General Revenues

4,080,143

Office of Management and Budget General Revenues

4,146,713

Purchasing

General Revenues	2,764,921
Other Funds	320,487
Total – Purchasing	3,085,408

Auditing General Revenues

1,476,262

Human Resources

General Revenues	7,679,763
Federal Funds	800,576
Restricted Receipts	489,333
Other Funds	1,401,403
Total – Human Resources	10,371,075

Personnel Appeal Board General Revenues

119,874

Facilities Management

General Revenues	32,172,352
Federal Funds	1,208,674
Restricted Receipts	376,880
Other Funds	3,923,319
Total – Facilities Management	37,681,225

Capital Projects and Property Management	
General Revenues	2,967,816
Federal Funds	21,955
Restricted Receipts	127,339
Other Funds - Statewide Capital Consolidation	495,821
Total – Capital Projects and Property Management	3,612,931
Information Technology	
General Revenues	20,201,589
Federal Funds	6,746,649
Restricted Receipts	10,193,681
Other Funds	2,829,157
Total – Information Technology	39,971,076
Library and Information Services	
General Revenues	1,229,995
Federal Funds	1,204,253
Restricted Receipts	180
Total – Library and Information Services	2,434,428
Planning	
General Revenues	1,316,146
Federal Funds	1,073,871
Other Funds	
Federal Highway – PL Systems Planning	3,254,638
Total – Planning	5,644,655
General	
General Revenues	
Miscellaneous Grants/Payments	971,049
Torts – Courts/Awards	400,000
State Employees/Teachers Retiree Health Subsidy	2,321,057
Resource Sharing and State Library Aid	8,773,398
RIPTA	2,000,000
Library Construction Aid	2,663,300
Federal Funds	4,345,555
Restricted Receipts	421,500
Other Funds	
Rhode Island Capital Plan Funds	
Statehouse Renovations	575,000
DoIT Enterprise Operations Center	619,000
Cranston Street Armory	983,501
Cannon Building	1,465,000
Zambarano Building Rehabilitation	1,795,000
Pastore Center Rehab DOA Portion	2,793,000
Old State House	1,225,000
State Office Building	3,148,000
Old Colony House	695,000
William Powers Building	1,450,000
Pastore Center Utility Systems Upgrade	3,487,000

Replacement of Fueling Tanks	640,000
Environmental Compliance	200,000
Big River Management Area	120,000
Washington County Government Center	825,000
Veterans Memorial Auditorium	250,000
Chapin Health Laboratory	510,000
Pastore Center Parking	1,000,000
Pastore Center Water Tanks	280,000
RI Convention Center Authority	1,000,000
Dunkin Donuts Center	1,387,500
Mathias Building Renovation	3,100,000
McCoy Stadium	250,000
Pastore Center Power Plant	500,000
Virks Building Renovations	6,500,000
Harrington Hall Renovations	1,679,493
Accessibility – Facility Renovations	1,000,000
State House Energy Management Improvements	346,000
Veterans Land Purchase	250,000
Pastore Center Building Demolition	1,700,000
Total – General	61,669,353
Debt Service Payments	
General Revenues	99,137,176
Out of the general revenue appropriations for debt service, the General Treasurer is authorized to make payments for the I-195 Redevelopment District Commission loan up to the maximum debt service due in accordance with the loan agreement.	
Federal Funds	2,657,152
Restricted Receipts	2,085,410
Other Funds	
Transportation Debt Service	46,011,341
Investment Receipts – Bond Funds	100,000
COPS – DLT Building – TDI	271,653
Total - Debt Service Payments	150,262,732
Energy Resources	
Federal Funds	406,587
Restricted Receipts	10,194,871
Total – Energy Resources	10,601,458
Rhode Island Health Benefits Exchange	
General Revenues	2,625,841
Federal Funds	24,746,063
Restricted Receipts	3,554,716
Total – Rhode Island Health Benefits Exchange	30,926,620
Construction Permitting, Approvals and Licensing	
General Revenues	1,615,416
Restricted Receipts	1,409,497
Total – Construction Permitting, Approvals and Licensing	3,024,913
Office of Diversity, Equity & Opportunity	

General Revenues	1,098,841
Federal Funds	91,294
Total – Office of Diversity, Equity & Opportunity	1,190,135
Personnel and Operational Reforms General Revenues	(8,225,000)
Grand Total – Administration	368,031,640
Business Regulation	
Central Management General Revenues	1,326,772
Banking Regulation	
General Revenues	1,674,773
Restricted Receipts	37,000
Total – Banking Regulation	1,711,773
Securities Regulation	
General Revenues	962,697
Restricted Receipts	3,500
Total – Securities Regulation	966,197
Insurance Regulation	
General Revenues	3,885,752
Restricted Receipts	1,877,715
Total – Insurance Regulation	5,763,467
Office of the Health Insurance Commissioner	
General Revenues	535,017
Federal Funds	2,795,240
Restricted Receipts	11,500
Total – Office of the Health Insurance Commissioner	3,341,757
Board of Accountancy General Revenues	16,654
Commercial Licensing, Racing & Athletics	
General Revenues	561,821
Restricted Receipts	659,062
Total – Commercial Licensing, Racing & Athletics	1,220,883
Boards for Design Professionals General Revenues	273,009
Grand Total – Business Regulation	14,620,512
Executive Office of Commerce	
Central Management General Revenues	956,254
Housing and Community Development	
General Revenues	593,082
Federal Funds	10,983,803
Restricted Receipts	2,800,000
Total – Housing and Community Development	14,376,885
Quasi–Public Appropriations	
General Revenues	
Rhode Island Commerce Corporation	7,394,514
Rhode Island Commerce Corporation – Legislative Grans	1,026,492
Airport Impact Aid	1,025,000

Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be distributed to each airport serving more than 1,000,000 passengers based upon its percentage of the total passengers served by all airports serving more than 1,000,000 passengers. Forty percent

(40%) of the first \$1,000,000 shall be distributed based on the share of landings during the calendar year 2015 at North Central Airport, Newport-Middletown Airport, Block Island Airport, Quonset Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island Commerce Corporation shall make an impact payment to the towns or cities in which the airport is located based on this calculation. Each community upon which any parts of the above airports are located shall receive at least \$25,000.

STAC Research Alliance	1,150,000
Innovative Matching Grants/Internships	1,000,000
I-195 Redevelopment District Commission	761,000
Executive Office of Commerce Programs	3,100,000
Chafee Center at Bryant	376,200
Other Funds	
Rhode Island Capital Plan Funds	
I-195 Redevelopment District Commission	300,000
Total – Quasi–Public Appropriations	16,133,206
Economic Development Initiatives Fund	
General Revenue	
Small Business Assistance Program	5,458,000
Anchor Institution Tax Credits	1,750,000
Innovation Initiative	500,000
Cluster Grants	750,000
I-195 Development Fund	25,000,000
Affordable Housing Fund	3,000,000
Main Street RI Streetscape Improvements	1,000,000
Rebuild RI Tax Credit Fund	1,000,000
First Wave Closing Fund	5,000,000
Total – Economic Development Initiatives Fund	43,458,000
Grand Total – Executive Office of Commerce	74,924,345
Labor and Training	
Central Management	
General Revenues	110,537
Restricted Receipts	369,575
Other Funds	
Rhode Island Capital Plan Funds	
Center General Asset Protection	1,500,000
Center General Roof	256,691
Total – Central Management	2,236,803
Workforce Development Services	
General Funds	704,517
Federal Funds	19,475,428
Restricted Receipts	10,339,896
Total – Workforce Development Services	30,519,841
Workforce Regulation and Safety General Revenues	2,925,633
Income Support	
General Revenues	4,194,431
Federal Funds	18,688,633

Restricted Receipts	2,283,733
Other Funds	
Temporary Disability Insurance Fund	193,989,337
Employment Security Fund	180,000,000
Total – Income Support	399,156,134
Injured Workers Services Restricted Receipts	8,501,946
Labor Relations Board General Revenues	389,651
Grand Total – Labor and Training	443,730,008
Department of Revenue	
Director of Revenue General Revenues	1,144,238
Office of Revenue Analysis General Revenues	574,490
Lottery Division Lottery Funds	303,850,780
Municipal Finance General Revenues	2,186,998
Taxation	
General Revenues	19,725,849
Federal Funds	1,267,991
Restricted Receipts	877,550
Other Funds	
Motor Fuel Tax Evasion	16,148
Temporary Disability Insurance	932,395
Total – Taxation	22,819,933
Registry of Motor Vehicles	
General Revenues	19,323,244
License Plate Issuance	3,000,000
All unexpended or unencumbered balances as of June 30, 2016 relating to license plate reissuance are hereby reappropriated to fiscal year 2017.	
Federal Funds	47,163
Restricted Receipts	2,094,763
Total – Registry of Motor Vehicles	24,465,170
State Aid	
General Revenue	
Distressed Communities Relief Fund	10,384,458
Payment in Lieu of Tax Exempt Properties	40,080,409
Motor Vehicle Excise Tax Payments	10,000,000
Property Revaluation Program	1,778,760
Municipal Aid	5,000,000
Restricted Receipts	922,013
Total – State Aid	68,165,640
Grand Total – Revenue	423,207,249
Legislature	
General Revenues	39,474,071
Restricted Receipts	1,680,873
Grand Total – Legislature	41,154,944
Lieutenant Governor	
General Revenues	1,127,621
Federal Funds	65,000

Grand Total – Lieutenant Governor	1,192,621
Secretary of State	
Administration General Revenues	2,553,390
Corporations General Revenues	2,302,691
State Archives	
General Revenues	69,266
Restricted Receipts	584,108
Total – State Archives	653,374
Elections & Civics General Revenues	1,017,899
State Library General Revenues	551,744
Office of Public Information	
General Revenues	456,540
Receipted Receipts	15,000
Other Funds	
Rhode Island Capital Plan Funds	436,246
Total – Office of Public Information	907,786
Grand Total – Secretary of State	7,986,884
General Treasurer	
Treasury	
General Revenues	2,193,796
Federal Funds	267,251
Other Funds	
Temporary Disability Insurance Fund	218,818
Tuition Savings Program – Admin	300,000
Total – Treasury	2,979,865
State Retirement System	
Restricted Receipts	
Admin Expenses – State Retirement System	10,230,709
Retirement – Treasury Investment Operations	1,235,591
Defined Contribution – Administration	316,195
Total – State Retirement System	11,782,495
Unclaimed Property Restricted Receipts	22,350,267
Crime Victim Compensation Program	
General Revenues	226,454
Federal Funds	624,704
Restricted Receipts	1,130,908
Total – Crime Victim Compensation Program	1,982,066
Grand Total – General Treasurer	39,094,693
Board of Elections General Revenues	1,818,305
Rhode Island Ethics Commission General Revenues	1,644,876
Office of Governor	
General Revenues	
General Revenues	4,653,467
Contingency Fund	250,000
Grand Total – Office of Governor	4,903,467
Commission for Human Rights	

General Revenues	1,252,174
Federal Funds	295,836
Grand Total – Commission for Human Rights	1,548,010
Public Utilities Commission	
Federal Funds	90,000
Restricted Receipts	8,594,685
Grand Total – Public Utilities Commission	8,684,685
Office of Health and Human Services	
Central Management	
General Revenues	25,831,585
Federal Funds	
Federal Funds	93,178,746
Federal Funds – Stimulus	105,512
Restricted Receipts	5,122,130
Total – Central Management	124,237,973
Medical Assistance	
General Revenue	
Managed Care	289,075,534
Hospitals	109,655,465
Nursing Facilities	89,819,569
Home and Community Based Services	36,301,784
Other Services	40,661,162
Of this appropriation, \$496,800 shall be used for cortical integrative therapy services.	
Pharmacy	55,060,232
Rhody Health	263,528,734
Federal Funds	
Managed Care	323,366,137
Hospitals	110,175,915
Nursing Facilities	90,976,665
Home and Community Based Services	36,769,439
Other Services	523,288,344
Pharmacy	(408,865)
Rhody Health	265,780,865
Special Education	19,000,000
Restricted Receipts	10,615,000
Total – Medical Assistance	2,263,665,980
Grand Total – Office of Health and Human Services	2,387,903,953
Children, Youth, and Families	
Central Management	
General Revenues	5,575,757
Federal Funds	2,288,363
Total – Central Management	7,864,120
Children's Behavioral Health Services	
General Revenues	4,593,903
Federal Funds	5,700,246
Other Funds	

Rhode Island Capital Plan Funds	
Various Repairs and Improvements to Training School	1,113,586
Total – Children's Behavioral Health Services	11,407,735
Juvenile Correctional Services	
General Revenue	25,591,602
Federal Funds	276,098
Other Funds	
Rhode Island Capital Plan Funds	
Thomas C. Slater Training School Maintenance Building	535,000
Total – Juvenile Correctional Services	26,402,700
Child Welfare	
General Revenues	116,626,469
Federal Funds	
Federal Funds	50,228,443
Federal Funds – Stimulus	433,976
Restricted Receipts	2,838,967
Other Funds	
Rhode Island Capital Plan Funds	
Fire Code Upgrades	590,000
Total – Child Welfare	170,717,855
Higher Education Incentive Grants General Revenues	200,000
Grand Total – Children, Youth, and Families	216,592,410
Health	
Central Management	
General Revenues	319,445
Federal Funds	6,513,489
Restricted Receipts	4,472,766
Total – Central Management	11,305,700
State Medical Examiner	
General Revenues	2,774,940
Federal Funds	138,641
Total – State Medical Examiner	2,913,581
Environmental and Health Services Regulation	
General Revenues	9,559,707
Federal Funds	8,148,952
Restricted Receipts	820,714
Total – Environmental and Health Services Regulation	18,529,373
Health Laboratories	
General Revenues	7,375,260
Federal Funds	1,976,761
Total – Health Laboratories	9,352,021
Public Health Information	
General Revenues	1,556,492
Federal Funds	2,326,827
Total – Public Health Information	3,883,319
Community and Family Health and Equity	

General Revenues	2,532,862
Federal Funds	
Federal Funds	40,588,026
Federal Funds – Stimulus	930,169
Restricted Receipts	24,520,035
Total – Community and Family Health and Equity	68,571,092
Infectious Disease and Epidemiology	
General Revenues	1,717,250
Federal Funds	5,129,569
Total – Infectious Disease and Epidemiology	6,846,819
Grand Total – Health	121,401,905
Human Services	
Central Management	
General Revenues	5,412,814
Federal Funds	4,180,956
Restricted Receipts	520,231
Total – Central Management	10,114,001
Child Support Enforcement	
General Revenues	2,996,584
Federal Funds	6,645,827
Total – Child Support Enforcement	9,642,411
Individual and Family Support	
General Revenues	22,970,906
Federal Funds	
Federal Funds	121,456,115
Federal Funds – Stimulus	6,222,500
Restricted Receipts	737,279
Other Funds	
Rhode Island Capital Plan Funds	
Blind Vending Facilities	165,000
Intermodal Surface Transportation Fund	4,428,478
Total – Individual and Family Support	155,980,278
Veterans' Affairs	
General Revenues	20,496,870
Federal Funds	8,215,161
Restricted Receipts	681,500
Total – Veterans' Affairs	29,393,531
Health Care Eligibility	
General Revenues	8,071,757
Federal Funds	11,437,561
Total – Health Care Eligibility	19,509,318
Supplemental Security Income Program General Revenues	18,706,478
Rhode Island Works	
General Revenues	11,368,635
Federal Funds	79,065,723
Total – Rhode Island Works	90,434,358

State Funded Programs	
General Revenues	1,658,880
Of this appropriation, \$210,000 shall be used for hardship contingency payments.	
Federal Funds	268,085,000
Total – State Funded Programs	269,743,880
Elderly Affairs	
General Revenues	
Program Services	6,587,459
Care and Safety of the Elderly	1,300
Federal Funds	12,153,465
Restricted Receipts	137,026
Total – Elderly Affairs	18,879,250
Grand Total – Human Services	622,403,505
Behavioral Healthcare, Developmental Disabilities, and Hospitals	
Central Management	
General Revenues	1,015,570
Federal Funds	600,382
Total – Central Management	1,615,952
Hospital and Community System Support	
General Revenues	1,468,050
Restricted Receipts	762,813
Other Funds	
Rhode Island Capital Plan Funds	
Medical Center Rehabilitation	150,000
Community Facilities Fire Code	400,000
Total – Hospital and Community System Support	2,780,863
Services for the Developmentally Disabled	
General Revenues	114,123,111
Federal Funds	113,792,233
Restricted Receipts	1,759,132
Other Funds	
Rhode Island Capital Plan Funds	
DD Private Waiver	300,000
Regional Center Repair/Rehabilitation	400,000
MR Community Facilities/Access to Independence	500,000
Total – Services for the Developmentally Disabled	230,874,476
Behavioral Healthcare Services	
General Revenues	2,368,459
Federal Funds	14,572,783
Municipal Substance Abuse Task Forces	900,000
NAMI of RI	128,000
Restricted Receipts	100,000
Other Funds	
Rhode Island Capital Plan Funds	
MH Community Facilities Repair	400,000
MH Housing Development-Thresholds	800,000

Substance Abuse Asset Production	100,000
Total – Behavioral Healthcare Services	19,369,242
Hospital and Community Rehabilitative Services	
General Revenues	53,513,521
Federal Funds	52,611,788
Restricted Receipts	6,558,852
Other Funds	
Rhode Island Capital Plan Funds	
Zambarano Buildings and Utilities	346,000
BHDDH Administrative Buildings	2,000,000
MR Community Facilities	975,000
Hospital Equipment	300,000
Total - Hospital and Community Rehabilitative Services	116,305,161
Grand Total – BHDDH	370,945,694
Office of the Child Advocate	
General Revenues	672,273
Federal Funds	45,000
Grand Total – Office of the Child Advocate	717,273
Commission on the Deaf and Hard of Hearing	
General Revenues	411,883
Restricted Receipts	80,000
Grand Total – Commission on the Deaf and Hard of Hearing	491,883
Governor’s Commission on Disabilities	
General Revenues	383,056
Federal Funds	35,459
Restricted Receipts	10,009
Grand Total – Governor’s Commission on Disabilities	428,524
Office of the Mental Health Advocate General Revenues	508,251
Elementary and Secondary Education	
Administration of the Comprehensive Education Strategy	
General Revenues	20,661,893
Federal Funds	
Federal Funds	196,281,901
Federal Funds – Stimulus	5,990,558
RTTT LEA Share	100,000
Restricted Receipts	
Restricted Receipts	1,082,319
HRIC Adult Education Grants	3,500,000
Other Funds	
Rhode Island Capital Plan Funds	
State-Owned Warwick	1,000,000
State-Owned Woonsocket	1,000,000
Total – Administration of the Comprehensive Education Strategy	229,616,671
Davies Career and Technical School	
General Revenues	11,640,152
Federal Funds	1,330,141

Restricted Receipts	4,281,107
Other Funds	
Rhode Island Capital Plan Funds	
Davies HVAC	895,000
Davies Asset Protection	770,000
Total – Davies Career and Technical School	18,916,400
RI School for the Deaf	
General Revenues	6,279,590
Federal Funds	259,714
Restricted Receipts	785,791
Other Funds	
RI School for the Deaf Transformation Grants	59,000
Total – RI School for the Deaf	7,384,095
Metropolitan Career and Technical School	
General Revenues	9,864,425
Other Funds	
Rhode Island Capital Plan Funds	
MET Asset Protection	100,000
MET School HVAC	3,736,370
Total – Metropolitan Career and Technical School	13,700,795
Education Aid	
General Revenues	796,039,977
Restricted Receipts	19,299,709
Other Funds	
Permanent School Fund – Education Aid	300,000
Total – Education Aid	815,639,686
Central Falls School District General Revenues	39,520,102
School Construction Aid	
General Revenues	
School Housing Aid	70,907,110
School Building Authority Capital Fund	20,000,000
Total – School Construction Aid	90,907,110
Teachers' Retirement General Revenues	92,805,836
Grand Total – Elementary and Secondary Education	1,308,490,695
Public Higher Education	
Office of Postsecondary Commissioner	
General Revenues	5,815,323
Federal Funds	
Federal Funds	10,149,301
WaytogoRI Portal	943,243
Guaranty Agency Operating Fund-Scholarships & Grants	4,000,000
Other Funds	
Tuition Savings Program – Dual Enrollment	1,300,000
Tuition Savings Program – Scholarships and Grants	6,095,000
Total – Office of Postsecondary Commissioner	28,302,867
University of Rhode Island	

General Revenue

General Revenues	71,385,336
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The University shall not decrease internal student financial aid in the 2015 – 2016 academic year below the level of the 2014 – 2015 academic year. The President of the institution shall report, prior to the commencement of the 2015-2016 academic year, to the chair of the Council of Postsecondary Education that such tuition charges and student aid levels have been achieved at the start of FY 2016 as prescribed above.

Debt Service	18,186,018
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RI State Forensics Laboratory	1,072,892
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Other Funds

University and College Funds	591,203,000
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Debt – Dining Services	1,113,621
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Debt – Education and General	3,599,062
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Debt – Health Services	136,256
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Debt – Housing Loan Funds	10,607,660
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Debt – Memorial Union	324,358
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Debt – Ryan Center	2,793,305
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Debt – Alton Jones Services	103,119
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Debt – Parking Authority	1,029,157
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Debt – Sponsored Research	90,278
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Debt – URI Energy Conservation	1,709,986
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Debt – Restricted Energy Conservation	810,170
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Rhode Island Capital Plan Funds

Asset Protection	7,686,900
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Fire and Safety Protection	3,221,312
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Electrical Substation	1,200,000
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New Chemistry Building	4,000,000
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URI/RIC Nursing Education Center	400,000
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Total – University of Rhode Island	720,672,430
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Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or unencumbered balances as of June 30, 2016 relating to the University of Rhode Island are hereby reappropriated to fiscal year 2017.

Rhode Island College

General Revenues

General Revenues	44,988,362
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Rhode Island College shall not decrease internal student financial aid in the 2015 – 2016 academic year below the level of the 2014 – 2015 academic year. The President of the institution shall report, prior to the commencement of the 2015-2016 academic year, to the chair of the Council of Postsecondary Education that such tuition charges and student aid levels have been achieved at the start of FY 2016 as prescribed above.

Debt Service	5,214,649
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Other Funds

University and College Funds	118,566,770
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Debt – Education and General	879,147
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Debt – Housing	2,013,281
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Debt – Student Center and Dining	154,330
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Debt – Student Union	235,481
Debt – G.O. Debt Service	1,644,459
Debt Energy Conservation	256,275
Rhode Island Capital Plan Funds	
Asset Protection	3,080,400
Infrastructure Modernization	2,000,000
Total – Rhode Island College	179,033,154

Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or unencumbered balances as of June 30, 2016 relating to Rhode Island College are hereby reappropriated to fiscal year 2017.

Community College of Rhode Island

General Revenues

General Revenues	47,965,855
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The Community College of Rhode Island shall not decrease internal student financial aid in the 2015 – 2016 academic year below the level of the 2014 – 2015 academic year. The President of the institution shall report, prior to the commencement of the 2015-2016 academic year, to the chair of the Council of Postsecondary Education that such tuition charges and student aid levels have been achieved at the start of FY 2016 as prescribed above.

Debt Service	1,676,521
Restricted Receipts	653,200
Other Funds	
University and College Funds	106,862,884
CCRI Debt Service – Energy Conservation	808,425
Rhode Island Capital Plan Funds	
Asset Protection	2,184,100
Knight Campus Renewal	2,000,000
Total – Community College of RI	162,150,985

Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or unencumbered balances as of June 30, 2016 relating to the Community College of Rhode Island are hereby reappropriated to fiscal year 2017.

Grand Total – Public Higher Education	1,090,159,436
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RI State Council on the Arts

General Revenues

Operating Support	778,478
Grants	1,084,574
Federal Funds	775,353

Other Funds

Art for Public Facilities	1,398,293
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Grand Total – RI State Council on the Arts	4,036,698
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RI Atomic Energy Commission

General Revenues	957,170
Federal Funds	54,699
Other Funds	
URI Sponsored Research	275,300
Rhode Island Capital Plan Funds	
RINSC Asset Protection	50,000

Grand Total – RI Atomic Energy Commission	1,337,169
RI Historical Preservation and Heritage Commission	
General Revenues	1,380,972
Federal Funds	2,075,393
Restricted Receipts	428,630
Other Funds	
RIDOT Project Review	71,708
Grand Total – RI Historical Preservation and Heritage Commission	3,956,703
Attorney General	
Criminal	
General Revenues	15,461,041
Federal Funds	1,291,777
Restricted Receipts	6,353,595
Total – Criminal	23,106,413
Civil	
General Revenues	5,285,996
Restricted Receipts	896,735
Total – Civil	6,182,731
Bureau of Criminal Identification General Revenues	1,591,162
General	
General Revenues	2,855,011
Other Funds	
Rhode Island Capital Plan Funds	
Building Renovations and Repairs	300,000
Total – General	3,155,011
Grand Total – Attorney General	34,035,317
Corrections	
Central Management	
General Revenues	8,958,836
Federal Funds	118,361
Total – Central Management	9,077,197
Parole Board	
General Revenues	1,345,685
Federal Funds	38,000
Total – Parole Board	1,383,685
Custody and Security	
General Revenues	127,071,484
Federal Funds	571,986
Total – Custody and Security	127,643,470
Institutional Support	
General Revenues	16,595,667
Other Funds	
Rhode Island Capital Plan Funds	
Asset Protection	3,750,000
Maximum – General Renovations	900,000
General Renovations Women's	416,000

Bernadette Guay Roof	500,000
ISC Exterior Envelope and HVAC	800,000
Minimum Security Kitchen Expansion	1,100,000
Medium Infrastructure	1,500,000
New Gloria McDonald Facility	450,000
Total – Institutional Support	26,011,667
Institutional Based Rehab./Population Management	
General Revenues	9,524,559
Federal Funds	552,034
Restricted Receipts	29,464
Total – Institutional Based Rehab/Population Management	10,106,057
Healthcare Services General Revenues	20,771,182
Community Corrections	
General Revenues	15,957,837
Federal Funds	57,000
Restricted Receipts	17,594
Total – Community Corrections	16,032,431
Grand Total – Corrections	211,025,689
Judiciary	
Supreme Court	
General Revenues	
General Revenues	27,107,017
Provided however, that no more than \$932,340 in combined total shall be offset to the Public Defender’s Office, the Attorney General’s Office, the Department of Corrections, the Department of Children Youth and Families, and the Department of Public Safety for square-footage occupancy costs in public courthouses.	
Defense of Indigents	3,542,240
Federal Funds	123,289
Restricted Receipts	3,103,886
Other Funds	
Rhode Island Capital Plan Fund	
Judicial HVAC	900,000
Judicial Complexes Asset Protection	850,000
Noel Shelled Courtroom Build Out	3,000,000
Licht Judicial Complex Restoration	750,000
Total - Supreme Court	39,376,432
Judicial Tenure and Discipline General Revenues	121,527
Superior Court	
General Revenues	23,209,940
Federal Funds	50,406
Restricted Receipts	300,000
Total – Superior Court	23,560,346
Family Court	
General Revenues	20,918,555
Federal Funds	3,014,025
Total – Family Court	23,932,580

District Court	
General Revenues	12,589,546
Federal Funds	243,416
Restricted Receipts	169,251
Total – District Court	13,002,213
Traffic Tribunal General Revenues	8,542,221
Workers' Compensation Court Restricted Receipts	7,763,807
Grand Total – Judiciary	116,299,126
Military Staff	
General Revenues	2,065,434
Federal Funds	15,361,864
Restricted Receipts	
RI Military Relief Fund	300,000
Counter Drug Asset Forfeiture	23,300
Other Funds	
Rhode Island Capital Plan Funds	
Armory of Mounted Command Roof Replacement	357,500
Asset Protection	700,000
Joint Force Headquarters Building	600,000
Grand Total – Military Staff	19,408,098
Emergency Management	
General Revenues	1,766,002
Federal Funds	16,551,541
Restricted Receipts	220,375
Grand Total – Emergency Management	18,537,918
Public Safety	
Central Management	
General Revenues	1,325,286
Federal Funds	3,770,143
Total – Central Management	5,095,429
E-911 Emergency Telephone System General Revenues	5,377,414
State Fire Marshal	
General Revenues	3,250,543
Federal Funds	396,095
Restricted Receipts	188,838
Other Funds	
Rhode Island Capital Plan Fund	
Fire Academy	2,000,000
Quonset Development Corporation	60,541
Total – State Fire Marshal	5,896,017
Security Services General Revenues	22,680,304
Municipal Police Training Academy	
General Revenues	254,667
Federal Funds	165,754
Total – Municipal Police Training Academy	420,421
State Police	

General Revenues	64,172,279
Federal Funds	2,432,080
Restricted Receipts	10,987,508
Other Funds	
Rhode Island Capital Plan Funds	
Consolidated Training Academy	1,250,000
DPS Asset Protection	250,000
Barrack Renovation	400,000
Lottery Commission Assistance	1,450,696
Airport Corporation Assistance	377,148
Road Construction Reimbursement	2,936,120
Total – State Police	84,255,831
Grand Total – Public Safety	123,725,416
Office of Public Defender	
General Revenues	11,621,977
Federal Funds	78,370
Grand Total – Office of Public Defender	11,700,347
Environmental Management	
Office of the Director	
General Revenues	5,162,770
Federal Funds	150,000
Restricted Receipts	3,100,511
Total – Office of the Director	8,413,281
Natural Resources	
General Revenues	20,671,723
Federal Funds	19,131,833
Restricted Receipts	6,360,768
Other Funds	
DOT Recreational Projects	181,649
Blackstone Bikepath Design	2,059,579
Transportation MOU	78,350
Rhode Island Capital Plan Funds	
Dam Repair	750,000
Fort Adams Rehabilitation	125,000
Fort Adams America's Cup	1,400,000
Recreational Facilities Improvements	4,991,000
Galilee Piers Upgrade	400,000
Newport Piers	137,500
World War II Facility	770,000
Blackstone Valley Bike Path	198,410
Marine Infrastructure/Pier Development	100,000
Rocky Point Acquisition/Renovations	200,000
Natural Resources Offices/Visitor's Center	2,500,000
Total – Natural Resources	60,055,812
Environmental Protection	
General Revenues	11,751,892

Federal Funds	10,025,644
Restricted Receipts	8,893,258
Other Funds	
Transportation MOU	164,734
Total – Environmental Protection	30,835,528
Grand Total – Environmental Management	99,304,621
Coastal Resources Management Council	
General Revenues	2,433,260
Federal Funds	2,614,348
Restricted Receipts	250,000
Other Funds	
Rhode Island Capital Plan Funds	
South Coast Restoration Project	321,775
Shoreline Change Beach SAMP	50,000
Grand Total – Coastal Resources Management Council	5,669,383
Transportation	
Central Management	
Federal Funds	8,540,000
Other Funds	
Gasoline Tax	2,182,215
Total – Central Management	10,722,215
Management and Budget	
Other Funds – Gasoline Tax	4,530,251
Infrastructure Engineering - GARVEE/Motor Fuel Tax Bonds	
Federal Funds	
Federal Funds	240,533,185
Federal Funds – Stimulus	14,542,237
Restricted Receipts	1,000,000
Other Funds	
Gasoline Tax	73,801,440
Land Sale Revenue	10,800,000
Rhode Island Capital Funds	
RIPTA Land and Buildings	200,000
Highway Improvement Program	34,650,000
Total - Infrastructure Engineering – GARVEE/Motor Fuel Tax Bonds	375,526,862
Infrastructure Maintenance	
Other Funds	
Gasoline Tax	14,127,961
Non-Land Surplus Property	10,000
Outdoor Advertising	100,000
Rhode Island Highway Maintenance Account	54,349,189
Rhode Island Capital Plan Funds	
Maintenance Facilities Improvements	100,000
Salt Storage Facilities	1,000,000
Portsmouth Facility	1,000,000
Maintenance - Capital Equipment Replacement	2,000,000

Train Station Maintenance and Repairs	350,000
Total – Infrastructure Maintenance	73,037,150
Grand Total – Transportation	463,816,478
Statewide Totals	
General Revenues	3,551,988,738
Federal Funds	2,947,277,640
Restricted Receipts	245,496,096
Other Funds	1,920,676,257
Statewide Grand Total	8,665,438,731

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

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

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

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

Account	Expenditure Limit
State Assessed Fringe Benefit Internal Service Fund	38,930,194
Administration Central Utilities Internal Service Fund	17,782,800
State Central Mail Internal Service Fund	6,203,680
State Telecommunications Internal Service Fund	4,122,558
State Automotive Fleet Internal Service Fund	13,830,623
Surplus Property Internal Service Fund	2,500
Health Insurance Internal Service Fund	251,175,719
Other Post-Employment Benefits Fund	64,293,483
Capitol Police Internal Service Fund	1,252,144
Corrections Central Distribution Center Internal Service Fund	6,768,097
Correctional Industries Internal Service Fund	7,228,052
Secretary of State Record Center Internal Service Fund	813,687

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

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

SECTION 7. Appropriation of Temporary Disability Insurance Funds -- There is hereby appropriated pursuant to sections 28-39-5 and 28-39-8 of the Rhode Island General Laws all funds required to be disbursed for the benefit payments from the Temporary Disability Insurance Fund and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2016.

SECTION 8. Appropriation of Employment Security Funds -- There is hereby appropriated pursuant to section 28-42-19 of the Rhode Island General Laws all funds required to be disbursed for benefit payments from the Employment Security Fund for the fiscal year ending June 30, 2016.

SECTION 9. Appropriation of Lottery Division Funds -- There is hereby appropriated to the Lottery Division any funds required to be disbursed by the Lottery Division for the purposes of paying commissions or transfers to the prize fund for the fiscal year ending June 30, 2016.

SECTION 10. Departments and agencies listed below may not exceed the number of full-time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do not include seasonal or intermittent positions whose scheduled period of employment does not exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include individuals engaged in training, the completion of which is a prerequisite of employment. Provided, however, that the Governor or designee, Speaker of the House of Representatives or designee, and the President of the Senate or designee may authorize an adjustment to any limitation. Prior to the authorization, the State Budget Officer shall make a detailed written recommendation to the Governor, the Speaker of the House, and the President of the Senate. A copy of the recommendation and authorization to adjust shall be transmitted to the chairman of the House Finance Committee, Senate Finance Committee, the House Fiscal Advisor and the Senate Fiscal Advisor.

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

FY 2016 FTE POSITION AUTHORIZATION

Departments and Agencies	Full-Time Equivalent
Administration	711.7
Business Regulation	98.0
Executive Office of Commerce	16.0
Labor and Training	410.0
Revenue	514.5
Legislature	298.5
Office of the Lieutenant Governor	8.0

Office of the Secretary of State	57.0
Office of the General Treasurer	84.0
Board of Elections	11.0
Rhode Island Ethics Commission	12.0
Office of the Governor	45.0
Commission for Human Rights	14.5
Public Utilities Commission	50.0
Office of Health and Human Services	187.0
Children, Youth, and Families	672.5
Health	490.6
Human Services	959.1
Behavioral Health, Developmental Disabilities, and Hospitals	1,421.4
Office of the Child Advocate	6.0
Commission on the Deaf and Hard of Hearing	3.0
Governor's Commission on Disabilities	4.0
Office of the Mental Health Advocate	4.0
Elementary and Secondary Education	151.4
School for the Deaf	60.0
Davies Career and Technical School	126.0
Office of Postsecondary Commissioner	25.0
Provided that 1.0 of the total authorization would be available only for positions that are supported by third-party funds.	
University of Rhode Island	2,456.5
Provided that 573.8 of the total authorization would be available only for positions that are supported by third-party funds.	
Rhode Island College	923.6
Provided that 82.0 of the total authorization would be available only for positions that are supported by third-party funds.	
Community College of Rhode Island	854.1
Provided that 89.0 of the total authorization would be available only for positions that are supported by third-party funds.	
Rhode Island State Council on the Arts	8.6
RI Atomic Energy Commission	8.6
Historical Preservation and Heritage Commission	16.6
Office of the Attorney General	236.1
Corrections	1,419.0
Judicial	724.3
Military Staff	92.0
Public Safety	633.2
Office of the Public Defender	93.0
Emergency Management	32.0
Environmental Management	399.0
Coastal Resources Management Council	29.0
Transportation	752.6
Total	15,118.4

SECTION 11. The amounts reflected in this Article include the appropriation of Rhode

Island Capital Plan funds for fiscal year 2016 and supersede appropriations provided for FY 2016 within Section 11 of Article 1 of Chapter 145 of the P.L. of 2014.

The following amounts are hereby appropriated out of any money in the State's Rhode Island Capital Plan Fund not otherwise appropriated to be expended during the fiscal years ending June 30, 2017, June 30, 2018, June 30, 2019, and June 30, 2020. These amounts supersede appropriations provided within Section 11 of Article 1 of Chapter 145 of the P.L. of 2014. For the purposes and functions hereinafter mentioned, the State Controller is hereby authorized and directed to draw his or her orders upon the General Treasurer for the payment of such sums and such portions thereof as may be required by him or her upon receipt of properly authenticated vouchers.

Project	Fiscal Year Ending June 30, 2017	Fiscal Year Ending June 30, 2018	Fiscal Year Ending June 30, 2019	Fiscal Year Ending June 30, 2020
DOA - Cannon Building	400,000	400,000	250,000	250,000
DOA - Accessibility – Facility Renovations	1,000,000	1,000,000	1,000,000	1,000,000
DOA - Pastore Canter Rehab	7,915,000	2,500,000	2,120,000	2,500,000
DOA - State Office Building	2,800,000	400,000	350,000	0
DOA - Virks Building	6,500,000	0	0	0
DOA - Washington County Government Center	750,000	500,000	500,000	500,000
DOA - William Powers Administration Buildings	475,000	150,000	425,000	425,000
DOA - Zambarano Utilities and Infrastructure	1,000,000	250,000	950,000	100,000
DOC - Asset Protection	3,750,000	3,750,000	3,750,000	3,750,000
DLT - Center General Asset Protection	1,500,000	1,000,000	500,000	500,000
El Sec - Davies School Asset Protection	150,000	150,000	150,000	150,000
El Sec - Davies HVAC	1,435,000	650,000	0	0
El Sec - Met School Asset Protection	100,000	250,000	250,000	250,000
El Sec - Woonsocket Career and Technical	1,150,000	1,000,000	0	0
Judicial - Asset Protection	875,000	950,000	950,000	1,000,000
Mil Staff – Joint Force Headquarters Bldg	3,000,000	3,000,000	4,100,000	0
Higher Ed - CCRI Asset Protection	2,732,100	2,799,063	2,368,035	2,439,076
Higher Ed - Knight Campus Renewal	4,000,000	5,000,000	4,000,000	3,000,000
Higher Ed - Asset Protection- RIC	3,357,700	3,458,431	3,562,184	3,669,050
Higher Ed - Asset Protection- URI	7,856,000	8,030,000	8,200,000	8,364,000

Higher Ed - URI/RIC Nursing Education Center	200,000	0	0	0
Higher Ed - RIC Infrastructure Modernization	3,000,000	3,500,000	2,000,000	0
DPS - Consolidated Training Academy	5,400,000	3,100,000	0	0
DPS - Asset Protection	250,000	250,000	250,000	250,000
DPS - Fire Academy Bldg	1,965,000	0	0	0
DEM - Dam Repairs	1,000,000	1,550,000	1,500,000	1,000,000
DEM - Galilee Piers	400,000	400,000	400,000	400,000
DEM - Marine Infrastructure/ Pier Development	1,000,000	1,000,000	1,000,000	900,000
DEM - Newport Piers	137,500	0	0	0
DEM - Recreation Facility Improvements	3,094,000	1,700,000	1,550,000	850,000
DEM - Natural Resources Offices/ Visitor's Center	3,000,000	0	0	0
DOT - Highway Improvement Program	27,200,000	27,200,000	27,200,000	27,200,000

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

SECTION 13. For the Fiscal Year ending June 30, 2016, the Rhode Island Housing and Mortgage Finance Corporation shall provide from its resources such sums as appropriate in support of the Neighborhood Opportunities Program. The Corporation shall provide a report detailing the amount of funding provided to this program, as well as information on the number of units of housing provided as a result to the Director of Administration, the Chair of the Housing Resources Commission, the Chair of the House Finance Committee, the Chair of the Senate Finance Committee and the State Budget Officer.

SECTION 14. This article shall take effect as of July 1, 2015."

Respectfully submitted,

Representative Gallison

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LC002174/3
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Representative Gallison discusses the amendment.

The motion to amend prevails on a roll call vote 75 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 75: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

Article 1, as amended prevails on a roll call vote 65 members voting in the affirmative and 10 members voting in the negative as follows:

YEAS - 65: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Fogarty, Gallison, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lima, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morin, Naughton, Nunes, O'Brien, O'Grady, Palangio, Phillips, Regunberg, Reilly, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 10: Representatives Chippendale, Filippi, Giarrusso, Lancia, Lombardi, Morgan, Nardolillo, Newberry, Price, Roberts.

RECUSED - 0:

ARTICLE 22

RELATING TO EFFECTIVE DATE

Representative Gallison moves passage of the article seconded by Representatives Amore, Ucci, Marshall, Carson, McKiernan, O'Brien, Carnevale, Hearn, Kennedy, Morin, Malik, Azzinaro, Bennett, Hull, Phillips, Melo, Tobon, Barros, Abney, Casey, Keable, and Johnston.

Representative Gallison discusses the Article.

Article 22 prevails on a roll call vote 75 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 75: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable,

Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

By unanimous consent, Representative Gallison, seconded by Representatives O'Brien, McKiernan, Ruggiero, Canario, Marshall, Hearn, Melo, Tobon, Barros, Abney, Edwards, Solomon, Coughlin, Casey, Keable, and Johnston offers a written motion to amend.

**FLOOR AMENDMENT
TO
2015 -- H 5900 SUBSTITUTE A**

**AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE
FISCAL YEAR ENDING JUNE 30, 2016**

Mr. Speaker:

I hereby move to amend 2015 -- H 5900 SUBSTITUTE A, entitled "AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2016", as follows:

1. By renumbering "Article 22" to "Article 23".
2. By numbering the new article "RELATING TO PUBLIC TRANSIT" LC 2168/10 "ARTICLE 22".

3. By deleting the index in its entirety and substituting in place thereof the following language:

"ARTICLE 1 RELATING TO MAKING APPROPRIATIONS IN SUPPORT
OF FY 2016
ARTICLE 2 RELATING TO DEBT MANAGEMENT
ARTICLE 3 RELATING TO LEASE AGREEMENTS FOR LEASED OFFICE SPACE
AND OPERATING SPACE
ARTICLE 4 RELATING TO DIVISION OF MOTOR VEHICLES
ARTICLE 5 RELATING TO REINVENTING MEDICAID ACT OF 2015
ARTICLE 6 RELATING TO EDUCATION
ARTICLE 7 RELATING TO HIGHER EDUCATION ASSISTANCE AUTHORITY
ARTICLE 8 RELATING TO MUNICIPALITIES
ARTICLE 9 RELATING TO SCHOOL BUILDING AUTHORITY CAPITAL FUND
ARTICLE 10 RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT
OF FY 2015
ARTICLE 11 RELATING TO REVENUES
ARTICLE 12 RELATING TO STATE POLICE PENSIONS
ARTICLE 13 RELATING TO BUDGET ACCOUNTS
ARTICLE 14 RELATING TO INFRASTRUCTURE BANK

ARTICLE 15 RELATING TO GOVERNMENT ORGANIZATION
ARTICLE 16 RELATING TO BAYS, RIVERS AND WATERSHEDS
ARTICLE 17 RELATING HUMAN SERVICES – CHILD CARE – STATE SUBSIDIES
ARTICLE 18 RELATING TO HEALTH REFORM ASSESSMENT AND HEALTH
BENEFIT EXCHANGE
ARTICLE 19 RELATING TO COMMERCE CORPORATION AND ECONOMIC
DEVELOPMENT
ARTICLE 20 RELATING TO PROFESSIONAL LICENSES
ARTICLE 21 RELATING TO PENSIONS
ARTICLE 22 RELATING TO PUBLIC TRANSIT
ARTICLE 23 RELATING TO EFFECTIVE DATE"

Respectfully submitted,

Representative Gallison

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LC002168/11
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Representative Gallison discusses the amendment.

The motion to amend prevails on a roll call vote 75 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 75: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

NAYS - 0:

RECUSED - 0:

Representative Gallison thanks members of the Finance Committee- Sharon Reynolds Ferland, Linda Haley, John Hart, Stephanie Loven, Abby McQuade, Jarrod Pimentel, Liza Pinto, Chantale Sarrasin, Ruth Desmarais, Edie Flores, Chris O'Brien, Jimmy DeCastro, Bob Carr, the Senate, the Speaker and the Leader, and legislative council. Representative Gallison wishes Stephanie a Happy Birthday.

Speaker Mattiello extends thanks to Leader DeSimone, Chairman Gallison and members of the Finance Committee, fiscal staff, Sharon Reynolds, the entire House of Representatives, along with the Republican Caucus, Governor Raimondo, and Senate President Teresa Paiva Weed

Representative Gallison moves passage of the budget as a whole seconded by Representatives O'Grady, Ackerman, Fogarty, Maldonado, Palangio, DeSimone, Amore, Tanzi, Canario, Lombardi, Handy, Ruggiero, Carson, McEntee, Craven, McKiernan, O'Brien, Carnevale, Winfield, Marshall, Ucci, Naughton, Ajello, Jacquard, Hearn, Lima, Messier, Morin, Malik, McNamara, Corvese, Azzinaro, Slater, Bennett, Trillo, Costa, Reilly, Nardolillo, Phillips, Lancia, Melo, Tobon, Barros, Abney, Edwards, Solomon, Coughlin, Kazarian, Casey, Keable, Johnston, and Blazejewski.

NAYS - 0:

RECUSED - 0:

Representative Phillips thanks Chairman Gallison and the Speaker.

Representatives Melo, Tobon Trillo Diaz, Williams, Costa, Newberry, Lima, Carson, Canario, Ruggiero, congratulate Chairman Gallison, the Finance Committee, the leadership, Governor, the entire House of Representatives and staff for a great budget.

Speaker Mattiello and Deputy Speaker Lima thank Lynne Urbani.

Representative McLaughlin thanks Marco and all of Leg Council.

The bill marked Substitute "A" is read and passed, as amended, and the original bill indefinitely postponed, on a roll call vote, 75 members voting in the affirmative and 0 members voting in the negative as follows:

YEAS - 75: The Honorable Speaker Mattiello and Representatives Abney, Ackerman, Ajello, Almeida, Amore, Azzinaro, Barros, Bennett, Blazejewski, Canario, Carnevale, Carson, Casey, Chippendale, Corvese, Costa, Costantino, Coughlin, Craven, DeSimone, Diaz, Edwards, Fellela, Filippi, Fogarty, Gallison, Giarrusso, Handy, Hearn, Hull, Jacquard, Johnston, Kazarian, Keable, Kennedy, Lancia, Lima, Lombardi, MacBeth, Maldonado, Malik, Marcello, Marshall, McEntee, McKiernan, McLaughlin, McNamara, Melo, Messier, Morgan, Morin, Nardolillo, Naughton, Newberry, Nunes, O'Brien, O'Grady, Palangio, Phillips, Price, Regunberg, Reilly, Roberts, Ruggiero, Serpa, Shekarchi, Slater, Solomon, Tanzi, Tobon, Trillo, Ucci, Williams, Winfield.

ANNOUNCEMENTS

Representative Lima wishes a Happy Birthday to Representative Tom Palangio.

Representative Williams wishes Representative Thomas Winfield a Happy Birthday, (yesterday) and also wishes Representative Winfield and his wife, Becky a Happy Anniversary.

Representative Melo and Speaker Mattiello wish George Nee a Happy Birthday.

DESK HELD OPEN

Leader DeSimone announces the desk will be held open.

NEW BUSINESS**House Resolution No. 6314**

BY DeSimone, Newberry

ENTITLED, HOUSE RESOLUTION EXTENDING CONDOLENCES {LC2888/1}

Leader DeSimone requests unanimous consent for immediate consideration.

There is no objection.

Read and passed, on a motion of Leader DeSimone seconded by Leader Newberry by unanimous consent, on a rising vote.

House Resolution No. 6315

BY DeSimone, Newberry

ENTITLED, HOUSE RESOLUTION EXTENDING CONGRATULATIONS {LC2889/1}

Leader DeSimone requests unanimous consent for immediate consideration.

There is no objection.

Read and passed, on a motion of Leader DeSimone seconded by Leader Newberry by unanimous consent, on a voice vote.

COMMUNICATION FROM THE SENATE

A message from the Honorable Senate transmits with announcement of passage, of the following measures:

Senate Bill No. 127

BY Archambault, Lombardi, Conley, Jabour, Metts

ENTITLED, AN ACT RELATING TO MOTOR AND OTHER VEHICLES -- SUSPENSION OR REVOCATION OF LICENSES -- VIOLATIONS (Amends the penalties for driving with a

suspended or expired license.) {LC491/1}
06/17/2015 Referred to House Judiciary

Senate Bill No. 249

BY Doyle, McCaffrey, Lynch, Jabour, Lombardo

ENTITLED, AN ACT RELATING TO CRIMINAL LAW - PAROLE BOARD (Requires that parole board members serve no more than three (3) terms.) {LC467/1}

06/17/2015 Referred to House Judiciary

Senate Bill No. 512

BY Lombardi, Jabour, Nesselbush, Conley, Archambault

ENTITLED, AN ACT RELATING TO PROPERTY - ESTATES IN REAL PROPERTY (Allows conveyances to and from nominee trusts pursuant to certain requirements regarding the preparation and recording of a memorandum of trust.) {LC1422/1}

06/17/2015 Referred to House Judiciary

Senate Bill No. 594

BY Lombardi, Conley, Lynch

ENTITLED, AN ACT RELATING TO PROBATE PRACTICE AND PROCEDURE

(Removes the requirement for appellant of an order or decree of probate court to file request for certified copy of record of the procedures appealed from.) {LC911/1}

06/17/2015 Referred to House Judiciary

Senate Bill No. 658 SUB A

BY Archambault, DiPalma, Lombardi, Ciccone, DaPonte

ENTITLED, AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT - ADMINISTRATIVE PROCEDURES (Provides that the state board of elections be subject to the provisions of the Administrative Procedures Act.) {LC2122/A/1}

06/17/2015 Referred to House Judiciary

Senate Bill No. 987

BY Paiva Weed

ENTITLED, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES (Allows Edward J. Corcoran to join Cecilia M. Schilling and James H. Corcoran in marriage on or about July 25, 2015, within the Town of Middletown, Rhode Island.) {LC2873/1}

06/17/2015 Referred to House Judiciary

Senate Bill No. 168

BY Doyle

ENTITLED, AN ACT RELATING TO INSURANCE - HEALTH MAINTENANCE ORGANIZATIONS (Prohibits a group health plan and a health insurance issuer from discriminating with respect to participation under plan or coverage against any health care provider acting within scope of provider's license or certification under state law.) {LC774/1}

06/17/2015 Referred to House H.E.W.

Senate Bill No. 303 as amended**BY** Goldin, Conley, Miller, Sosnowski**ENTITLED**, AN ACT RELATING TO HEALTH AND SAFETY -- PUBLIC HEALTH AND WORKPLACE SAFETY ACT (Requires smoking bar owners to demonstrate on a quarterly rather than annual basis that revenues generated from tobacco products exceeds revenue generated from food and beverage sales.) {LC1261/1}

06/17/2015 Referred to House H.E.W.

Senate Bill No. 219**BY** DaPonte, Felag, DiPalma, Lombardo, Coyne**ENTITLED**, AN ACT RELATING TO TAXATION (Defines as "disabled," persons receiving veterans' affairs disability benefits paid by the federal government for purposes of property tax relief.) {LC838/1}

06/17/2015 Referred to House Municipal Government

Senate Bill No. 304**BY** DaPonte, Conley, Coyne**ENTITLED**, AN ACT RELATING TO EDUCATION -- CHILDREN WITH DISABILITIES (Provides that for any child attending the East Providence Campus of Bradley Hospital, the child's residence district would be responsible for reimbursement to the school department of East Providence for any monies paid to Bradley Hospital.) {LC1403/1}

06/17/2015 Referred to House Finance

Senate Bill No. 322**BY** Goldin, Miller, Satchell**ENTITLED**, AN ACT RELATING TO HUMAN SERVICES -- LONG-TERM MANAGED CARE ARRANGEMENTS (Requires managed care organizations to consult with the EOHHS to develop incentives for nursing facilities that demonstrate lower direct care staff turnover.) {LC1266/1}

06/17/2015 Referred to House Finance

Senate Bill No. 465 SUB A**BY** Satchell, Fogarty, Picard, O'Neill, Ottiano**ENTITLED**, AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT -- OFFICE OF HEALTH AND HUMAN SERVICES--ABLE ACCOUNTS (Establishes private savings (ABLE) account for qualifying disabled persons wherein monies grow tax free and used for qualifying expenses per Section 529A of Internal Revenue Service Code.) {LC1432/A/1}

06/17/2015 Referred to House Finance

Senate Bill No. 334 SUB A as amended**BY** DiPalma, Lombardo, Ciccone, Goodwin**ENTITLED**, AN ACT RELATING TO BUSINESSES AND PROFESSIONS - MOTOR VEHICLE GLASS REPAIR AND REPLACEMENT (Creates a procedure for the licensing of motor vehicle glass repair or replacement shops.) {LC1242/A/2}

06/17/2015 Referred to House Corporations

Senate Bill No. 636**BY** McCaffrey, Lombardi**ENTITLED**, AN ACT RELATING TO ELECTIONS - MAIL BALLOTS (Eliminates the need for the certified envelope containing the mail ballot to be placed in the outer envelope.)

{LC1980/1}

06/17/2015 Referred to House Judiciary

Senate Bill No. 572**BY** McCaffrey, Miller, Nesselbush, Walaska, Felag**ENTITLED**, AN ACT RELATING TO DELINQUENT AND DEPENDENT CHILDREN -- PROCEEDINGS IN FAMILY COURT (Mandates the development of a transition plan by the DCYF and DBHDDH for all children under the jurisdiction of the family court who are developmentally delayed or seriously emotionally disturbed prior to the child turning age 21.)

{LC1671/1}

06/17/2015 Placed on House Calendar (06/18/2015)

Senate Bill No. 574**BY** McCaffrey, Lynch**ENTITLED**, AN ACT RELATING TO COURTS AND CIVIL PROCEDURE - POST CONVICTION REMEDY (This act would remove the requirement that a person convicted of and sentenced for a crime be presently serving an initial term of imprisonment prior to requesting forensic DNA testing.) {LC115/1}

06/17/2015 Placed on House Calendar (06/18/2015)

Senate Bill No. 746**BY** Sosnowski**ENTITLED**, AN ACT RELATING TO LABOR AND LABOR RELATIONS - FAIR EMPLOYMENT PRACTICES (Prohibits an employer from terminating an employee for failing to report to regularly scheduled work when employee is responding to an emergency in his or her capacity as a volunteer firefighter or ambulance technician.) {LC2234/1}

06/17/2015 Placed on House Calendar (06/18/2015)

Senate Bill No. 783 SUB A as amended**BY** Goodwin, Ruggiero**ENTITLED**, AN ACT RELATING TO BUSINESSES AND PROFESSIONS - AUTOMOBILE BODY REPAIR SHOP LICENSES (Creates two (2) classifications of full collision licensees for auto body repair facilities with the requirements for each. It would also clarify the auto body rate survey requirements.) {LC1871/A/1}

06/17/2015 Placed on House Calendar (06/18/2015)

Senate Bill No. 897

(Department of Human Services)

BY Lombardi, McCaffrey, Ottiano, Jabour, Lynch**ENTITLED**, AN ACT RELATING TO DOMESTIC RELATIONS - UNIFORM INTERSTATE FAMILY SUPPORT ACT (Makes a few minor changes to the uniform interstate family support act necessitated by a 2014 federal law amendment.) {LC2651/1}

06/17/2015 Placed on House Calendar (06/18/2015)

Senate Bill No. 953

BY Paiva Weed, DiPalma, Ruggiero

ENTITLED, AN ACT IN AMENDMENT OF AN ACT ENTITLED "AN ACT TO INCORPORATE THE NEWPORT HISTORICAL SOCIETY," PASSED AT THE JANUARY, 1854 SESSION OF THE GENERAL ASSEMBLY, AND OF THE SEVERAL ACTS IN AMENDMENT THEREOF AND IN ADDITION THERETO (Exempts from taxation the real and personal property of the Newport Historical Society.) {LC2798/1}

06/17/2015 Placed on House Calendar (06/18/2015)

Senate Bill No. 954

BY Goldin

ENTITLED, AN ACT IN AMENDMENT OF AN ACT ENTITLED "AN ACT TO INCORPORATE THE RHODE ISLAND HISTORICAL SOCIETY," PASSED AT THE JUNE, 1822 SESSION OF THE GENERAL ASSEMBLY, AND OF THE SEVERAL ACTS IN AMENDMENT THEREOF AND IN ADDITION THERETO (Exempts from taxation the real and personal property of the Rhode Island Historical Society.) {LC2797/1}

06/17/2015 Placed on House Calendar (06/18/2015)

Senate Bill No. 955

BY O'Neill, Cote, Fogarty

ENTITLED, AN ACT RELATING TO TAXATION - PROPERTY SUBJECT TO TAXATION - NORTH SMITHFIELD (Creates a thirteen member Joint Commission to study consolidating the Coventry and Central Coventry Fire Districts and would report back by January 5, 2016, and expire on April 5, 2016.) {LC2786/1}

06/17/2015 Placed on House Calendar (06/18/2015)

TRANSMITTAL

By unanimous consent, all matters on the clerk's desk are ordered to be transmitted to Her Excellency, the Governor, to the Honorable Secretary of State, and the Honorable Senate forthwith.

(For Transmittals to Governor, see Appendix of this Journal.)

ADJOURNMENT

At 7:21 o'clock P.M. on motion of Representative Nardolillo, and as a further mark of respect to the memories of Brad and Cherilyn Torti, seconded by Leaders DeSimone and Newberry the House adjourns, on a unanimous rising vote.

Linda M. McElroy
Recording Clerk

APPENDIX

INVOCATION

REPRESENTATIVE TERESA A. TANZI

Dear Lord: We pray that you bless this House of Representatives. Help us to work with a real commitment to resolving the problems that face our State. Keep our minds open to those whom we may disagree and remind us to always treat each other with dignity and respect. Amen.

APPENDIX

CALENDAR

IN ORDER FOR WEDNESDAY, JUNE 17, 2015:

- 1. 2015-H 5046**
BY McNamara
ENTITLED, AN ACT RELATING TO INSURANCE - HEALTH INSURANCE

Committee on Health, Education & Welfare recommends passage.
- 2. 2015-H 5047 SUB A**
BY Bennett
ENTITLED, AN ACT RELATING TO EDUCATION -- HEALTH AND SAFETY OF PUPILS

Committee on Health, Education & Welfare recommends indefinite postponement of the original bill and passage of Substitute A.
- 3. 2015-H 5093**
BY McNamara
ENTITLED, AN ACT RELATING TO HEALTH AND SAFETY - TREATMENT FOR PATIENTS WITH TERMINAL ILLNESS--THE RHODE ISLAND TERMINALLY ILL PATIENTS' RIGHT TO TRY ACT OF 2015

Committee on Health, Education & Welfare recommends passage.
- 4. 2015-H 5162**
BY Solomon
ENTITLED, AN ACT RELATING TO ANIMALS AND ANIMAL HUSBANDRY -- DOGS

Committee on Health, Education & Welfare recommends passage.
- 5. 2015-H 5189 SUB A**
BY Carson
ENTITLED, AN ACT RELATING TO ALCOHOLIC BEVERAGES

Committee on Judiciary recommends indefinite postponement of the original bill and passage of Substitute A.
- 6. 2015-H 5381 SUB A**
BY Keable
ENTITLED, AN ACT RELATING TO BUSINESSES AND PROFESSIONS - THE HEALING ART OF ACUPUNCTURE

Committee on Health, Education & Welfare recommends indefinite postponement of the original bill and passage of Substitute A.

7. 2015-H 5478

BY Carson

ENTITLED, HOUSE RESOLUTION CREATING THE RHODE ISLAND HOUSE COMMISSION ON ECONOMIC RISK DUE TO FLOODING AND SEA RISE

Committee on Environment and Natural Resources recommends passage.

8. 2015-H 5505 SUB A

BY Serpa

ENTITLED, AN ACT RELATING TO ANIMALS AND ANIMAL HUSBANDRY -- ANIMAL CARE

Committee on Environment and Natural Resources recommends indefinite postponement of the original bill and passage of Substitute A.

9. 2015-H 5581 SUB A

BY Handy

ENTITLED, AN ACT RELATING TO EDUCATION -- HEALTH AND SAFETY OF PUPILS

Committee on Health, Education & Welfare recommends indefinite postponement of the original bill and passage of Substitute A.

10. 2015-H 5583 SUB A

BY Handy

ENTITLED, AN ACT RELATING TO HEALTH AND SAFETY -- MATERNAL AND CHILD HEALTH SERVICES

Committee on Health, Education & Welfare recommends indefinite postponement of the original bill and passage of Substitute A.

11. 2015-H 5750 SUB A

BY Slater

ENTITLED, AN ACT RELATING TO TAXATION - LEVY AND ASSESSMENT OF LOCAL TAXES

Committee on Municipal Government recommends indefinite postponement of the original bill and passage of Substitute A.

12. 2015-H 5769

BY Jacquard

ENTITLED, AN ACT RELATING TO FINANCIAL INSTITUTIONS -- COMMUNITY OBLIGATIONS AND BANKING OFFENSES

Committee on Judiciary recommends passage.

- 13. 2015-H 5815 SUB A**
BY Morin
ENTITLED, AN ACT RELATING TO TOWNS AND CITIES - ZONING ORDINANCES

Committee on Municipal Government recommends indefinite postponement of the original bill and passage of Substitute A.

- 14. 2015-H 5819 SUB A**
BY Almeida
ENTITLED, AN ACT RELATING TO MOTOR AND OTHER VEHICLES - COMPREHENSIVE COMMUNITY - POLICE RELATIONSHIP ACT OF 2015

Committee on Judiciary recommends indefinite postponement of the original bill and passage of Substitute A.

- 15. 2015-H 5897 SUB A**
BY McNamara
ENTITLED, AN ACT RELATING TO FISH AND WILDLIFE -- SEAFOOD MARKETING

Ordered to be placed on the Calendar for passage in concurrence.

- 16. 2015-H 5953 SUB A**
BY Azzinaro
ENTITLED, AN ACT RELATING TO BUSINESSES AND PROFESSIONS -- DENTISTS AND DENTAL HYGIENISTS

Committee on Health, Education & Welfare recommends indefinite postponement of the original bill and passage of Substitute A.

- 17. 2015-H 6051 SUB A**
BY Regunberg
ENTITLED, AN ACT RELATING TO ELECTIONS - REGISTRATIONS OF VOTERS

Committee on Judiciary recommends indefinite postponement of the original bill and passage of Substitute A.

- 18. 2015-H 6081 SUB A**
BY Kennedy
ENTITLED, AN ACT RELATING TO TOWNS AND CITIES -- GENERAL POWERS

Committee on Municipal Government recommends indefinite postponement of the original bill and passage of Substitute A.

- 19. 2015-H 6204**
BY Carson
ENTITLED, AN ACT IN AMENDMENT OF AN ACT ENTITLED "AN ACT TO INCORPORATE THE NEWPORT HISTORICAL SOCIETY," PASSED AT THE JANUARY, 1854 SESSION OF THE GENERAL ASSEMBLY, AND OF THE SEVERAL ACTS IN AMENDMENT THEREOF AND IN ADDITION THERETO
- Committee on Corporations recommends passage.
- 20. 2015-H 6209**
BY Carson
ENTITLED, AN ACT IN AMENDMENT OF AN ACT ENTITLED "AN ACT TO INCORPORATE THE RHODE ISLAND HISTORICAL SOCIETY," PASSED AT THE JUNE, 1822 SESSION OF THE GENERAL ASSEMBLY, AND OF THE SEVERAL ACTS IN AMENDMENT THEREOF AND IN ADDITION THERETO
- Committee on Corporations recommends passage.
- 21. 2015-H 6246**
BY Newberry
ENTITLED, AN ACT RELATING TO TAXATION - PROPERTY SUBJECT TO TAXATION - NORTH SMITHFIELD
- Committee on Municipal Government recommends passage.
- 22. 2015-H 6268**
BY Ruggiero
ENTITLED, AN ACT RELATING TO ALCOHOLIC BEVERAGES -- RETAIL LICENSES -- TOWN OF MIDDLETOWN
- Committee on Municipal Government recommends passage.
- 23. 2015-H 5555 as amended**
BY O`Grady
ENTITLED, AN ACT RELATING TO EDUCATION - CHARTER SCHOOLS
- Committee on Finance recommends passage as amended.
- 24. 2015-S 190**
BY Ottiano
ENTITLED, AN ACT RELATING TO DAYS OF SPECIAL OBSERVANCE
- Committee on Health, Education & Welfare recommends passage in concurrence.

- 25. 2015-S 201 SUB A**
BY DiPalma
ENTITLED, AN ACT RELATING TO EDUCATION -- TEACHERS' TENURE -- HEARINGS
- Ordered to be placed on the Calendar for passage in concurrence.
- 26. 2015-S 359**
BY Sheehan
ENTITLED, AN ACT RELATING TO THE GENERAL ASSEMBLY - PERMANENT JOINT COMMITTEE ON NAMING ALL NEW BUILDINGS, BRIDGES, EDIFICES, AND OTHER STATE CONSTRUCTIONS
- Committee on Municipal Government recommends passage in concurrence.
- 27. 2015-S 406**
BY DiPalma
ENTITLED, AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT
- Committee on Environment and Natural Resources recommends passage in concurrence.
- 28. 2015-S 440**
BY Jabour
ENTITLED, AN ACT RELATING TO PROPERTY - RESIDENTIAL SECURITY DEPOSITS
- Ordered to be placed on the Calendar for passage in concurrence.
- 29. 2015-S 481 SUB A as amended**
BY Goldin
ENTITLED, AN ACT RELATING TO HEALTH AND SAFETY - CAREGIVER ADVISE, RECORD AND ENABLE ACT
- Ordered to be placed on the Calendar for passage in concurrence.
- 30. 2015-S 502 SUB A**
BY Lombardi
ENTITLED, AN ACT RELATING TO PROPERTY - REDEMPTION, RELEASE, AND TRANSFER OF MORTGAGES
- Ordered to be placed on the Calendar for passage in concurrence.
- 31. 2015-S 515 SUB A**
BY McCaffrey
ENTITLED, AN ACT RELATING TO CRIMINAL PROCEDURE - EXPUNGEMENTS
- Ordered to be placed on the Calendar for passage in concurrence.

- 32. 2015-S 518 as amended**
BY McCaffrey
ENTITLED, AN ACT RELATING TO UNIFORM CONTROLLED SUBSTANCES ACT - OFFENSES AND PENALTIES

Ordered to be placed on the Calendar for passage in concurrence.

- 33. 2015-S 618 SUB A**
BY Doyle
ENTITLED, AN ACT RELATING TO HEALTH AND SAFETY - STROKE PREVENTION AND TREATMENT ACT OF 2009

Ordered to be placed on the Calendar for passage in concurrence.

- 34. 2015-S 668**
BY McCaffrey
ENTITLED, AN ACT RELATING TO ELECTIONS - MAIL BALLOTS

Ordered to be placed on the Calendar for passage in concurrence.

- 35. 2015-S 759 SUB A**
BY Lombardi
ENTITLED, AN ACT RELATING TO LABOR AND LABOR RELATIONS -- EMPLOYMENT SECURITY BENEFITS

Ordered to be placed on the Calendar for passage in concurrence.

- 36. 2015-S 761 SUB A**
BY Lombardo
ENTITLED, AN ACT RELATING TO LABOR AND LABOR RELATIONS - EMPLOYMENT SECURITY - BENEFITS

Ordered to be placed on the Calendar for passage in concurrence.

- 37. 2015-S 817**
BY McCaffrey
ENTITLED, AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT - DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

Ordered to be placed on the Calendar for passage in concurrence.

- 38. 2015-S 874 SUB A**
BY Fogarty
ENTITLED, AN ACT RELATING TO LABOR AND LABOR RELATIONS -- WORKERS' COMPENSATION

Committee on Labor recommends indefinite postponement of the original bill and passage of Substitute A in concurrence.

- 39. 2015-S 918**
BY Picard
ENTITLED, AN ACT RELATING TO PROPERTY -- REVERSE MORTGAGES

Ordered to be placed on the Calendar for passage in concurrence.

- 40. 2015-S 959**
BY DiPalma
ENTITLED, AN ACT RELATING TO ALCOHOLIC BEVERAGES -- RETAIL LICENSES -- TOWN OF MIDDLETOWN

Ordered to be placed on the Calendar for passage in concurrence.

- 41. 2015-S 939**
BY Picard
ENTITLED, AN ACT RELATING TO BUSINESS REGULATION

Ordered to be placed on the Calendar for passage in concurrence.

- 42. 2015-S 539 SUB A**
BY Ruggerio
ENTITLED, AN ACT RELATING TO HEALTH AND SAFETY - RESPONSIBLE RECYCLING, REUSE, AND DISPOSAL OF MATTRESSES

Committee on Environment and Natural Resources recommends indefinite postponement of the original bill and passage of Substitute A in concurrence.

IN ORDER FOR THURSDAY, JUNE 18, 2015

- 1. 2015-H 5077 SUB A**
BY McNamara
ENTITLED, AN ACT RELATING TO EDUCATION - THE COMPLETE COLLEGE RHODE ISLAND ACT

Committee on Health, Education & Welfare recommends indefinite postponement of the original bill and passage of Substitute A.

- 2. 2015-H 5131 SUB A**
BY Carnevale
ENTITLED, AN ACT RELATING TO PUBLIC UTILITIES AND CARRIERS

Committee on Corporations recommends indefinite postponement of the original bill and passage of Substitute A.

3. **2015-H 5297 SUB A**
BY Kazarian
ENTITLED, HOUSE RESOLUTION CREATING A SPECIAL LEGISLATIVE COMMISSION TO STUDY THE CREATION OF A COUNCIL TO COORDINATE RESOURCES FOR PROVIDING CARE TO INDIVIDUALS WITH RARE DISEASES

Committee on Health, Education & Welfare recommends indefinite postponement of the original bill and passage of Substitute A.

4. **2015-H 5315 SUB A**
BY Gallison
ENTITLED, AN ACT RELATING TO LABOR AND LABOR RELATIONS - FAIR EMPLOYMENT PRACTICES

Committee on Labor recommends indefinite postponement of the original bill and passage of Substitute A.

5. **2015-H 5407 SUB A**
BY Shekarchi
ENTITLED, AN ACT RELATING TO TOWNS AND CITIES-WASTEWATER MANAGEMENT DISTRICTS

Committee on Municipal Government recommends indefinite postponement of the original bill and passage of Substitute A.

6. **2015-H 5593**
BY Malik
ENTITLED, AN ACT RELATING TO PROPERTY -- THE RHODE ISLAND FAIR HOUSING PRACTICES ACT

Committee on Veterans' Affairs recommends passage.

7. **2015-H 5653 SUB A**
BY Shekarchi
ENTITLED, AN ACT RELATING TO DELINQUENT AND DEPENDENT CHILDREN-PROCEEDINGS IN FAMILY COURT

Committee on Judiciary recommends indefinite postponement of the original bill and passage of Substitute A.

8. **2015-H 5668 SUB A**
BY Tanzi
ENTITLED, AN ACT RELATING TO HEALTH AND SAFETY -- THE RHODE ISLAND CESSPOOL ACT OF 2007

Committee on Environment and Natural Resources recommends indefinite postponement of the original bill and passage of Substitute A.

9. 2015-H 5671 SUB A**BY Handy****ENTITLED, AN ACT RELATING TO HEALTH AND SAFETY - MERCURY REDUCTION AND EDUCATION ACT**

Committee on Environment and Natural Resources recommends indefinite postponement of the original bill and passage of Substitute A.

10. 2015-H 5672**BY Handy****ENTITLED, AN ACT RELATING HEALTH AND SAFETY -- AIR POLLUTION**

Committee on Environment and Natural Resources recommends passage.

11. 2015-H 5697 SUB A**BY Handy****ENTITLED, AN ACT RELATING TO EDUCATION -- INSTRUCTION FOR DEAF OR HARD-OF-HEARING STUDENTS**

Committee on Health, Education & Welfare recommends indefinite postponement of the original bill and passage of Substitute A.

12. 2015-H 5972 SUB A**BY Keable****ENTITLED, AN ACT RELATING TO COURTS AND CIVIL PROCEDURE -- PROCEDURE GENERALLY**

Committee on Judiciary recommends indefinite postponement of the original bill and passage of Substitute A.

13. 2015-H 6022**BY Azzinaro****ENTITLED, AN ACT RELATING TO EDUCATION**

Committee on Health, Education & Welfare recommends passage.

14. 2015-H 6177 SUB A**BY Keable****ENTITLED, AN ACT RELATING TO AGRICULTURE AND FORESTRY - CBD-RICH HEMP ACT**

Committee on Health, Education & Welfare recommends indefinite postponement of the original bill and passage of Substitute A.

15. **2015-H 6264 SUB A**
BY Shekarchi
ENTITLED, AN ACT RELATING TO PROPERTY - MORTGAGE FORECLOSURE AND SALE

Committee on Judiciary recommends indefinite postponement of the original bill and passage of Substitute A.

16. **2015-H 6276**
BY Craven
ENTITLED, AN ACT RELATING TO TAXATION -- PROPERTY SUBJECT TO TAXATION

Committee on Municipal Government recommends passage.

17. **2015-H 6290 SUB A**
BY Edwards
ENTITLED, AN ACT RELATING TO ELECTIONS - CAMPAIGN FINANCE

Committee on Judiciary recommends indefinite postponement of the original bill and passage of Substitute A.

18. **2015-H 6307**
BY Williams
ENTITLED, AN ACT RELATING TO COURTS AND CIVIL PROCEDURE-- COURTS -- JUDICIAL SELECTION

Committee on Judiciary recommends passage.

19. **2015-H 6313**
BY Jacquard
ENTITLED, AN ACT TO VACATE THE FORFEITURE OR REVOCATION OF THE CHARTER OF BRANCH 15, NATIONAL ASSOCIATION OF LETTER CARRIERS CORP.

Committee on Corporations recommends passage.

20. **2015-S 241 SUB A**
BY Felag
ENTITLED, AN ACT RELATING TO PROPERTY -- THE RHODE ISLAND FAIR HOUSING PRACTICES ACT

Committee on Veterans' Affairs recommends indefinite postponement of the original bill and passage of Substitute A in concurrence.

21. **2015-S 572**
BY McCaffrey
ENTITLED, AN ACT RELATING TO DELINQUENT AND DEPENDENT CHILDREN -- PROCEEDINGS IN FAMILY COURT
- Ordered to be placed on the Calendar for passage in concurrence.
22. **2015-S 574**
BY McCaffrey
ENTITLED, AN ACT RELATING TO COURTS AND CIVIL PROCEDURE - POST CONVICTION REMEDY
- Ordered to be placed on the Calendar for passage in concurrence.
23. **2015-S 746**
BY Sosnowski
ENTITLED, AN ACT RELATING TO LABOR AND LABOR RELATIONS - FAIR EMPLOYMENT PRACTICES
- Ordered to be placed on the Calendar for passage in concurrence.
24. **2015-S 783 SUB A as amended**
BY Goodwin
ENTITLED, AN ACT RELATING TO BUSINESSES AND PROFESSIONS - AUTOMOBILE BODY REPAIR SHOP LICENSES
- Ordered to be placed on the Calendar for passage in concurrence.
25. **2015-S 897**
BY Lombardi
ENTITLED, AN ACT RELATING TO DOMESTIC RELATIONS - UNIFORM INTERSTATE FAMILY SUPPORT ACT
- Ordered to be placed on the Calendar for passage in concurrence.
26. **2015-S 953**
BY Paiva Weed
ENTITLED, AN ACT IN AMENDMENT OF AN ACT ENTITLED "AN ACT TO INCORPORATE THE NEWPORT HISTORICAL SOCIETY," PASSED AT THE JANUARY, 1854 SESSION OF THE GENERAL ASSEMBLY, AND OF THE SEVERAL ACTS IN AMENDMENT THEREOF AND IN ADDITION THERETO
- Ordered to be placed on the Calendar for passage in concurrence.

27. **2015-S 954**
BY Goldin
ENTITLED, AN ACT IN AMENDMENT OF AN ACT ENTITLED "AN ACT TO INCORPORATE THE RHODE ISLAND HISTORICAL SOCIETY," PASSED AT THE JUNE, 1822 SESSION OF THE GENERAL ASSEMBLY, AND OF THE SEVERAL ACTS IN AMENDMENT THEREOF AND IN ADDITION THERETO

Ordered to be placed on the Calendar for passage in concurrence.

28. **2015-S 955**
BY O'Neill
ENTITLED, AN ACT RELATING TO TAXATION - PROPERTY SUBJECT TO TAXATION - NORTH SMITHFIELD

Ordered to be placed on the Calendar for passage in concurrence.

Francis McCabe
Clerk of the House

Tuesday, June 16, 2015
Updated: Wednesday, June 17, 2015

CONSENT CALENDAR**IN ORDER FOR THURSDAY, JUNE 18, 2015:**

1. **2015-S 899**
 BY Nesselbush
 ENTITLED, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES

 Committee on Judiciary recommends passage in concurrence.
2. **2015-S 902**
 BY Walaska
 ENTITLED, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES

 Committee on Judiciary recommends passage in concurrence.
3. **2015-S 915**
 BY Kettle
 ENTITLED, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES

 Committee on Judiciary recommends passage in concurrence.
4. **2015-S 930**
 BY DiPalma
 ENTITLED, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES

 Committee on Judiciary recommends passage in concurrence.
5. **2015-S 940**
 BY Kettle
 ENTITLED, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES

 Committee on Judiciary recommends passage in concurrence.
6. **2015-S 956**
 BY Ruggerio
 ENTITLED, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES

 Committee on Judiciary recommends passage in concurrence.
7. **2015-S 957 SUB A**
 BY Lombardi
 ENTITLED, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES

 Committee on Judiciary recommends indefinite postponement of the original bill and

passage of Substitute A in concurrence.

8. 2015-S 958

BY McCaffrey

ENTITLED, AN ACT RELATING TO SOLEMNIZATION OF MARRIAGES

Committee on Judiciary recommends passage in concurrence.

Francis McCabe
Clerk of the House

Tuesday, June 16, 2015