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LC003937/SUB A
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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A N A C T

MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL
YEAR ENDING JUNE 30, 2019

Introduced By: Representative Marvin L. Abney

Date Introduced: January 18, 2018

Referred To: House Finance

(Governor)

It is enacted by the General Assembly as follows:

- 1 ARTICLE 1 RELATING TO MAKING APPROPRIATIONS IN SUPPORT
- 2 OF FY 2019
- 3 ARTICLE 2 RELATING TO STATE FUNDS
- 4 ARTICLE 3 RELATING TO GOVERNMENT REFORM
- 5 ARTICLE 4 RELATING TO TAXES AND REVENUE
- 6 ARTICLE 5 RELATING TO CAPITAL DEVELOPMENT PROGRAM
- 7 ARTICLE 6 RELATING TO RHODE ISLAND PUBLIC RAIL CORPORATION
- 8 ARTICLE 7 RELATING TO FEES
- 9 ARTICLE 8 RELATING TO MOTOR VEHICLES
- 10 ARTICLE 9 RELATING TO SCHOOL CONSTRUCTION AND EDUCATION
- 11 ARTICLE 10 RELATING TO MAKING REVISED APPROPRIATIONS IN
- 12 SUPPORT OF FY 2018
- 13 ARTICLE 11 RELATING TO WORKFORCE DEVELOPMENT
- 14 ARTICLE 12 RELATING TO ECONOMIC DEVELOPMENT
- 15 ARTICLE 13 RELATING TO MEDICAL ASSISTANCE
- 16 ARTICLE 14 RELATING TO THE EDWARD O. HAWKINS AND THOMAS C.
- 17 SLATER MEDICAL MARIJUANA ACT
- 18 ARTICLE 15 RELATING TO CHILDREN AND FAMILIES

- 1 ARTICLE 16 RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS
- 2 ARTICLE 17 RELATING TO EFFECTIVE DATE

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ARTICLE 1

RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2019

SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained in this act, the following general revenue amounts are hereby appropriated out of any money in the treasury not otherwise appropriated to be expended during the fiscal year ending June 30, 2019. The amounts identified for federal funds and restricted receipts shall be made available pursuant to section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For the purposes and functions hereinafter mentioned, the state controller is hereby authorized and directed to draw his or her orders upon the general treasurer for the payment of such sums or such portions thereof as may be required from time to time upon receipt by him or her of properly authenticated vouchers.

Administration

Central Management

General Revenues	2,735,330
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Legal Services

General Revenues	2,424,062
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Accounts and Control

General Revenues	5,345,087
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Restricted Receipts – OPEB Board Administration	225,295
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Total – Accounts and Control	5,570,382
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Office of Management and Budget

General Revenues	8,711,679
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Restricted Receipts	300,046
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Other Funds	1,222,835
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Total – Office of Management and Budget	10,234,560
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Purchasing

General Revenues	2,888,826
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Restricted Receipts	540,000
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Other Funds	463,729
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Total – Purchasing	3,892,555
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Human Resources

1	General Revenues	1,274,257
2	<i>Personnel Appeal Board</i>	
3	General Revenues	149,477
4	<i>Information Technology</i>	
5	General Revenues	1,470,255
6	Federal Funds	115,000
7	Restricted Receipts	10,228,243
8	Other Funds	88,071
9	Total – Information Technology	11,901,569
10	<i>Library and Information Services</i>	
11	General Revenues	1,442,726
12	Federal Funds	1,213,068
13	Restricted Receipts	5,500
14	Total – Library and Information Services	2,661,294
15	<i>Planning</i>	
16	General Revenues	1,081,887
17	Federal Funds	15,448
18	Other Funds	
19	Air Quality Modeling	24,000
20	Federal Highway – PL Systems Planning	3,654,326
21	FTA – Metro Planning Grant	1,063,699
22	Total – Planning	5,839,360
23	<i>General</i>	
24	General Revenues	
25	Miscellaneous Grants/Payments	130,000
26	Provided that this amount be allocated to City Year for the Whole School Whole Child	
27	Program, which provides individualized support to at-risk students.	
28	Torts – Courts/Awards	400,000
29	State Employees/Teachers Retiree Health Subsidy	2,321,057
30	Resource Sharing and State Library Aid	9,362,072
31	Library Construction Aid	2,176,471
32	Restricted Receipts	700,000
33	Other Funds	
34	Rhode Island Capital Plan Funds	

1	Security Measures State Buildings	250,000
2	Energy Efficiency Improvements	500,000
3	Cranston Street Armory	500,000
4	State House Renovations	1,175,000
5	Zambarano Building Rehabilitation	1,500,000
6	Cannon Building	600,000
7	Old State House	500,000
8	State Office Building	350,000
9	Old Colony House	50,000
10	William Powers Building	1,500,000
11	Pastore Center Utility System Upgrades	1,300,000
12	Pastore Center Rehabilitation	2,000,000
13	Replacement of Fueling Tanks	300,000
14	Environmental Compliance	200,000
15	Big River Management Area	100,000
16	Pastore Center Buildings Demolition	175,000
17	Washington County Government Center	950,000
18	Veterans Memorial Auditorium	200,000
19	Chapin Health Laboratory	1,000,000
20	Shepard Building	400,000
21	Pastore Center Water Tanks & Pipes	280,000
22	RI Convention Center Authority	5,300,000
23	Dunkin Donuts Center	1,500,000
24	Board of Elections (Medical Examiner)	7,175,000
25	Pastore Center Power Plant Rehabilitation	750,000
26	Accessibility – Facility Renovations	1,000,000
27	DoIT Operations System	800,000
28	Total – General	45,444,600
29	<i>Debt Service Payments</i>	
30	General Revenues	140,686,161
31	Out of the general revenue appropriations for debt service, the General Treasurer is	
32	authorized to make payments for the I-195 Redevelopment District Commission loan up to the	
33	maximum debt service due in accordance with the loan agreement.	
34	Federal Funds	1,870,830

1	Other Funds	
2	Transportation Debt Service	40,022,948
3	Investment Receipts – Bond Funds	100,000
4	Total - Debt Service Payments	182,679,939
5	<i>Energy Resources</i>	
6	Federal Funds	524,820
7	Restricted Receipts	8,179,192
8	Total – Energy Resources	8,704,012
9	<i>Rhode Island Health Benefits Exchange</i>	
10	General Revenues	2,363,841
11	Federal Funds	138,089
12	Restricted Receipts	6,419,415
13	Total – Rhode Island Health Benefits Exchange	8,921,345
14	<i>Office of Diversity, Equity & Opportunity</i>	
15	General Revenues	1,280,050
16	Other Funds	113,530
17	Total – Office of Diversity, Equity & Opportunity	1,393,580
18	<i>Capital Asset Management and Maintenance</i>	
19	General Revenues	10,621,701
20	<i>Statewide Savings Initiatives</i>	
21	General Revenues	
22	Workers’ Compensation	(1,500,000)
23	Fraud and Waste Detection	(9,634,559)
24	Expand Prompt Payment	(350,000)
25	Strategic/Contract Sourcing	(1,000,000)
26	Efficiency Savings	(3,700,000)
27	Insurance Saving	(3,000,000)
28	Salaries and Benefits	(900,000)
29	Total – Statewide Savings Initiative	(20,084,559)
30	Grand Total – Administration	284,363,464
31	Business Regulation	
32	<i>Central Management</i>	
33	General Revenues	2,396,826
34	<i>Banking Regulation</i>	

1	General Revenues	1,760,317
2	Restricted Receipts	75,000
3	Total – Banking Regulation	1,835,317
4	<i>Securities Regulation</i>	
5	General Revenues	1,015,879
6	Restricted Receipts	15,000
7	Total – Securities Regulation	1,030,879
8	<i>Insurance Regulation</i>	
9	General Revenues	3,971,607
10	Restricted Receipts	1,994,860
11	Total – Insurance Regulation	5,966,467
12	<i>Office of the Health Insurance Commissioner</i>	
13	General Revenues	1,669,562
14	Federal Funds	513,791
15	Restricted Receipts	234,507
16	Total – Office of the Health Insurance Commissioner	2,417,860
17	<i>Board of Accountancy</i>	
18	General Revenues	6,000
19	<i>Commercial Licensing, Racing & Athletics</i>	
20	General Revenues	955,251
21	Restricted Receipts	1,925,146
22	Total – Commercial Licensing, Racing & Athletics	2,880,397
23	<i>Building, Design and Fire Professionals</i>	
24	General Revenues	5,655,015
25	Federal Funds	378,840
26	Restricted Receipts	1,875,299
27	Other Funds	
28	Quonset Development Corporation	66,497
29	Total – Building, Design and Fire Professionals	7,975,651
30	Grand Total – Business Regulation	24,509,397
31	Executive Office of Commerce	
32	<i>Central Management</i>	
33	General Revenues	839,457
34	<i>Housing and Community Development</i>	

1	General Revenues	923,204
2	Federal Funds	14,445,458
3	Restricted Receipts	4,754,319
4	Total – Housing and Community Development	20,122,981
5	<i>Quasi–Public Appropriations</i>	
6	General Revenues	
7	Rhode Island Commerce Corporation	7,474,514
8	Airport Impact Aid	1,025,000
9	Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be	
10	distributed to each airport serving more than 1,000,000 passengers based upon its percentage of the	
11	total passengers served by all airports serving more the 1,000,000 passengers. Forty percent (40%)	
12	of the first \$1,000,000 shall be distributed based on the share of landings during the calendar year	
13	2018 at North Central Airport, Newport-Middletown Airport, Block Island Airport, Quonset	
14	Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island Commerce	
15	Corporation shall make an impact payment to the towns or cities in which the airport is located	
16	based on this calculation. Each community upon which any parts of the above airports are located	
17	shall receive at least \$25,000.	
18	STAC Research Alliance	900,000
19	Innovative Matching Grants/Internships	1,000,000
20	I-195 Redevelopment District Commission	761,000
21	Chafee Center at Bryant	476,200
22	Polaris Manufacturing Grant	350,000
23	Urban Ventures Grant	140,000
24	Other Funds	
25	Rhode Island Capital Plan Funds	
26	I-195 Commission	300,000
27	Quonset Piers	2,660,000
28	Quonset Point Infrastructure	4,000,000
29	Total – Quasi–Public Appropriations	19,086,714
30	<i>Economic Development Initiatives Fund</i>	
31	General Revenues	
32	Innovation Initiative	1,000,000
33	I-195 Redevelopment Fund	1,000,000
34	Rebuild RI Tax Credit Fund	11,200,000

1	Competitive Cluster Grants	100,000
2	Main Street RI Streetscape	500,000
3	P-tech	200,000
4	Small Business Promotion	300,000
5	Total – Economic Development Initiatives Fund	14,300,000
6	<i>Commerce Programs</i>	
7	General Revenues	
8	Wavemaker Fellowship	1,600,000
9	Air Service Development Fund	500,000
10	Total – Commerce Programs	2,100,000
11	Grand Total – Executive Office of Commerce	56,449,152
12	Labor and Training	
13	<i>Central Management</i>	
14	General Revenues	722,892
15	Restricted Receipts	176,511
16	Other Funds	
17	Rhode Island Capital Plan Funds	
18	Center General Asset Protection	1,250,000
19	Total – Central Management	2,149,403
20	<i>Workforce Development Services</i>	
21	General Revenues	6,277,198
22	Provided that \$100,000 be allocated to support the Opportunities Industrialization Center.	
23	Federal Funds	20,986,909
24	Restricted Receipts	27,861,627
25	Other Funds	139,261
26	Total – Workforce Development Services	55,264,995
27	<i>Workforce Regulation and Safety</i>	
28	General Revenues	3,110,964
29	<i>Income Support</i>	
30	General Revenues	3,939,754
31	Federal Funds	19,766,914
32	Restricted Receipts	1,980,642
33	Other Funds	
34	Temporary Disability Insurance Fund	203,411,107

1	Employment Security Fund	159,220,000
2	Total – Income Support	388,318,417
3	<i>Injured Workers Services</i>	
4	Restricted Receipts	8,956,311
5	<i>Labor Relations Board</i>	
6	General Revenues	414,147
7	Grand Total – Labor and Training	458,214,237
8	Department of Revenue	
9	<i>Director of Revenue</i>	
10	General Revenues	2,122,802
11	<i>Office of Revenue Analysis</i>	
12	General Revenues	905,219
13	<i>Lottery Division</i>	
14	Other Funds	400,184,045
15	<i>Municipal Finance</i>	
16	General Revenues	2,815,457
17	<i>Taxation</i>	
18	General Revenues	27,523,727
19	Federal Funds	1,912,976
20	Restricted Receipts	627,411
21	Other Funds	
22	Motor Fuel Tax Evasion	173,651
23	Temporary Disability Insurance Fund	670,661
24	Total – Taxation	30,908,426
25	<i>Registry of Motor Vehicles</i>	
26	General Revenues	30,009,103
27	Federal Funds	196,489
28	Restricted Receipts	514,763
29	Total – Registry of Motor Vehicles	30,720,355
30	<i>State Aid</i>	
31	General Revenues	
32	Distressed Communities Relief Fund	12,384,458
33	Payment in Lieu of Tax Exempt Properties	46,089,504
34	Motor Vehicle Excise Tax Payments	54,748,948

1	Property Revaluation Program	1,630,534
2	Restricted Receipts	922,013
3	Total – State Aid	115,775,457
4	<i>Collections</i>	
5	General Revenues	601,755
6	Grand Total – Revenue	584,033,516
7	Legislature	
8	General Revenues	43,691,627
9	Restricted Receipts	1,720,695
10	Grand Total – Legislature	45,412,322
11	Lieutenant Governor	
12	General Revenues	1,114,597
13	Secretary of State	
14	<i>Administration</i>	
15	General Revenues	3,326,174
16	<i>Corporations</i>	
17	General Revenues	2,318,968
18	<i>State Archives</i>	
19	General Revenues	91,577
20	Restricted Receipts	415,658
21	Total – State Archives	507,235
22	<i>Elections and Civics</i>	
23	General Revenues	2,893,047
24	Federal Funds	1,983,770
25	Total – Elections and Civics	4,876,817
26	<i>State Library</i>	
27	General Revenues	623,911
28	Provided that \$125,000 be allocated to support the Rhode Island Historical Society	
29	pursuant to Rhode Island General Law, Section 29-2-1 and \$18,000 be allocated to support the	
30	Newport Historical Society, pursuant to Rhode Island General Law, Section 29-2-2.	
31	<i>Office of Public Information</i>	
32	General Revenues	622,057
33	Receipted Receipts	25,000
34	Total – Office of Public Information	647,057

1	Grand Total – Secretary of State	12,300,162
2	General Treasurer	
3	<i>Treasury</i>	
4	General Revenues	2,684,367
5	Federal Funds	304,542
6	Other Funds	
7	Temporary Disability Insurance Fund	275,471
8	Tuition Savings Program – Administration	379,213
9	Total –Treasury	3,643,593
10	<i>State Retirement System</i>	
11	Restricted Receipts	
12	Admin Expenses – State Retirement System	9,571,688
13	Retirement – Treasury Investment Operations	1,672,096
14	Defined Contribution – Administration	115,436
15	Total – State Retirement System	11,359,220
16	<i>Unclaimed Property</i>	
17	Restricted Receipts	26,030,095
18	<i>Crime Victim Compensation Program</i>	
19	General Revenues	289,409
20	Federal Funds	770,332
21	Restricted Receipts	1,029,931
22	Total – Crime Victim Compensation Program	2,089,672
23	Grand Total – General Treasurer	43,122,580
24	Board of Elections	
25	General Revenues	5,252,516
26	Rhode Island Ethics Commission	
27	General Revenues	1,812,237
28	Office of Governor	
29	General Revenues	
30	General Revenues	5,433,047
31	Contingency Fund	100,000
32	Grand Total – Office of Governor	5,533,047
33	Commission for Human Rights	
34	General Revenues	1,335,441

1	Federal Funds	497,570
2	Grand Total – Commission for Human Rights	1,833,011
3	Public Utilities Commission	
4	Federal Funds	168,378
5	Restricted Receipts	9,766,453
6	Grand Total – Public Utilities Commission	9,934,831
7	Office of Health and Human Services	
8	<i>Central Management</i>	
9	General Revenues	28,659,176
10	Federal Funds	98,508,590
11	Restricted Receipts	9,221,720
12	Total – Central Management	136,389,486
13	<i>Medical Assistance</i>	
14	General Revenues	
15	Managed Care	313,406,857
16	Hospitals	92,945,330
17	Nursing Facilities	89,274,111
18	Home and Community Based Services	25,663,415
19	Other Services	73,181,410
20	Pharmacy	65,941,402
21	Rhody Health	291,270,493
22	Federal Funds	
23	Managed Care	412,506,556
24	Hospitals	97,354,005
25	Nursing Facilities	97,844,127
26	Home and Community Based Services	34,021,123
27	Other Services	494,241,128
28	Pharmacy	(691,088)
29	Rhody Health	317,321,976
30	Other Programs	43,038,580
31	Restricted Receipts	9,024,205
32	Total – Medical Assistance	2,456,334,630
33	Grand Total – Office of Health and Human Services	2,592,724,116
34	Children, Youth, and Families	

1	<i>Central Management</i>	
2	General Revenues	8,783,677
3	Federal Funds	4,407,612
4	Total – Central Management	13,191,289
5	<i>Children's Behavioral Health Services</i>	
6	General Revenues	6,944,545
7	Federal Funds	5,713,527
8	Total – Children's Behavioral Health Services	12,658,072
9	<i>Juvenile Correctional Services</i>	
10	General Revenues	26,117,243
11	Federal Funds	275,099
12	Other Funds	
13	Rhode Island Capital Plan Funds	
14	Training School Maintenance	1,900,000
15	Total – Juvenile Correctional Services	28,292,342
16	<i>Child Welfare</i>	
17	General Revenues	
18	General Revenues	108,270,158
19	18 to 21 Year Olds	11,298,418
20	Federal Funds	
21	Federal Funds	49,098,320
22	18 to 21 Year Olds	2,235,633
23	Restricted Receipts	2,674,422
24	Total – Child Welfare	173,576,951
25	<i>Higher Education Incentive Grants</i>	
26	General Revenues	200,000
27	Grand Total – Children, Youth, and	
28	Families	227,918,654
29	Health	
30	<i>Central Management</i>	
31	General Revenues	2,096,306
32	Federal Funds	4,028,206
33	Restricted Receipts	6,195,273
34	Total – Central Management	12,319,785

1	<i>Community Health and Equity</i>	
2	General Revenues	638,372
3	Federal Funds	67,974,042
4	Restricted Receipts	35,134,450
5	Total – Community Health and Equity	103,746,864
6	<i>Environmental Health</i>	
7	General Revenues	5,689,928
8	Federal Funds	7,230,008
9	Restricted Receipts	353,936
10	Total – Environmental Health	13,273,872
11	<i>Health Laboratories and Medical Examiner</i>	
12	General Revenues	10,470,418
13	Federal Funds	2,108,567
14	Total – Health Laboratories and Medical Examiner	12,578,985
15	<i>Customer Services</i>	
16	General Revenues	7,046,195
17	Federal Funds	3,763,691
18	Restricted Receipts	1,308,693
19	Total – Customer Services	12,118,579
20	<i>Policy, Information and Communications</i>	
21	General Revenues	1,046,839
22	Federal Funds	2,701,982
23	Restricted Receipts	941,305
24	Total – Policy, Information and Communications	4,690,126
25	<i>Preparedness, Response, Infectious Disease & Emergency Services</i>	
26	General Revenues	1,975,771
27	Federal Funds	13,407,707
28	Total – Preparedness, Response, Infectious Disease &	
29	Emergency Services	15,383,478
30	Grand Total - Health	174,111,689
31	Human Services	
32	<i>Central Management</i>	
33	General Revenues	4,147,933
34	Of this amount, \$300,000 is to support the Domestic Violence Prevention Fund to provide	

1 direct services through the Coalition Against Domestic Violence, \$250,000 is to support Project
 2 Reach activities provided by the RI Alliance of Boys and Girls Club, \$217,000 is for outreach and
 3 supportive services through Day One, \$175,000 is for food collection and distribution through the
 4 Rhode Island Community Food Bank, \$500,000 for services provided to the homeless at Crossroad
 5 Rhode Island, and \$520,000 for the Community Action Fund and \$200,000 for the Institute for the
 6 Study and Practice of Nonviolence's Reduction Strategy.

7	Federal Funds	4,398,686
8	Restricted Receipts	105,606
9	Total – Central Management	8,652,225

10 *Child Support Enforcement*

11	General Revenues	1,956,875
12	Federal Funds	8,050,859
13	Total – Child Support Enforcement	10,007,734

14 *Individual and Family Support*

15	General Revenues	22,530,162
16	Federal Funds	106,111,888
17	Restricted Receipts	7,422,660
18	Other Funds	
19	Food Stamp Bonus Funding	170,000
20	Intermodal Surface Transportation Fund	4,428,478
21	Rhode Island Capital Plan Funds	
22	Blind Vending Facilities	165,000
23	Total – Individual and Family Support	140,828,188

24 *Office of Veterans' Affairs*

25	General Revenues	23,558,301
26	Of this amount, \$200,000 to provide support services through Veterans' Organizations.	
27	Federal Funds	9,552,957
28	Restricted Receipts	1,313,478
29	Total – Office of Veterans' Affairs	34,424,736

30 *Health Care Eligibility*

31	General Revenues	6,072,355
32	Federal Funds	9,392,121
33	Total – Health Care Eligibility	15,464,476

34 *Supplemental Security Income Program*

1	General Revenues	20,022,000
2	<i>Rhode Island Works</i>	
3	General Revenues	10,669,986
4	Federal Funds	88,576,267
5	Total – Rhode Island Works	99,246,253
6	<i>Other Programs</i>	
7	General Revenues	1,183,880
8	Of this appropriation, \$90,000 shall be used for hardship contingency payments.	
9	Federal Funds	282,130,537
10	Total – Other Programs	283,314,417
11	<i>Elderly Affairs</i>	
12	General Revenues	7,858,293
13	Of this amount, \$140,000 to provide elder services, including respite, through the Diocese	
14	of Providence, \$40,000 for ombudsman services provided by the Alliance for Long Term Care in	
15	accordance with Rhode Island General Law, Chapter 42-66.7, \$85,000 for security for housing for	
16	the elderly in accordance with Rhode Island General Law, Section 42-66.1-3, \$800,000 for Senior	
17	Services Support and \$580,000 for elderly nutrition, of which \$530,000 is for Meals on Wheels.	
18	Federal Funds	12,857,529
19	Restricted Receipts	154,808
20	Total – Elderly Affairs	20,870,630
21	Grand Total – Human Services	632,830,659
22	Behavioral Healthcare, Developmental Disabilities, and Hospitals	
23	<i>Central Management</i>	
24	General Revenues	1,975,017
25	Federal Funds	734,643
26	Total – Central Management	2,709,660
27	<i>Hospital and Community System Support</i>	
28	General Revenues	2,614,415
29	Other Funds	
30	Rhode Island Capital Plan Funds	
31	Medical Center Rehabilitation	300,000
32	Total – Hospital and Community System Support	2,914,415
33	<i>Services for the Developmentally Disabled</i>	
34	General Revenues	126,318,720

1 Of this funding, \$750,000 is to support technical and other assistance for community based agencies
 2 to ensure they transition to providing integrated services to adults with developmental disabilities
 3 that comply with the consent decree.

4 Federal Funds 142,876,019

5 Of this funding, \$791,307 is to support technical and other assistance for community based agencies
 6 to ensure they transition to providing integrated services to adults with developmental disabilities
 7 that comply with the consent decree.

8 Restricted Receipts 1,419,750

9 Other Funds

10 Rhode Island Capital Plan Funds

11 DD Private Waiver Fire Code 100,000

12 Regional Center Repair/Rehabilitation 300,000

13 Community Facilities Fire Code 200,000

14 MR Community Facilities/Access to Independence 500,000

15 Total – Services for the Developmentally Disabled 271,714,489

16 *Behavioral Healthcare Services*

17 General Revenues 3,610,316

18 Federal Funds 23,493,261

19 Of this federal funding, \$900,000 shall be expended on the Municipal Substance Abuse
 20 Task Forces and \$128,000 shall be expended on NAMI of RI. Also included is \$250,000 from
 21 Social Services Block Grant funds to be provided to The Providence Center to coordinate with
 22 Oasis Wellness and Recovery Center for its supports and services program offered to individuals
 23 with behavioral health issues.

24 Restricted Receipts 100,000

25 Other Funds

26 Rhode Island Capital Plan Funds

27 MH Community Facilities Repair 200,000

28 Substance Abuse Asset Protection 200,000

29 Total – Behavioral Healthcare Services 27,603,577

30 *Hospital and Community Rehabilitative Services*

31 General Revenues 53,573,498

32 Federal Funds 59,083,644

33 Restricted Receipts 3,552,672

34 Other Funds

1	Rhode Island Capital Plan Funds	
2	Zambarano Buildings and Utilities	250,000
3	Eleanor Slater Administrative Buildings Renovation	250,000
4	MR Community Facilities	500,000
5	Hospital Equipment	300,000
6	Total - Hospital and Community Rehabilitative Services	117,509,814
7	Grand Total – Behavioral Healthcare, Developmental	
8	Disabilities, and Hospitals	422,451,955
9	Office of the Child Advocate	
10	General Revenues	969,922
11	Federal Funds	226,041
12	Grand Total – Office of the Child Advocate	1,195,963
13	Commission on the Deaf and Hard of Hearing	
14	General Revenues	523,178
15	Restricted Receipts	80,000
16	Grand Total – Comm. On Deaf and Hard of Hearing	603,178
17	Governor’s Commission on Disabilities	
18	General Revenues	502,537
19	Federal Funds	335,167
20	Restricted Receipts	49,571
21	Total – Governor’s Commission on Disabilities	887,275
22	Office of the Mental Health Advocate	
23	General Revenues	653,260
24	Elementary and Secondary Education	
25	<i>Administration of the Comprehensive Education Strategy</i>	
26	General Revenues	20,428,256
27	Provided that \$90,000 be allocated to support the hospital school at Hasbro Children’s	
28	Hospital pursuant to Rhode Island General Law, Section 16-7-20 and that \$345,000 be allocated to	
29	support child opportunity zones through agreements with the Department of Elementary and	
30	Secondary Education to strengthen education, health and social services for students and their	
31	families as a strategy to accelerate student achievement.	
32	Federal Funds	212,575,621
33	Restricted Receipts	
34	Restricted Receipts	2,633,393

1	HRIC Adult Education Grants	3,500,000
2	Total – Admin. of the Comprehensive Ed. Strategy	239,137,270
3	<i>Davies Career and Technical School</i>	
4	General Revenues	13,658,087
5	Federal Funds	1,344,928
6	Restricted Receipts	3,900,067
7	Other Funds	
8	Rhode Island Capital Plan Funds	
9	Davies HVAC	200,000
10	Davies Asset Protection	150,000
11	Davies Advanced Manufacturing	3,250,000
12	Total – Davies Career and Technical School	22,503,082
13	<i>RI School for the Deaf</i>	
14	General Revenues	6,470,234
15	Federal Funds	554,925
16	Restricted Receipts	837,032
17	Other Funds	
18	School for the Deaf Transformation Grants	59,000
19	Rhode Island Capital Plan Funds	
20	Asset Protection	50,000
21	Total – RI School for the Deaf	7,971,191
22	<i>Metropolitan Career and Technical School</i>	
23	General Revenues	9,342,007
24	Other Funds	
25	Rhode Island Capital Plan Funds	
26	MET School Asset Protection	250,000
27	Total – Metropolitan Career and Technical School	9,592,007
28	<i>Education Aid</i>	
29	General Revenues	911,769,976
30	Restricted Receipts	24,884,884
31	Other Funds	
32	Permanent School Fund	1,420,000
33	Provided that \$300,000 be provided to support the Advanced Coursework Network and	
34	\$1,120,000 be provided to support the Early Childhood Categorical Fund.	

1	Total – Education Aid	938,074,860
2	<i>Central Falls School District</i>	
3	General Revenues	40,752,939
4	<i>School Construction Aid</i>	
5	General Revenues	
6	School Housing Aid	69,448,781
7	School Building Authority Fund	10,551,219
8	Total – School Construction Aid	80,000,000
9	<i>Teachers' Retirement</i>	
10	General Revenues	106,118,409
11	Grand Total – Elementary and Secondary Education	1,444,149,758
12	Public Higher Education	
13	<i>Office of Postsecondary Commissioner</i>	
14	General Revenues	16,288,918
15	Provided that \$355,000 shall be allocated the Rhode Island College Crusade pursuant to	
16	the Rhode Island General Law, Section 16-70-5 and that \$60,000 shall be allocated to Best Buddies	
17	Rhode Island to support its programs for children with developmental and intellectual disabilities.	
18	It is also provided that \$5,995,000 shall be allocated to the Rhode Island Promise Scholarship	
19	program.	
20	Federal Funds	
21	Federal Funds	3,524,589
22	Guaranty Agency Administration	2,259,418
23	Guaranty Agency Operating Fund-Scholarships & Grants	4,000,000
24	Restricted Receipts	1,985,385
25	Other Funds	
26	Tuition Savings Program – Dual Enrollment	1,800,000
27	Tuition Savings Program – Scholarships and Grants	6,095,000
28	Nursing Education Center – Operating	3,204,732
29	Rhode Island Capital Plan Funds	
30	Higher Education Centers	2,000,000
31	Provided that the state fund no more than 50.0 percent of the total project cost.	
32	Total – Office of Postsecondary Commissioner	41,158,042
33	<i>University of Rhode Island</i>	
34	General Revenues	

1	General Revenues	80,377,458
2	Provided that in order to leverage federal funding and support economic development,	
3	\$350,000 shall be allocated to the Small Business Development Center and that \$50,000 shall be	
4	allocated to Special Olympics Rhode Island to support its mission of providing athletic	
5	opportunities for individuals with intellectual and developmental disabilities.	
6	Debt Service	23,428,285
7	RI State Forensics Laboratory	1,270,513
8	Other Funds	
9	University and College Funds	659,961,744
10	Debt – Dining Services	999,215
11	Debt – Education and General	3,776,722
12	Debt – Health Services	121,190
13	Debt – Housing Loan Funds	9,454,613
14	Debt – Memorial Union	322,864
15	Debt – Ryan Center	2,388,444
16	Debt – Alton Jones Services	102,690
17	Debt – Parking Authority	1,100,172
18	Debt – Sponsored Research	85,151
19	Debt – Restricted Energy Conservation	482,579
20	Debt – URI Energy Conservation	2,008,847
21	Rhode Island Capital Plan Funds	
22	Asset Protection	7,437,161
23	Fine Arts Center Renovation	6,400,000
24	Biological Resources Lab	3,062,839
25	Total – University of Rhode Island	802,780,487
26	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or	
27	unencumbered balances as of June 30, 2019 relating to the University of Rhode Island are hereby	
28	reappropriated to fiscal year 2020.	
29	<i>Rhode Island College</i>	
30	General Revenues	
31	General Revenues	49,328,599
32	Debt Service	6,421,067
33	Other Funds	
34	University and College Funds	129,030,562

1	Debt – Education and General	881,090
2	Debt – Housing	369,079
3	Debt – Student Center and Dining	154,437
4	Debt – Student Union	208,800
5	Debt – G.O. Debt Service	1,642,957
6	Debt Energy Conservation	613,925
7	Rhode Island Capital Plan Funds	
8	Asset Protection	3,562,184
9	Infrastructure Modernization	3,500,000
10	Academic Building Phase I	4,000,000
11	Master Plan Advanced Planning	150,000
12	Total – Rhode Island College	199,862,700

13 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
14 unencumbered balances as of June 30, 2019 relating to Rhode Island College are hereby
15 reappropriated to fiscal year 2020.

16 *Community College of Rhode Island*

17	General Revenues	
18	General Revenues	51,074,830
19	Debt Service	1,904,030
20	Restricted Receipts	694,224
21	Other Funds	
22	University and College Funds	104,812,712
23	CCRI Debt Service – Energy Conservation	803,875
24	Rhode Island Capital Plan Funds	
25	Asset Protection	2,368,035
26	Knight Campus Lab Renovation	375,000
27	Knight Campus Renewal	3,600,000
28	Total – Community College of RI	165,632,706

29 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
30 unencumbered balances as of June 30, 2019 relating to the Community College of Rhode Island
31 are hereby reappropriated to fiscal year 2020.

32	Grand Total – Public Higher Education	1,209,433,935
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33 **RI State Council on the Arts**

34	General Revenues	
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1	Operating Support	842,993
2	Grants	1,165,000
3	Provided that \$375,000 be provided to support the operational costs of WaterFire	
4	Providence art installations.	
5	Federal Funds	719,053
6	Restricted Receipts	5,000
7	Other Funds	
8	Art for Public Facilities	400,000
9	Grand Total – RI State Council on the Arts	3,132,046
10	RI Atomic Energy Commission	
11	General Revenues	1,078,908
12	Restricted Receipts	99,000
13	Other Funds	
14	URI Sponsored Research	268,879
15	Rhode Island Capital Plan Funds	
16	RINSC Asset Protection	50,000
17	Grand Total – RI Atomic Energy Commission	1,496,787
18	RI Historical Preservation and Heritage Commission	
19	General Revenues	1,210,054
20	Provided that \$30,000 support the operational costs of the Fort Adam Trust’s restoration	
21	activities.	
22	Federal Funds	696,513
23	Restricted Receipts	465,870
24	Other Funds	
25	RIDOT Project Review	81,589
26	Grand Total – RI Historical Preservation and Heritage Comm.	2,454,026
27	Attorney General	
28	<i>Criminal</i>	
29	General Revenues	17,225,917
30	Federal Funds	12,710,334
31	Restricted Receipts	139,107
32	Total – Criminal	30,075,358
33	<i>Civil</i>	
34	General Revenues	5,674,888

1	Restricted Receipts	644,343
2	Total – Civil	6,319,231
3	<i>Bureau of Criminal Identification</i>	
4	General Revenues	1,731,361
5	<i>General</i>	
6	General Revenues	3,327,026
7	Other Funds	
8	Rhode Island Capital Plan Funds	
9	Building Renovations and Repairs	150,000
10	Total – General	3,477,026
11	Grand Total – Attorney General	41,602,976
12	Corrections	
13	<i>Central Management</i>	
14	General Revenues	16,146,513
15	Federal Funds	29,460
16	Total – Central Management	16,175,973
17	<i>Parole Board</i>	
18	General Revenues	1,307,720
19	Federal Funds	120,827
20	Total – Parole Board	1,428,547
21	<i>Custody and Security</i>	
22	General Revenues	140,908,178
23	Federal Funds	810,693
24	Total – Custody and Security	141,718,871
25	<i>Institutional Support</i>	
26	General Revenues	23,363,846
27	Other Funds	
28	Rhode Island Capital Plan Funds	
29	Asset Protection	3,000,000
30	Maximum – General Renovations	1,000,000
31	Dix Building Renovations	750,000
32	ISC Exterior Envelope and HVAC	1,750,000
33	Medium Infrastructure	5,000,000
34	High Security Renovations and Repairs	1,000,000

1	Total – Institutional Support	35,863,846
2	<i>Institutional Based Rehab./Population Management</i>	
3	General Revenues	13,571,143
4	Provided that \$1,050,000 be allocated to Crossroads Rhode Island for sex offender	
5	discharge planning.	
6	Federal Funds	751,423
7	Restricted Receipts	44,473
8	Total – Institutional Based Rehab/Population Mgt.	14,367,039
9	<i>Healthcare Services</i>	
10	General Revenues	24,186,222
11	<i>Community Corrections</i>	
12	General Revenues	17,579,601
13	Federal Funds	84,437
14	Restricted Receipts	14,883
15	Total – Community Corrections	17,678,921
16	Grand Total – Corrections	251,419,419
17	Judiciary	
18	<i>Supreme Court</i>	
19	General Revenues	
20	General Revenues	28,913,032
21	Provided however, that no more than \$1,183,205 in combined total shall be offset to the	
22	Public Defender’s Office, the Attorney General’s Office, the Department of Corrections, the	
23	Department of Children, Youth, and Families, and the Department of Public Safety for square-	
24	footage occupancy costs in public courthouses and further provided that \$230,000 be allocated to	
25	the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy	
26	project pursuant to Rhode Island General Law, Section 12-29-7 and that \$90,000 be allocated to	
27	Rhode Island Legal Services, Inc. to provide housing and eviction defense to indigent individuals.	
28	Defense of Indigents	3,960,979
29	Federal Funds	139,008
30	Restricted Receipts	3,317,943
31	Other Funds	
32	Rhode Island Capital Plan Funds	
33	Judicial Complexes - HVAC	1,000,000
34	Judicial Complexes Asset Protection	950,000

1	Licht Judicial Complex Restoration	750,000
2	Licht Window/Exterior Restoration	800,000
3	Noel Shelled Courtroom Build Out	3,939,066
4	Total - Supreme Court	43,770,028
5	<i>Judicial Tenure and Discipline</i>	
6	General Revenues	150,684
7	<i>Superior Court</i>	
8	General Revenues	23,787,395
9	Federal Funds	71,376
10	Restricted Receipts	398,089
11	Total – Superior Court	24,256,860
12	<i>Family Court</i>	
13	General Revenues	21,510,608
14	Federal Funds	2,703,595
15	Total – Family Court	24,214,203
16	<i>District Court</i>	
17	General Revenues	13,983,601
18	Federal Funds	65
19	Restricted Receipts	60,000
20	Total - District Court	14,043,666
21	<i>Traffic Tribunal</i>	
22	General Revenues	9,763,589
23	<i>Workers' Compensation Court</i>	
24	Restricted Receipts	8,309,954
25	Grand Total – Judiciary	124,508,984
26	Military Staff	
27	General Revenues	3,081,090
28	Federal Funds	18,480,072
29	Restricted Receipts	
30	RI Military Family Relief Fund	100,000
31	Other Funds	
32	Rhode Island Capital Plan Funds	
33	Armory of Mounted Command Roof Replacement	700,000
34	Asset Protection	700,000

1	Bristol Readiness Center	125,000
2	Joint Force Headquarters Building	7,106,152
3	Grand Total – Military Staff	30,292,314
4	Public Safety	
5	<i>Central Management</i>	
6	General Revenues	1,013,929
7	Federal Funds	6,714,457
8	Total – Central Management	7,728,386
9	<i>E-911 Emergency Telephone System</i>	
10	General Revenues	6,968,614
11	<i>Security Services</i>	
12	General Revenues	25,197,459
13	<i>Municipal Police Training Academy</i>	
14	General Revenues	253,024
15	Federal Funds	372,958
16	Total – Municipal Police Training Academy	625,982
17	<i>State Police</i>	
18	General Revenues	69,903,992
19	Federal Funds	8,526,488
20	Restricted Receipts	552,603
21	Other Funds	
22	Rhode Island Capital Plan Funds	
23	DPS Asset Protection	250,000
24	Training Academy Upgrades	500,000
25	Facilities Master Plan	100,000
26	Lottery Commission Assistance	1,494,883
27	Airport Corporation Assistance	149,811
28	Road Construction Reimbursement	2,201,511
29	Weight and Measurement Reimbursement	304,989
30	Total – State Police	83,984,277
31	Grand Total – Public Safety	124,504,718
32	Office of Public Defender	
33	General Revenues	12,575,531
34	Federal Funds	100,985

1	Grand Total – Office of Public Defender	12,676,516
2	Emergency Management Agency	
3	General Revenues	2,043,945
4	Federal Funds	16,335,897
5	Restricted Receipts	450,985
6	Other Funds	
7	Rhode Island Capital Plan Funds	
8	RI Statewide Communications Network	1,494,414
9	Grand Total – Emergency Management Agency	20,325,241
10	Environmental Management	
11	<i>Office of the Director</i>	
12	General Revenues	6,989,682
13	Of this general revenue amount, \$50,000 is appropriated to the Conservation Districts.	
14	Federal Funds	212,741
15	Restricted Receipts	3,840,985
16	Total – Office of the Director	11,043,408
17	<i>Natural Resources</i>	
18	General Revenues	22,108,783
19	Federal Funds	21,587,314
20	Restricted Receipts	3,993,561
21	Other Funds	
22	DOT Recreational Projects	2,339,312
23	Blackstone Bikepath Design	2,075,848
24	Transportation MOU	84,527
25	Rhode Island Capital Plan Funds	
26	Blackstone Valley Park Improvements	250,000
27	Dam Repair	1,900,000
28	Recreational Facilities Improvements	2,500,000
29	Galilee Piers Upgrade	1,750,000
30	Fish & Wildlife Maintenance Facilities	150,000
31	Natural Resources Offices/Visitor’s Center	5,000,000
32	Marine Infrastructure and Pier Development	1,000,000
33	State Recreation Building Demolition	100,000
34	Total – Natural Resources	64,839,345

1	<i>Environmental Protection</i>	
2	General Revenues	12,742,750
3	Federal Funds	9,963,105
4	Restricted Receipts	9,745,745
5	Other Funds	
6	Transportation MOU	55,154
7	Total – Environmental Protection	32,506,754
8	Grand Total – Environmental Management	108,389,507
9	Coastal Resources Management Council	
10	General Revenues	2,760,157
11	Federal Funds	2,733,267
12	Restricted Receipts	250,000
13	Other Funds	
14	Rhode Island Capital Plan Funds	
15	Rhode Island Coastal Storm Risk Study	525,000
16	Narragansett Bay SAMP	200,000
17	Grand Total – Coastal Resources Mgmt. Council	6,468,424
18	Transportation	
19	<i>Central Management</i>	
20	Federal Funds	6,503,262
21	Other Funds	
22	Gasoline Tax	4,741,088
23	Total – Central Management	11,244,350
24	<i>Management and Budget</i>	
25	Other Funds	
26	Gasoline Tax	5,822,202
27	<i>Infrastructure Engineering</i>	
28	Federal Funds	
29	Federal Funds	288,650,305
30	Federal Funds – Stimulus	4,386,593
31	Restricted Receipts	3,034,406
32	Other Funds	
33	Gasoline Tax	75,836,779
34	Toll Revenue	41,000,000

1	Land Sale Revenue	2,647,815
2	Rhode Island Capital Plan Funds	
3	RIPTA Land and Buildings	90,000
4	RIPTA Pawtucket Bus Hub	946,168
5	RIPTA Providence Transit Connector	1,561,279
6	Highway Improvement Program	35,851,346
7	Total - Infrastructure Engineering	454,004,691
8	<i>Infrastructure Maintenance</i>	
9	Other Funds	
10	Gasoline Tax	18,918,661
11	Non-Land Surplus Property	50,000
12	Outdoor Advertising	100,000
13	Utility Access Permit Fees	500,000
14	Rhode Island Highway Maintenance Account	97,007,238
15	Rhode Island Capital Plan Funds	
16	Maintenance Facilities Improvements	523,989
17	Salt Storage Facilities	1,000,000
18	Maintenance - Equipment Replacement	1,500,000
19	Train Station Maintenance and Repairs	350,000
20	Total – Infrastructure Maintenance	119,949,888
21	Grand Total – Transportation	591,021,131
22	Statewide Totals	
23	General Revenues	3,904,708,183
24	Federal Funds	3,198,366,943
25	Restricted Receipts	281,812,633
26	Other Funds	2,174,249,841
27	Statewide Grand Total	9,559,137,600

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

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

34 SECTION 4. From the appropriation for contingency shall be paid such sums as may be

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

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

<u>Account</u>	<u>Expenditure Limit</u>
19 State Assessed Fringe Benefit Internal Service Fund	41,383,271
20 Administration Central Utilities Internal Service Fund	22,910,320
21 State Central Mail Internal Service Fund	6,539,120
22 State Telecommunications Internal Service Fund	3,602,419
23 State Automotive Fleet Internal Service Fund	12,549,973
24 Surplus Property Internal Service Fund	3,000
25 Health Insurance Internal Service Fund	251,953,418
26 State Fleet Revolving Loan Fund	273,786
27 Other Post-Employment Benefits Fund	63,858,483
28 Capitol Police Internal Service Fund	1,395,433
29 Corrections Central Distribution Center Internal Service Fund	6,769,493
30 Correctional Industries Internal Service Fund	8,050,590
31 Secretary of State Record Center Internal Service Fund	947,539
32 Human Resources Internal Service Fund	12,131,620
33 DCAMM Facilities Internal Service Fund	39,212,184
34 Information Technology Internal Service Fund	32,282,229

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

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

11 SECTION 7. *Appropriation of Temporary Disability Insurance Funds* -- There is hereby
12 appropriated pursuant to sections 28-39-5 and 28-39-8 of the Rhode Island General Laws all funds
13 required to be disbursed for the benefit payments from the Temporary Disability Insurance Fund
14 and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2019.

15 SECTION 8. *Appropriation of Employment Security Funds* -- There is hereby appropriated
16 pursuant to section 28-42-19 of the Rhode Island General Laws all funds required to be disbursed
17 for benefit payments from the Employment Security Fund for the fiscal year ending June 30, 2019.

18 SECTION 9. *Appropriation of Lottery Division Funds* -- There is hereby appropriated to
19 the Lottery Division any funds required to be disbursed by the Lottery Division for the purposes of
20 paying commissions or transfers to the prize fund for the fiscal year ending June 30, 2019.

21 SECTION 10. *Appropriation of CollegeBoundSaver Funds* -- There is hereby appropriated
22 to the Office of the General Treasurer designated funds received under the CollegeBoundSaver
23 program for transfer to the Division of Higher Education Assistance within the Office of the
24 Postsecondary Commissioner to support student financial aid for the fiscal year ending June 30,
25 2019.

26 SECTION 11. Departments and agencies listed below may not exceed the number of full-
27 time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do
28 not include seasonal or intermittent positions whose scheduled period of employment does not
29 exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and
30 twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include individuals
31 engaged in training, the completion of which is a prerequisite of employment. Provided, however,
32 that the Governor or designee, Speaker of the House of Representatives or designee, and the
33 President of the Senate or designee may authorize an adjustment to any limitation. Prior to the
34 authorization, the State Budget Officer shall make a detailed written recommendation to the

1 Governor, the Speaker of the House, and the President of the Senate. A copy of the recommendation
 2 and authorization to adjust shall be transmitted to the chairman of the House Finance Committee,
 3 Senate Finance Committee, the House Fiscal Advisor and the Senate Fiscal Advisor.

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

7 FY 2019 FTE POSITION AUTHORIZATION

<u>Departments and Agencies</u>	<u>Full-Time Equivalent</u>
Administration	655.7
Business Regulation	161.0
Executive Office of Commerce	16.0
Labor and Training	409.7
Revenue	604.5
Legislature	298.5
Office of the Lieutenant Governor	8.0
Office of the Secretary of State	59.0
Office of the General Treasurer	89.0
Board of Elections	13.0
Rhode Island Ethics Commission	12.0
Office of the Governor	45.0
Commission for Human Rights	14.5
Public Utilities Commission	53.0
Office of Health and Human Services	192.0
Children, Youth, and Families	631.5
Health	514.6
Human Services	1,020.1
Behavioral Healthcare, Developmental Disabilities, and Hospitals	1,302.4
Provided that 3.0 of the total authorization would be available only for a quality improvement team to ensure that community based agencies transition to providing integrated services to adults with developmental disabilities that comply with the consent decree.	
Office of the Child Advocate	10.0
Commission on the Deaf and Hard of Hearing	4.0
Governor’s Commission on Disabilities	4.0
Office of the Mental Health Advocate	4.0

1	Elementary and Secondary Education	135.1
2	School for the Deaf	60.0
3	Davies Career and Technical School	126.0
4	Office of Postsecondary Commissioner	36.0
5	Provided that 1.0 of the total authorization would be available only for positions that are	
6	supported by third-party funds, 5.0 would be available only for positions at the Westerly Higher	
7	Education Center and Job Skills Center, and 10.0 would be available only for positions at the	
8	Nursing Education Center.	
9	University of Rhode Island	2,555.0
10	Provided that 622.8 of the total authorization would be available only for positions that are	
11	supported by third-party funds.	
12	Rhode Island College	949.2
13	Provided that 76.0 of the total authorization would be available only for positions that are	
14	supported by third-party funds.	
15	Community College of Rhode Island	854.1
16	Provided that 89.0 of the total authorization would be available only for positions that are	
17	supported by third-party funds.	
18	Rhode Island State Council on the Arts	8.6
19	RI Atomic Energy Commission	8.6
20	Historical Preservation and Heritage Commission	15.6
21	Office of the Attorney General	235.1
22	Corrections	1,416.0
23	Judicial	723.3
24	Military Staff	92.0
25	Emergency Management Agency	32.0
26	Public Safety	564.6
27	Office of the Public Defender	95.0
28	Environmental Management	395.0
29	Coastal Resources Management Council	30.0
30	Transportation	755.0
31	Total	15,207.7

32 SECTION 12. The amounts reflected in this Article include the appropriation of Rhode
33 Island Capital Plan funds for fiscal year 2019 and supersede appropriations provided for FY 2019
34 within Section 11 of Article 1 of Chapter 302 of the P.L. of 2017.

1 The following amounts are hereby appropriated out of any money in the State’s Rhode
2 Island Capital Plan Fund not otherwise appropriated to be expended during the fiscal years ending
3 June 30, 2020, June 30, 2021, June 30, 2022, and June 30, 2023. These amounts supersede
4 appropriations provided within Section 11 of Article 1 of Chapter 302 of the P.L. of 2017. For the
5 purposes and functions hereinafter mentioned, the State Controller is hereby authorized and
6 directed to draw his or her orders upon the General Treasurer for the payment of such sums and
7 such portions thereof as may be required by him or her upon receipt of properly authenticated
8 vouchers.

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	Ending	Ending	Ending	Ending
<u>Project</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
12 DOA – Accessibility	500,000	500,000	1,000,000	1,000,000
13 DOA – Board of Elections/Health/ME Lab	8,000,000	0	0	0
14 DOA – Cannon Building	350,000	3,000,000	3,000,000	1,000,000
15 DOA – Cranston Street Armory	500,000	500,000	2,000,000	3,000,000
16 DOA – Energy Efficiency	500,000	500,000	1,000,000	1,000,000
17 DOA – Hospital Reorganization	16,000,000	4,000,000	0	0
18 DOA – Pastore Center Rehab	2,000,000	3,000,000	4,000,000	4,100,000
19 DOA – Security Measures/State				
20 Buildings	250,000	250,000	250,000	250,000
21 DOA – Shepard Building	1,000,000	850,000	750,000	750,000
22 DOA – State House Renovations	1,000,000	500,000	500,000	1,500,000
23 DOA – State Office Building	1,000,000	1,000,000	1,000,000	1,000,000
24 DOA – Washington County Gov. Center	1,000,000	2,000,000	3,000,000	0
25 DOA – Williams Powers Bldg.	2,000,000	2,000,000	2,250,000	2,250,000
26 DOA – Zambarano Utilities and Mtn.	1,500,000	2,300,000	2,300,000	0
27 EOC – Quonset Piers	5,500,000	5,500,000	0	0
28 EOC – Quonset Point Infrastructure	4,000,000	6,000,000	0	0
29 DLT – Center General Asset Protection	750,000	1,000,000	1,000,000	1,000,000
30 DCYF – RITS Repairs	1,700,000	200,000	200,000	200,000
31 EL SEC – Davies School Asset Protection	150,000	150,000	150,000	150,000
32 EL SEC – Met School Asset Protection	250,000	250,000	250,000	250,000
33 OPC – Higher Education Centers	2,000,000	0	0	0
34 URI – Asset Protection	8,326,839	8,531,280	8,700,000	8,874,000

1	URI – Fine Arts Center Renovation	4,600,000	0	0	0
2	RIC – Asset Protection	3,669,050	4,150,000	4,233,000	4,318,000
3	RIC – Infrastructure Modernization	3,000,000	3,500,000	4,500,000	2,000,000
4	RIC – Academic Building Phase I	2,000,000	0	0	0
5	CCRI – Asset Protection	2,439,076	2,487,857	2,537,615	2,588,000
6	CCRI – Knight Campus Renewal	3,500,000	3,500,000	0	0
7	CCRI – Flanagan Campus Renewal	0	2,000,000	2,000,000	6,000,000
8	DOC – Asset Protection	3,000,000	3,000,000	4,000,000	4,000,000
9	DOC – ISC Envelope and HVAC	1,750,000	1,850,000	2,500,000	2,500,000
10	DOC – Medium Infrastructure	5,000,000	3,000,000	6,000,000	7,000,000
11	Military Staff – Asset Protection	700,000	700,000	800,000	800,000
12	DPS – Asset Protection	250,000	250,000	250,000	250,000
13	DEM – Dam Repair	200,000	0	0	0
14	DEM – Galilee Piers Upgrade	900,000	400,000	400,000	400,000
15	DEM – Marine Infrastructure/ Pier Development	750,000	1,000,000	1,250,000	1,250,000
17	DEM – Recreational Facilities Improv.	1,850,000	2,100,000	2,500,000	2,500,000
18	DOT – Highway Improvement Program	32,451,346	32,451,346	32,451,346	27,200,000
19	DOT – Capital Equipment Replacement	1,500,000	1,500,000	1,500,000	1,500,000
20	DOT – Maintenance Facility Improv.	400,000	400,000	400,000	500,000

21 SECTION 13. [Reappropriation of Funding for Rhode Island Capital Plan Fund Projects.](#) –
22 Any unexpended and unencumbered funds from Rhode Island Capital Plan Fund project
23 appropriations shall be reappropriated in the ensuing fiscal year and made available for the same
24 purpose. However, any such reappropriations are subject to final approval by the General Assembly
25 as part of the supplemental appropriations act. Any unexpended funds of less than five hundred
26 dollars (\$500) shall be reappropriated at the discretion of the State Budget Officer.

27 SECTION 14. For the Fiscal Year ending June 30, 2019, the Rhode Island Housing and
28 Mortgage Finance Corporation shall provide from its resources such sums as appropriate in support
29 of the Neighborhood Opportunities Program. The Corporation shall provide a report detailing the
30 amount of funding provided to this program, as well as information on the number of units of
31 housing provided as a result to the Director of Administration, the Chair of the Housing Resources
32 Commission, the Chair of the House Finance Committee, the Chair of the Senate Finance
33 Committee and the State Budget Officer.

34 SECTION 15. Notwithstanding any provisions of Chapter 64 in Title 42 of the Rhode

1 Island General Laws, the Commerce Corporation shall transfer to the State Controller the sum of
2 seven hundred-fifty thousand dollars (\$750,000) from appropriation provided for the Anchor
3 Institution Tax Credit program in Public Law 2015-H 5900, Substitute A, as amended by October
4 1, 2018.

5 SECTION 16. Notwithstanding any provisions of Chapter 12.2 in Title 46 of the Rhode
6 Island General Laws, the Rhode Island Infrastructure Bank shall transfer to the State Controller the
7 sum of four million (\$4,000,000) by June 30, 2019.

8 SECTION 17. This article shall take effect as of July 1, 2018.

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ARTICLE 2

RELATING TO STATE FUNDS

SECTION 1. Section 16-59-9 of the General Laws in Chapter 16-59 entitled “Board of Governors for Higher Education [See Title 16 Chapter 97 – The Rhode Island Board of Education Act]” is hereby amended to read as follows:

16-59-9. Educational budget and appropriations.

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

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

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

(d) All housing, dining, and other auxiliary facilities at all public institutions of higher learning shall be self-supporting and no funds shall be appropriated by the general assembly to pay operating expenses, including principal and interest on debt services, and overhead expenses for the facilities, with the exception of the mandatory fees covered by the Rhode Island promise scholarship program as established by § 16-107-3. Any debt-service costs on general obligation

1 bonds presented to the voters in November 2000 and November 2004 or appropriated funds from
2 the Rhode Island capital plan for the housing auxiliaries at the university of Rhode Island and
3 Rhode Island college shall not be subject to this self-supporting requirement in order to provide
4 funds for the building construction and rehabilitation program. The institutions of public higher
5 education will establish policies and procedures that enhance the opportunity for auxiliary facilities
6 to be self-supporting, including that all faculty provide timely and accurate copies of booklists for
7 required textbooks to the public higher educational institution's bookstore.

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

11 (f) The board of education is authorized to establish a restricted-receipt account for the
12 ~~Westerly~~ Higher Education and Industry Centers established throughout the state ~~(also known as~~
13 ~~the Westerly Job Skills Center or Westerly Higher Education Learning Center)~~ and to collect lease
14 payments from occupying companies, and fees from room and service rentals, to support the
15 operation and maintenance of the ~~facility~~ facilities. All such revenues shall be deposited to the
16 restricted-receipt account.

17 SECTION 2. Section 35-3-15 of the General Laws in Chapter 35-3 entitled "State Budget"
18 is hereby amended to read as follows:

19 **35-3-15. Unexpended and unencumbered balances of revenue appropriations.**

20 (a) All unexpended or unencumbered balances of general revenue appropriations, whether
21 regular or special appropriations, at the end of any fiscal year, shall revert to the surplus account in
22 the general fund, and may be reappropriated by the governor to the ensuing fiscal year and made
23 immediately available for the same purposes as the former appropriations; provided, that the
24 disposition of unexpended or unencumbered appropriations for the general assembly and legislative
25 agencies shall be determined by the joint committee on legislative affairs, and written notification
26 given thereof to the state controller within twenty (20) days after the end of the fiscal year; and
27 furthermore that the disposition of unexpended or unencumbered appropriations for the judiciary,
28 shall be determined by the state court administrator, and written notification given thereof to the
29 state controller within twenty (20) days after the end of the fiscal year.

30 (b) The governor shall submit a report of such reappropriations to the chairperson of the
31 house finance committee and the chairperson of the senate finance committee of each
32 reappropriation stating the general revenue appropriation, the unexpended or unencumbered
33 balance, the amount reappropriated, and an explanation of the reappropriation and the reason for
34 the reappropriation by August ~~15~~ 20 of each year.

1 SECTION 3. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds"
2 is hereby amended to read as follows:

3 **35-4-27. Indirect cost recoveries on restricted receipt accounts.**

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

- 12 Executive Office of Health and Human Services
- 13 Organ Transplant Fund
- 14 HIV Care Grant Drug Rebates
- 15 Department of Human Services
- 16 Veterans' home – Restricted account
- 17 Veterans' home – Resident benefits
- 18 Pharmaceutical Rebates Account
- 19 Demand Side Management Grants
- 20 Veteran's Cemetery Memorial Fund
- 21 Donations – New Veterans' Home Construction
- 22 Department of Health
- 23 Pandemic medications and equipment account
- 24 Miscellaneous Donations/Grants from Non-Profits
- 25 State Loan Repayment Match
- 26 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
- 27 Eleanor Slater non-Medicaid third-party payor account
- 28 Hospital Medicare Part D Receipts
- 29 RICLAS Group Home Operations
- 30 Commission on the Deaf and Hard of Hearing
- 31 Emergency and public communication access account
- 32 Department of Environmental Management
- 33 National heritage revolving fund
- 34 Environmental response fund II

1 Underground storage tanks registration fees
2 Rhode Island Historical Preservation and Heritage Commission
3 Historic preservation revolving loan fund
4 Historic Preservation loan fund – Interest revenue
5 Department of Public Safety
6 Forfeited property – Retained
7 Forfeitures – Federal
8 Forfeited property – Gambling
9 Donation – Polygraph and Law Enforcement Training
10 Rhode Island State Firefighter's League Training Account
11 Fire Academy Training Fees Account
12 Attorney General
13 Forfeiture of property
14 Federal forfeitures
15 Attorney General multi-state account
16 Forfeited property – Gambling
17 Department of Administration
18 OER Reconciliation Funding
19 RI Health Benefits Exchange
20 Information Technology Investment Fund
21 Restore and replacement – Insurance coverage
22 Convention Center Authority rental payments
23 Investment Receipts – TANS
24 OPEB System Restricted Receipt Account
25 Car Rental Tax/Surcharge-Warwick Share
26 Executive Office of Commerce
27 Housing Resources Commission Restricted Account
28 Department of Revenue
29 DMV Modernization Project
30 Jobs Tax Credit Redemption Fund
31 Legislature
32 Audit of federal assisted programs
33 Department of Children, Youth and Families
34 Children's Trust Accounts – SSI

1 Military Staff
2 RI Military Family Relief Fund
3 RI National Guard Counterdrug Program
4 Treasury
5 Admin. Expenses – State Retirement System
6 Retirement – Treasury Investment Options
7 Defined Contribution – Administration - RR
8 Violent Crimes Compensation – Refunds
9 Treasury Research Fellowship
10 Business Regulation
11 Banking Division Reimbursement Account
12 Office of the Health Insurance Commissioner Reimbursement Account
13 Securities Division Reimbursement Account
14 Commercial Licensing and Racing and Athletics Division Reimbursement Account
15 Insurance Division Reimbursement Account
16 Historic Preservation Tax Credit Account
17 Judiciary
18 Arbitration Fund Restricted Receipt Account
19 Third-Party Grants
20 RI Judiciary Technology Surcharge Account
21 Department of Elementary and Secondary Education
22 Statewide Student Transportation Services Account
23 School for the Deaf Fee-for-Service Account
24 [School for the Deaf – School Breakfast and Lunch Program](#)
25 Davies Career and Technical School Local Education Aid Account
26 Davies – National School Breakfast & Lunch Program
27 [School Construction Services](#)
28 Office of the Postsecondary Commissioner
29 ~~Westerly~~ Higher Education and Industry Centers
30 Department of Labor and Training
31 Job Development Fund
32 SECTION 4. Chapter 40-1 of the General Laws entitled "Department of Human Services"
33 is hereby amended by adding thereto the following section:
34 **40-1-17. Receipt and use of funds.**

1 To carry out the purposes of this chapter, the department of human services, with the
2 approval of the governor, shall have the authority to receive and expend monies from any other
3 sources, public or private, including, but not limited to, legislative enactments, bond issues, gifts,
4 devises, grants, bequests, or donations. The department of human services, with the approval of the
5 governor, is authorized to enter into any contracts necessary to obtain and expend those funds.

6 SECTION 5. Section 42-27-6 of the General Laws in Chapter 42-27 entitled "Atomic
7 Energy Commission" is hereby amended to read as follows:

8 **42-27-6. Reactor usage charges.**

9 (a) Effective July 1, 2018, All fees collected by the atomic energy commission for use of
10 the reactor facilities and related services shall be deposited ~~as general revenues.~~ in a restricted
11 receipt account to support the technical operation and maintenance of the agency's equipment.

12 (b) All revenues remaining in the restricted receipt account, after expenditures authorized
13 in subdivision (a) of this section, above two hundred thousand dollars (\$200,000) shall be paid into
14 the state's general fund. These payments shall be made annually on the last business day of the
15 fiscal year.

16 (c) A charge of up to forty percent (40%), adjusted annually as of July 1, shall be assessed
17 against all University of Rhode Island (URI) sponsored research activity allocations. The charge
18 shall be applied to the existing URI sponsored research expenditures within the atomic energy
19 commission.

20 SECTION 6. Section 16-57-10 of the General Laws in Chapter 16-57 entitled "Rhode
21 Island Higher Education Assistance Act [See Title 16 Chapter 97 - The Rhode Island Board of
22 Education Act]" is hereby amended to read as follows:

23 **16-57-10. Reserve funds.**

24 (a) To ensure the continued operation and solvency of the guaranteed student loan program,
25 the office of the postsecondary commissioner shall create and establish reserve funds, and may pay
26 into the funds any money appropriated and made available by the state or any other source for the
27 purpose of the funds, and any money collected by the division as fees for the guaranty of eligible
28 loans.

29 (b) Furthermore, it is the intent of the general assembly that these funds ~~eventually~~ be used
30 to increase financial assistance to Rhode Island students in the form of scholarships and grants as
31 approved by the commissioner of postsecondary education and as directed by the U.S. Department
32 of Education and in accordance with federal statutes and regulations governing the use of funds in
33 the guaranty agency's operating fund pursuant to the provisions and restrictions of the 1998
34 reauthorization of the federal Higher Education Act.

1 (c) [Deleted by P.L. 2015, ch. 141, art. 7, § 6].

2 (d) In the fiscal year beginning July 1, 2018, and for subsequent fiscal years, only costs
3 associated with the management of the scholarship and grant programs funded with reserve funds
4 may be financed with the reserve funds. No more than five (5) percent of the amount of reserve
5 funds appropriated for scholarships and grants in the previous fiscal year may be set aside to fund
6 personnel and operating costs.

7 SECTION 7. This Article shall take effect upon passage.

8

ARTICLE 3

RELATING TO GOVERNMENT REFORM

SECTION 1. Sections 5-65-5, 5-65-7 and 5-65-9 of the General Laws in Chapter 5-65 entitled "Contractors' Registration and Licensing Board" are hereby amended as follows:

5-65-5. Registered application.

(a) A person who wishes to register as a contractor shall submit an application, ~~under oath,~~ upon a form prescribed by the board. The application shall include:

(1) Workers' compensation insurance account number, or company name if a number has not yet been obtained, if applicable;

(2) Unemployment insurance account number if applicable;

(3) State withholding tax account number if applicable;

(4) Federal employer identification number, if applicable, or if self-employed and participating in a retirement plan;

(5) The individual(s) name and business address and residential address of:

(i) Each partner or venturer, if the applicant is a partnership or joint venture;

(ii) The owner, if the applicant is an individual proprietorship;

(iii) The corporation officers and a copy of corporate papers filed with the Rhode Island secretary of state's office, if the applicant is a corporation;

(iv) Post office boxes are not acceptable as the only address.

(6) A ~~signed affidavit subject to the penalties of perjury of a~~ statement as to whether or not the applicant has previously applied for registration, or is or was an officer, partner, or venturer of an applicant who previously applied for registration and if so, the name of the corporation, partnership, or venture.

(7) Valid insurance certificate for the type of work being performed.

(b) A person may be prohibited from registering or renewing registration as a contractor under the provisions of this chapter or his or her registration may be revoked or suspended if he or she has any unsatisfied or outstanding judgments from arbitration, bankruptcy, courts and/or administrative agency against him or her relating to their work as a contractor, and provided, further, that ~~an affidavit subject to the penalties of perjury a~~ statement shall be provided to the board attesting to the information herein.

1 (c) Failure to provide or falsified information on an application, or any document required
2 by this chapter is punishable by a fine not to exceed ten thousand dollars (\$10,000) [and/or](#)
3 [revocation of the registration.](#)

4 (d) Applicant must be at least eighteen (18) years of age.

5 (e) Satisfactory proof shall be provided to the board evidencing the completion of five (5)
6 hours of continuing education units which will be required to be maintained by residential
7 contractors as a condition of registration as determined by the board pursuant to established
8 regulations.

9 (f) ~~An affidavit~~ [A certification in a form](#) issued by the board shall be completed upon
10 registration or license or renewal to assure contractors are aware of certain provisions of this law
11 and shall be signed by the registrant before a registration can be issued or renewed.

12 **5-65-7. Insurance required of contractors.**

13 (a) Throughout the period of registration, the contractor shall have in effect public liability
14 and property damage insurance covering the work of that contractor which shall be subject to this
15 chapter in not less than the following amount: five hundred thousand dollars (\$500,000) combined
16 single limit, bodily injury and property damage.

17 (b) In addition, all contractors shall have in effect worker's compensation insurance as
18 required under chapter 29 of title 28. Failure to maintain required insurance shall not preclude
19 claims from being filed against a contractor.

20 (c) The contractor shall provide satisfactory evidence to the board at the time of registration
21 and renewal that the insurance required by subsection (a) of this section has been procured and is
22 in effect. Failure to maintain insurance shall invalidate registration and may result in a fine to the
23 registrant [and/or suspension or revocation of the registration.](#)

24 **5-65-9. Registration fee.**

25 (a) Each applicant shall pay to the board:

26 (1) For original registration or renewal of registration, a fee of two hundred dollars (\$200).

27 (2) A fee for all changes in the registration, as prescribed by the board, other than those
28 due to clerical errors.

29 (b) All fees and fines collected by the board shall be deposited as general revenues to
30 support the activities set forth in this chapter until June 30, 2008. Beginning July 1, 2008, all fees
31 and fines collected by the board shall be deposited into a restricted receipt account for the exclusive
32 use of supporting programs established by this chapter.

33 (c) On or before January 15, 2018, and annually thereafter, the board shall file a report with
34 the speaker of the house and the president of the senate, with copies to the chairpersons of the house

1 and senate finance committees, detailing:

2 (1) The total number of fines issued, broken down by category, including the number of
3 fines issued for a first violation and the number of fines issued for a subsequent violation;

4 (2) The total dollar amount of fines levied;

5 (3) The total amount of fees, fines, and penalties collected and deposited for the most
6 recently completed fiscal year; and

7 (4) The account balance as of the date of the report.

8 (d) Each year, the ~~executive director~~ [department of business regulation](#) shall prepare a
9 proposed budget to support the programs approved by the board. The proposed budget shall be
10 submitted to the board for its review. A final budget request shall be submitted to the legislature as
11 part of the ~~capital projects and property management annual request~~ [department of business](#)
12 [regulation's annual request](#).

13 (e) New or renewal registrations may be filed online or with a third-party approved by the
14 board, with the additional cost incurred to be borne by the registrant.

15 SECTION 2. Sections 5-84-1, 5-84-2, 5-84-3, 5-84-5, 5-84-6 and 5-84-7 of the General
16 Laws in Chapter 5-84 entitled "Division of Design Professionals" are hereby amended as follows:

17 The title of Chapter 5-84 of the General Laws entitled "Division of Design Professionals"
18 is hereby changed to "Division of Building, Design and Fire Professionals."

19 **5-84-1. Short title.**

20 This chapter shall be known and may be cited as "The Division of ~~Design~~ [Building, Design](#)
21 [and Fire](#) Professionals Act."

22 **5-84-2. ~~Division of design building, design and fire professionals~~ Division of building,**
23 **design and fire professionals.**

24 There has been created within the department of business regulation, a division known as
25 the division of ~~design~~ [building, design and fire](#) professionals.

26 **5-84-3. Division membership.**

27 The division consists of the membership of the [office of the state fire marshal, the fire](#)
28 [safety code board of review and appeal, the office of the state building commissioner, the](#) board of
29 registration for professional engineers, board of registration for professional land surveyors, board
30 of examination and registration of architects, ~~and~~ the board of examiners of landscape architects
31 [and the contractors' registration and licensing board](#).

32 **5-84-5. Imposition of fines for unregistered activity.**

33 (a) In addition to any other provision of law, if a person or business practices or offers to
34 practice architecture, engineering, land surveying, or landscape architecture in the state without

1 being registered or authorized to practice as required by law, the boards within the division may
2 recommend that the director of the department of business regulations [or the director's designee](#)
3 issue an order imposing a fine; provided, however, that this section shall not apply to issues between
4 the boards referred to in subsection (a) of this section as to the scope of a board registrant's authority
5 to engage in work relating to another board's jurisdiction or to issues relating to ISDS designers
6 licensed by the department of environmental management.

7 (b) A fine ordered under this section may not exceed two thousand five hundred dollars
8 (\$2,500) for each offense. In recommending a fine, the board shall set the amount of the penalty
9 imposed under this section after taking into account factors, including the seriousness of the
10 violation, the economic benefit resulting from the violation, the history of violations, and other
11 matters the board considers appropriate.

12 (c) Before recommending that a fine be order under this section, the board shall provide
13 the person or business written notice and the opportunity to request, with thirty (30) days of
14 issuance of notice by the board, a hearing on the record.

15 (d) A person or business aggrieved by the ordering of a fine under this section may file an
16 appeal with the superior court for judicial review of the ordering of a fine.

17 (e) If a person of business fails to pay the fine within thirty (30) days after entry of an order
18 under (a) of this section, or if the order is stayed pending an appeal, within ten (10) days after the
19 court enters a final judgment in favor of the department of an order appealed under (d) of this
20 section, the director may commence a civil action to recover the amount of the fine.

21 **5-84-6. Cease and Desist Authority.**

22 If the director has reason to believe that any person, firm, corporation, or association is
23 conducting any activity under the jurisdiction of the division of ~~design~~ [building, design and fire](#)
24 professionals including professional engineering, professional land surveying, architecture, and/or
25 landscape architecture without obtaining a license or registration, or who after the denial,
26 suspension, or revocation of a license or registration is conducting that business, the director [or the](#)
27 [director's designee](#) may, either on his or her own initiative or upon recommendation of the
28 appropriate board, issue an order to that person, firm, corporation, or association commanding them
29 to appear before the department at a hearing to be held not sooner than ten (10) days nor later than
30 twenty (20) days after issuance of that order to show cause why the director [or the director's](#)
31 [designee](#) should not issue an order to that person to cease and desist from the violation of the
32 provisions of this chapter and/or chapters 1, 8, 8.1, [51](#) and/or ~~54~~ [65](#) of title 5. That order to show
33 cause may be served on any person, firm, corporation, or association named by any person in the
34 same manner that a summons in a civil action may be served, or by mailing a copy of the order,

1 certified mail, return receipt requested, to that person at any address at which that person has done
2 business or at which that person lives. If during that hearing the director or the director's designee
3 is satisfied that the person is in fact violating any provision of this chapter, the director or the
4 director's designee may order that person, in writing, to cease and desist from that violation and/or
5 impose an appropriate fine under § 5-84-5 or other applicable law and/or refer the matter to the
6 attorney general for appropriate action under chapters 1, 8, 8.1, 51 and/or ~~51~~ 65 of title 5. All these
7 hearings are governed in accordance with the administrative procedures act. If that person fails to
8 comply with an order of the department after being afforded a hearing, the superior court for
9 Providence county has jurisdiction upon complaint of the department to restrain and enjoin that
10 person from violating chapters 1, 8, 8.1, 51, 65 and/or 84 of title 5.

11 **5-84-7. Electronic applications for certificates of authorization.**

12 All applications to the division of ~~design~~ building, design and fire professionals for
13 certificates of authorization shall be submitted electronically through the department's electronic-
14 licensing system, unless special permission to apply in paper format is requested by the applicant
15 and granted by the director or the director's designee.

16 SECTION 3. Sections 23-27.3-100.1.3, 23-27.3-107.3, 23-27.3-107.4 and 23-27.3-108.2
17 of the General Laws in Chapter 23-27.3 entitled "State Building Code" are hereby amended as
18 follows:

19 **23-27.3-100.1.3. Creation of the state building code standards committee.**

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

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

32 (c) A joint committee, with membership as set forth in § 23-29.1-2(a) from the state
33 building code standards committee, shall develop and recommend for adoption and promulgation,
34 a rehabilitation building and fire code for existing buildings and structures, which code shall include

1 building code elements to be administered by the state building code standards committee as the
2 authority having jurisdiction over the elements.

3 (d) The state building code standards committee shall be housed within the office of the
4 state building commissioner.

5 **23-27.3-107.3. Appointment of personnel by state building commissioner.**

6 (a) The state building commissioner may appoint such other personnel as shall be necessary
7 for the administration of the code. In the absence of a local building official or an alternate, as
8 detailed in § 23-27.3-107.2, the commissioner shall assume the responsibility of the local building
9 official and inspectors as required by § 23-27.3-107.4 and shall designate one of the following
10 agents to enforce the code:

11 (1) A member of the commissioner's staff who meets the qualifications of § 23-27.3-107.5
12 and is certified in accordance with § 23-27.3-107.6.

13 (2) An architect or engineer contracted by the commissioner through the department of
14 ~~administration~~ business regulation.

15 (3) A building official who is selected from a list of previously certified officials or
16 inspectors.

17 (b) The salary and operating expenses for services provided in accordance with subsection
18 (a)(1), (2), or (3) shall be reimbursed to the state by the city or town receiving the services and shall
19 be deposited as general revenues. The attorney general shall be informed of any failure of the
20 appropriate local authority to appoint a local building official to enforce the code in accordance
21 with §§ 23-27.3-107.1 or 23-27.3-107.2.

22 **23-27.3-107.4. Qualifications and duties of the state building commissioner.**

23 (a) The state building commissioner shall serve as the executive secretary to the state
24 building code standards committee. In addition to the state building commissioner's other duties as
25 set forth in this chapter, the state building commissioner shall assume the authority for the purpose
26 of enforcing the provisions of the state building code in a municipality where there is no local
27 building official.

28 (b) The state building commissioner shall be a member of the classified service, and for
29 administrative purposes shall be assigned a position in the department of ~~administration~~ business
30 regulation. Qualifications for the position of the state building commissioner shall be established
31 in accordance with provisions of the classified service of the state, and shall include the provision
32 that the qualifications include at least ten (10) years' experience in building or building regulations
33 generally, and that the commissioner be an architect or professional engineer licensed in the state
34 or a certified building official presently or previously employed by a municipality and having at

1 least ten (10) years' experience in the building construction or inspection field.

2 **23-27.3-108.2. State building commissioner's duties.**

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

8 (b) Permit fees for the projects shall be established by the committee. The fees shall be
9 deposited as general revenues.

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

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

21 (3) On or before December 1, 2013, the building commissioner, with the assistance of the
22 office of regulatory reform, shall implement the standard statewide process for electronic plan
23 review, permit management and inspection. In addition, the building commissioner shall develop
24 a technology and implementation plan for a standard web-accessible service and/or system to be
25 utilized by the state and municipalities for uniform, statewide electronic plan review, permit
26 management and inspection.

27 (d) The building commissioner shall, upon request by any state contractor described in §
28 37-2-38.1, review, and when all conditions for certification have been met, certify to the state
29 controller that the payment conditions contained in § 37-2-38.1 have been met.

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

32 (f) The building commissioner shall submit, in coordination with the state fire marshal, a
33 report to the governor and general assembly on or before April 1, 2013 and each April 1st thereafter,
34 providing the status of the web-accessible service and/or system implementation and any

1 recommendations for process or system improvement.

2 SECTION 4. Sections 23-28.2-1, 23-28.2-5, 23-28.2-7, 23-28.2-14, 23-28.2-22, 23-28.2-
3 23, 23-28.2-28 and 23-28.2-29 of Chapter 23-28.2 of the General Laws entitled “Division of Fire
4 Safety” are hereby amended as follows:

5 **23-28.2-1. Establishment of division and office of the state fire marshal Establishment**
6 **of office of the state fire marshal.**

7 There shall be ~~a division~~ an office of the state fire marshal within the department of ~~public~~
8 ~~safety~~ business regulation's division of building, design and fire professionals, the head of which
9 ~~division~~ office shall be the state fire marshal. The state fire marshal shall be appointed by the
10 governor with the advice and consent of the senate and shall serve for a period of five (5) years.
11 During the term the state fire marshal may be removed from office by the governor for just cause.
12 All authority, powers, duties and responsibilities previously vested in the division of fire safety are
13 hereby transferred to the ~~division~~ office of the state fire marshal.

14 **23-28.2-5. Bomb disposal unit.**

15 (a) Within the ~~division~~ office of the state fire marshal, there shall be a bomb disposal unit
16 (bomb squad), accredited by the FBI as a bomb squad, whose duties it will be to handle and dispose
17 of all hazardous devices suspect to be explosive or incendiary in construction which includes any
18 weapons of mass destruction (WMD) that may be explosive or chemical in construction.

19 (b) The State Fire Marshal shall appoint a bomb technician to supervise the operations of
20 this unit and the technician must be certified by the FBI as a bomb technician. The bomb technician
21 must ensure that all bomb technicians are trained and maintain certification, the bomb squad
22 maintains accreditation, and ensures that all equipment belonging to the bomb squad is maintained
23 and in operating condition at all times. The bomb technician must also provide to cities and towns
24 and local businesses or any other organizations procedures in bomb threats, and procedures where
25 explosive devices or suspect devices are located.

26 (c) The State Fire Marshal shall appoint from the local communities volunteer assistant
27 deputy state fire marshals, as bomb squad members only, to assist in carrying on the responsibilities
28 of this unit. The volunteers, who must be available for immediate response when called upon, be
29 available to participate in training sessions, shall be approved by their local fire or police chief, and
30 must have their chief sign an agreement (memorandum of understanding) which provides for their
31 release during emergencies and training and assumes liability for any injuries that may occur to
32 them. All bomb squad members shall operate only under the direction of the State Bomb Squad
33 Commander or senior ranking Deputy State Fire Marshal who is certified as a bomb technician.
34 The bomb squad may also request assistance from the local fire and police authorities when

1 handling any explosive or incendiary device, WMD or post incident investigations.

2 **23-28.2-7. Office of state fire marshal.**

3 The state fire marshal shall be provided adequate offices ~~by the director of administration.~~
4 [through the department of business regulation.](#)

5 **23-28.2-14. Enforcement.**

6 (a) Within the ~~division~~ [office of the state fire marshal](#), there shall be an enforcement unit
7 responsible for the initiation of criminal prosecution of or civil proceedings against any person(s)
8 in violation of the state Fire Safety Code or failure to comply with an order to abate conditions that
9 constitute a violation of the Fire Safety Code, chapters 28.1 – 28.39 of this title, and any rules or
10 regulations added thereunder and/or the general public laws of the state as they relate to fires, fire
11 prevention, fire inspections, and fire investigations. This unit will consist of the state fire marshal,
12 chief deputy state fire marshal, chief of technical services, explosive technician, assistant explosive
13 technicians, and the arson investigative staff, each of whom must satisfactorily complete at the
14 Rhode Island state police training academy an appropriate course of training in law enforcement or
15 must have previously completed a comparable course. To fulfill their responsibilities, this unit shall
16 have and may exercise in any part of the state all powers of sheriffs, deputy sheriffs, town sergeants,
17 chiefs of police, police officers, and constables.

18 (b) The State Fire Marshal shall have the power to implement a system of enforcement to
19 achieve compliance with the fire safety code, which shall include inspections as provided for in §
20 23-28.2-20, the issuance of formal notices of violation in accordance with § 23-28.2-20.1, and the
21 issuance of citations in a form approved by the State Fire Marshal and the Chief Judge of the District
22 Court. The State Fire Marshal, and his or her designee(s) as outlined in this chapter, may use the
23 above systems of enforcement individually or in any combination to enforce the State Fire Safety
24 Code.

25 (c) The State Fire Marshal and all persons designated specifically in writing by the State
26 Fire Marshal shall have the power to issue the citations referenced in this chapter.

27 (d) The following categories of violation of the Fire Safety Code that can be identified
28 through inspection shall be considered criminal violations of the Fire Safety Code and be subject
29 to the above issuance of citations:

30 (1) Impediments to Egress:

31 (A) Exit doors locked so as to prevent egress.

32 (B) Blocked means of egress (other than locking and includes any portion of the exit access,
33 exit or exit discharge).

34 (C) Marking of exits or the routes to exits has become obstructed and is not clearly visible.

1 (D) Artificial lighting needed for orderly evacuation is not functioning properly (this
2 section does not include emergency lighting).

3 (2) Maintenance:

4 (A) Required devices, equipment, system, condition, arrangement, or other features not
5 continuously maintained.

6 (B) Equipment requiring periodic testing or operation, to ensure its maintenance, is not
7 being tested or operated.

8 (C) Owner of building where a fire alarm system is installed has not provided written
9 evidence that there is a testing and maintenance program in force providing for periodic testing of
10 the system.

11 (D) Twenty-four hour emergency telephone number of building owner or owner's
12 representative is not posted at the fire alarm control unit or the posted number is not current.

13 (3) Fire Department Access and Water Supply:

14 (A) The required width or length of a previously approved fire department access road (fire
15 lane) is obstructed by parked vehicles or other impediments.

16 (B) Fire department access to fire hydrants or other approved water supplies is blocked or
17 impeded.

18 (4) Fire Protection Systems:

19 (A) Obstructions are placed or kept near fire department inlet connections or fire protection
20 system control valves preventing them from being either visible or accessible.

21 (B) The owner, designated agent or occupant of the property has not had required fire
22 extinguishers inspected, maintained or recharged.

23 (5) Admissions supervised:

24 (A) Persons responsible for supervising admissions to places of assembly, and/or any sub-
25 classifications thereof, have allowed admissions in excess of the maximum occupancy posted by
26 the State Fire Marshal or his or her designee.

27 The terms used in the above categories of violation are defined in the definition sections of
28 NFPA 1 and NFPA 101 as adopted pursuant to § 23-28.1-2 of this title.

29 (e) A building owner, responsible management, designated agent or occupant of the
30 property receiving a citation may elect to plead guilty to the violation(s) and pay the fine(s) through
31 the mail within ten (10) days of issuance, or appear in district court for an arraignment on the
32 citation.

33 (f) Notwithstanding subsection (e) above, all recipients of third or subsequent citations,
34 within a sixty (60) month period, shall appear in district court for a hearing on the citation. If not

1 paid by mail he, she or it shall appear to be arraigned on the criminal complaint on the date indicated
2 on the citation. If the recipient(s) fails to appear, the district court shall issue a warrant of arrest.

3 (g) The failure of a recipient to either pay the citation through the mail within ten (10) days,
4 where permitted under this section, or to appear in district court on the date specified shall be cause
5 for the district court to issue a warrant of arrest with the penalty assessed and an additional five
6 hundred dollar (\$500) fine.

7 (h) A building owner, responsible management, designated agent or occupant of the
8 property who receives the citation(s) referenced in this section shall be subject to civil fine(s), which
9 fine(s) shall be used for fire prevention purposes by the jurisdiction that issues the citation(s), as
10 follows:

11 (1) A fine of two hundred fifty dollars (\$250) for the first violation within any sixty (60)
12 month period;

13 (2) A fine of five hundred dollars (\$500) for the second violation within any sixty (60)
14 month period;

15 (3) A fine of one thousand dollars (\$1,000) for the third and any subsequent violation(s)
16 within any sixty (60) month period;

17 (i) No citation(s) as defined in this section, shall be issued pursuant to a search conducted
18 under an administrative search warrant secured pursuant to § 23-28.2-20(c) of this code. Any
19 citation mistakenly issued in violation of this subsection (i) shall be void and unenforceable.

20 (j) The District Court shall have full equity power to hear and address these matters.

21 (k) All violations, listed within subsection (d) above, shall further be corrected within a
22 reasonable period of time established by the State Fire Marshal or his or her designee.

23 **23-28.2-22. Fire education and training unit.**

24 (a) There shall be a fire education and training unit within the ~~division of fire safety office~~
25 [of the state fire marshal](#) headed by a director of fire training. The director of fire training shall be
26 appointed by the fire marshal from a list of names submitted by the fire education and training
27 coordinating board based on recommendations of a screening committee of that board. Other staff
28 and resources, such as part time instructors, shall be requested consistent with the state budget
29 process.

30 (b) This unit shall be responsible for implementing fire education and training programs
31 developed by the fire education and training coordinating board.

32 **23-28.2-23. Fire education and training coordinating board.**

33 (a) There is hereby created within the ~~division of fire safety office~~ [office of the state fire marshal](#)
34 a fire education and training coordinating board comprised of thirteen (13) members appointed by

1 the governor with the advice and consent of the senate. In making said appointments, the governor
2 shall give due consideration to including in the board's membership representatives of the following
3 groups:

4 (1) Chiefs of fire departments with predominately fully paid personnel, defined as
5 departments in which the vast majority of members are full-time, salaried personnel.

6 (2) Chiefs of fire departments with part paid/combination personnel, defined as
7 departments in which members consist of both full-time salaried personnel and a large percentage
8 of volunteer or call personnel.

9 (3) Chiefs of fire departments with predominately volunteer personnel, defined as
10 departments in which the vast majority of members respond voluntarily and receive little or no
11 compensation.

12 (4) Rhode Island firefighters' instructor's association.

13 (5) Rhode Island department of environmental management.

14 (6) Rhode Island fire safety association.

15 (7) Rhode Island state firefighter's league.

16 (8) Rhode Island association of firefighters.

17 (9) Regional firefighters leagues.

18 (b) The state fire marshal and the chief of training and education shall serve as ex-officio
19 members.

20 (c) Members of the board as of March 29, 2006 shall continue to serve for the balance of
21 their current terms. Thereafter, members shall be appointed to three (3) year terms. No person shall
22 serve more than two (2) consecutive terms, except that service on the board for a term of less than
23 two (2) years resulting from an initial appointment or an appointment for the remainder of an
24 unexpired term shall not constitute a full term.

25 (d) Members shall hold office until a successor is appointed, and no member shall serve
26 beyond the time he or she ceases to hold office or employment by reason of which he or she was
27 eligible for appointment.

28 (e) All gubernatorial appointments made after March 29, 2006 shall be subject to the advice
29 and consent of the senate. No person shall be eligible for appointment to the board after March 29,
30 2006 unless he or she is a resident of this state.

31 (f) Members shall serve without compensation, but shall receive travel expenses in the
32 same amount per mile approved for state employees.

33 (g) The board shall meet at the call of the chairperson or upon written petition of a majority
34 of the members, but not less than six (6) times per year.

- 1 (h) Staff support to the board will be provided by the state fire marshal.
- 2 (i) The board shall:
- 3 (1) Establish bylaws to govern operational procedures not addressed by legislation.
- 4 (2) Elect a chairperson and vice-chairperson of the board in accordance with bylaws to be
5 established by the board.
- 6 (3) Develop and offer training programs for fire fighters and fire officers based on
7 applicable NFPA standards used to produce training and education courses.
- 8 (4) Develop and offer state certification programs for instructors based on NFPA standards.
- 9 (5) Monitor and evaluate all programs to determine their effectiveness.
- 10 (6) Establish a fee structure in an amount necessary to cover costs of implementing the
11 programs.
- 12 (7) Within ninety (90) days after the end of each fiscal year, approve and submit an annual
13 report to the governor, the speaker of the house of representatives, the president of the senate, and
14 the secretary of state of its activities during that fiscal year. The report shall provide: an operating
15 statement summarizing meetings or hearing held, including meeting minutes, subjects addressed,
16 decisions rendered, rules or regulations promulgated, studies conducted, policies and plans
17 developed, approved or modified and programs administered or initiated; a consolidated financial
18 statement of all funds received and expended including the source of the funds, a listing of any staff
19 supported by these funds, and a summary of any clerical, administrative or technical support
20 received; a summary of performance during the previous fiscal year including accomplishments,
21 shortcomings and remedies; a synopsis of hearings, complaints, suspensions, or other legal matters
22 related to the authority of the council; a summary of any training courses held pursuant to the
23 provisions of this section; a briefing on anticipated activities in the upcoming fiscal year and
24 findings and recommendations for improvements. The report shall be posted electronically on the
25 general assembly and secretary of state's websites as prescribed in § 42-20-8.2. The director of the
26 department of administration shall be responsible for the enforcement of the provisions of this
27 subsection.
- 28 (8) Conduct a training course for newly appointed and qualified members within six (6)
29 months of their qualification or designation. The course shall be developed by the chair of the
30 board, approved by the board, and conducted by the chair of the board. The board may approve the
31 use of any board or staff members or other individuals to assist with training. The training course
32 shall include instruction in the following areas: the provisions of chapters 42-46, 36-14, and 38-2;
33 and the commission's rules and regulations. The state fire marshal shall, within ninety (90) days of
34 March 29, 2006, prepare and disseminate training materials relating to the provisions of chapters

1 42-46, 36-14, and 38-2.

2 (j) In an effort to prevent potential conflicts of interest, any fire education and training
3 coordinating board member shall not simultaneously serve as a paid instructor and/or administrator
4 within the fire education and training unit.

5 (k) A quorum for conducting all business before the board, shall be at least seven (7)
6 members.

7 (l) Members of the board shall be removable by the governor pursuant to the provisions of
8 § 36-1-7 of the general laws and for cause only, and removal solely for partisan or personal reasons
9 unrelated to capacity or fitness for the office shall be unlawful.

10 **23-28.2-28. Rhode Island state firefighter's league grant account.**

11 (a) There is hereby created within the department of ~~public safety~~ [business regulation](#) a
12 restricted receipt account to be known as the Rhode Island state firefighter's league grant account.
13 Donations received from the Rhode Island state firefighter's league shall be deposited into this
14 account, and shall be used solely to fund education and training programs for firefighters in the
15 state.

16 (b) All amounts deposited in the Rhode Island state firefighter's league grant account shall
17 be exempt from the indirect cost recovery provisions of § 35-4-27.

18 **23-28.2-29. Fire academy training fees restricted receipt account.**

19 There is hereby created with the department of ~~public safety~~ [business regulation](#) a restricted
20 receipt account to be known as the fire academy training fees account. All receipts collected
21 pursuant to § 23-28.2-23 shall be deposited in this account and shall be used to fund costs associated
22 with the fire training academy. All amounts deposited into the fire academy training restricted
23 receipt account shall be exempt from the indirect cost recovery provisions of § 35-4-27.

24 SECTION 5. Section 23-34.1-3 of Chapter 23-34.1 of the General Laws entitled
25 "Amusement Ride Safety Act" is hereby amended as follows:

26 **23-34.1-3. Definitions.**

27 As used in this chapter:

28 (1) "Altered ride" means a ride or device that has been altered with the approval of the
29 manufacturer.

30 (2) "Amusement attraction" means any building or structure around, over, or through which
31 persons may move to walk, without the aid of any moving device integral to the building or
32 structure, which provides amusement, pleasure, thrills, or excitement. Excluded are air structures
33 ("moonwalks"), arenas, stadiums, theatres, nonmechanical amusement structures commonly
34 located in or around day care centers, schools, commercial establishments, malls, fast food

1 restaurants, and convention halls. This does not include enterprises principally devoted to the
2 exhibition of products of agriculture, industry, education, science, religion, or the arts.

3 (3) "Amusement ride" means any mechanical device which carries, suspends or conveys
4 passengers along, around, or over a fixed or restricted route or course or within a defined area, for
5 the purpose of giving its passengers amusement, pleasure, thrills, or excitement. For the purposes
6 of this act, any dry slide over twenty (20) feet in height is also included. This term shall not include
7 hayrides (whether pulled by motor vehicle or horse), any coin-operated ride that is manually,
8 mechanically or electrically operated and customarily placed in a public location and that does not
9 normally require the supervision or services of an operator or nonmechanical devices with
10 nonmoving parts, including, but not limited to, walk-through amusement attractions, slides, and air
11 structures ("moonwalks").

12 (4) "Bazaar" means an enterprise principally devoted to the exhibition of products of crafts
13 and art, to which the operation of amusement rides or devices or concession booths is an adjunct.

14 (5) "Carnival" means a transient enterprise offering amusement or entertainment to the
15 public in, upon or by means of amusement devices, rides or concession booths.

16 (6) "Certificate to operate" means that document which indicates that the temporary
17 amusement device has undergone the inspection required after setup. It shall show the date of
18 inspection, the location of the inspection, the name of the inspector, and the maximum amount of
19 weight allowed per car or rideable unit.

20 (7) "Commissioner" means the state building commissioner.

21 (8) "Department" means the department of ~~administration~~ [business regulation](#).

22 (9) "Director" means the director of the department of ~~administration~~ [business regulation](#).

23 (10) "Fair" means an enterprise principally devoted to the exhibition of products of
24 agriculture or industry, to which the operation of amusement rides or devices or concession booths
25 is an adjunct.

26 (11) "Home-made ride or device" means a ride or device that was not manufactured by a
27 recognized ride or device manufacturer or any ride or device which has been substantially altered
28 without the approval of the manufacturer.

29 (12) "Inspection" means the physical examination of an amusement ride or device made
30 by the commissioner, or his authorized representative, prior to operating the amusement device for
31 the purpose of approving the application for a license.

32 (13) "Kiddie ride" means a device designed primarily to carry a specific number of children
33 in a fixture suitable for conveying children up to forty-two inches (42") in height or ride
34 manufacturer specifications.

1 (14) "Major alteration" means a change in the type, capacity, structure or mechanism of an
2 amusement device. This includes any change that would require approval of the ride manufacturer
3 or an engineer.

4 (15) "Major ride" means a device designed to carry a specific maximum number of
5 passengers, adults and children, in a fixture suitable for conveying persons.

6 (16) "Manager" means a person having possession, custody, or managerial control of an
7 amusement device, amusement attraction, or temporary structure, whether as owner, lessee, or
8 agent or otherwise.

9 (17) "Owner" means the person or persons holding title to, or having possession or control
10 of the amusement ride or device or concession booth.

11 (18) "Permanent amusement ride" means an amusement ride which is erected to remain a
12 lasting part of the premises.

13 (19) "Permit" means that document which signifies that the amusement device or
14 amusement attraction has undergone and passed its annual inspection. The department shall affix a
15 decal which clearly shows the month and year of expiration.

16 (20) "Qualified licensed engineer" means a licensed mechanical engineer who has at least
17 five (5) years of experience in his or her field and has experience in amusement ride inspection.

18 (21) "Reinspection" means an inspection which is made at any time after the initial
19 inspection.

20 (22) "Repair" means to restore an amusement ride to a condition equal to or better than the
21 original design specifications.

22 (23) "Ride file jacket" means a file concerning an individual amusement ride or device
23 which contains nondestructive test reports on the testing firm's official letterhead; the name of the
24 ride, the manufacturer and date of manufacture; maintenance records; records of any alterations;
25 ride serial number; daily check lists and engineer's reports and proof of insurance. Non-destructive
26 test reports shall not be required on any rides which are nonmechanical and which are not provided
27 by the manufacturer with said amusement ride.

28 (24) "Ride operator" means the person in charge of an amusement ride or device and who
29 causes the amusement ride or device to operate.

30 (25) "Serious injury" means an injury requiring a minimum of one overnight stay in a
31 hospital for treatment or observation.

32 (26) "Stop order" means any order issued by an inspector for the temporary cessation of a
33 ride or device.

34 (27) "Temporary amusement device" means a device which is used as an amusement

1 device or amusement attraction that is regularly relocated from time to time, with or without
2 disassembly.

3 SECTION 6. Section 42-7.3-3 of the General Laws in Chapter 42-7.3 entitled "Department
4 of Public Safety" is hereby amended as follows:

5 **42-7.3-3. Powers and duties of the department.**

6 The department of public safety shall be responsible for the management and
7 administration of the following divisions and agencies:

8 (a) Office of the capitol police (chapter 2.2 of title 12).

9 (b) ~~State fire marshal (chapter 28.2 of title 23)~~

10 (c) E-911 emergency telephone system division (chapter 28.2 of title 39).

11 (d) Rhode Island state police (chapter 28 of title 42).

12 (e) Municipal police training academy (chapter 28.2 of title 42).

13 (f) Division of sheriffs (chapter 7.3 of title 42).

14 SECTION 7. Section 42-11-2.9 of the General Laws in Chapter 42-11 entitled "Department
15 of Administration" is hereby amended as follows:

16 **42-11-2.9. Division of capital asset management and maintenance established.**

17 (a) Establishment. Within the department of administration there shall be established the
18 division of capital asset management and maintenance ("DCAMM"). Any prior references to the
19 division of facilities management and/or capital projects, if any, shall now mean DCAMM. Within
20 the DCAMM there shall be a director of DCAMM who shall be in the classified service and shall
21 be appointed by the director of administration. The director of DCAMM shall have the following
22 responsibilities:

23 (1) Oversee, coordinate, and manage the operating budget, personnel, and functions of
24 DCAMM in carrying out the duties described below;

25 (2) Review agency capital-budget requests to ensure that the request is consistent with
26 strategic and master facility plans for the state of Rhode Island;

27 (3) Promulgate and adopt regulations necessary to carry out the purposes of this section.

28 (b) Purpose. The purpose of the DCAMM shall be to manage and maintain state property
29 and state-owned facilities in a manner that meets the highest standards of health, safety, security,
30 accessibility, energy efficiency, and comfort for citizens and state employees and ensures
31 appropriate and timely investments are made for state property and facility maintenance.

32 (c) Duties and responsibilities of DCAMM. DCAMM shall have the following duties and
33 responsibilities:

34 (1) To oversee all new construction and rehabilitation projects on state property, not

1 including property otherwise assigned outside of the executive department by Rhode Island general
2 laws or under the control and supervision of the judicial branch;

3 (2) To assist the department of administration in fulfilling any and all capital-asset and
4 maintenance-related statutory duties assigned to the department under chapter 8 of title 37 (public
5 buildings) or any other provision of law, including, but not limited to, the following statutory duties
6 provided in § 42-11-2:

7 (i) To maintain, equip, and keep in repair the state house, state office buildings, and other
8 premises, owned or rented by the state, for the use of any department or agency, excepting those
9 buildings, the control of which is vested by law in some other agency;

10 (ii) To provide for the periodic inspection, appraisal, or inventory of all state buildings and
11 property, real and personal;

12 (iii) To require reports from state agencies on the buildings property in their custody;

13 (iv) To issue regulations to govern the protection and custody of the property of the state;

14 (v) To assign office and storage space, and to rent and lease land and buildings, for the use
15 of the several state departments and agencies in the manner provided by law;

16 (vi) To control and supervise the acquisition, operation, maintenance, repair, and
17 replacement of state-owned motor vehicles by state agencies;

18 (3) To generally manage, oversee, protect, and care for the state's properties and facilities,
19 not otherwise assigned by Rhode Island general laws, including, but not limited to, the following
20 duties:

21 (i) Space management, procurement, usage, and/or leasing of private or public space;

22 (ii) Care, maintenance, cleaning, and contracting for such services as necessary for state
23 property;

24 (iii) Capital equipment replacement;

25 (iv) Security of state property and facilities unless otherwise provided by law;

26 (v) Ensuring Americans with Disabilities Act (ADA) compliance;

27 (vi) Responding to facilities emergencies;

28 (vii) Managing traffic flow on state property;

29 (viii) Grounds keeping/landscaping/snow-removal services;

30 (ix) Maintenance and protection of artwork and historic artifacts;

31 (4) To manage and oversee state fleet operations.

32 (d) All state agencies shall participate in a statewide database and/or information system
33 for capital assets, that shall be established and maintained by DCAMM.

34 (e) Offices and boards assigned to DCAMM. DCAMM shall oversee the following boards,

1 offices, and functions:

- 2 (1) Office of planning, design, and construction (PDC);
3 (2) Office of facilities management and maintenance (OFMM);
4 (3) ~~Contractors' registration and licensing board (§ 5-65-1 seq.);~~
5 (4) ~~State building code (§ 23-27.3-1 et seq.);~~
6 (5) Office of risk management (§ 37-11-1 et seq.);
7 (6) ~~Fire safety code board of appeal and review (§ 23-28.3-1 et seq.);~~
8 (7) Office of state fleet operations (§ 42-11-2.4(d)).

9 (f) The boards, offices, and functions assigned to DCAMM shall:

10 (1) Exercise their respective powers and duties in accordance with their statutory authority
11 and the general policy established by the director of DCAMM or in accordance with the powers
12 and authorities conferred upon the director of DCAMM by this section;

13 (2) Provide such assistance or resources as may be requested or required by the director of
14 DCAMM or the director of administration;

15 (3) Provide such records and information as may be requested or required by the director
16 of DCAMM or the director of administration; and

17 (4) Except as provided herein, no provision of this chapter or application thereof shall be
18 construed to limit or otherwise restrict the offices stated above from fulfilling any statutory
19 requirement or complying with any valid rule or regulation.

20 SECTION 8. Sections 42-14-1, 42-14-2, 42-14-4, 42-14-5, 42-14-6, 42-14-7, 42-14-8, 42-
21 14-11, 42-14-16 and 42-14-16.1 of the General Laws in Chapter 42-14 entitled "Department of
22 Business Regulation" are hereby amended as follows:

23 **42-14-1. Establishment – Head of department.**

24 There shall be a department of business regulation. The head of the department shall be the
25 director of business regulation who ~~shall carry out~~, except as otherwise provided by this title, shall
26 carry out this chapter; ~~chapters 1, 2, and 4—12, inclusive, of title 3; chapters 3, 20.5, 38, 49, 52, 53~~
27 ~~and 58 of title 5; chapter 31 of title 6; chapter 11 of title 7; chapters 1—29, inclusive, of title 19,~~
28 ~~except § 19-24-6; chapter 28.6 of title 21; chapter 26 of title 23; chapters 1—36, inclusive, of title~~
29 ~~27. The director of business regulation shall also~~ and perform the duties required by any and all
30 other provisions of the general laws and public laws insofar as those provisions relate to ~~the director~~
31 ~~of revenue and regulation, chief of the division of banking and insurance, chief of the division of~~
32 ~~intoxicating beverages, and~~ each of the divisions and licensing and regulatory areas within the
33 jurisdiction of the department, ~~except as otherwise provided by this title.~~

34 **42-14-2. Functions of department.**

- 1 (a) It shall be the function of the department of business regulation:
- 2 (1) ~~To regulate and control banking and insurance, foreign surety companies, sale of~~
3 ~~securities, building and loan associations, fraternal benefit and beneficiary societies;~~
- 4 (2) ~~To regulate and control the manufacture, transportation, possession, and sale of~~
5 ~~alcoholic beverages;~~
- 6 (3) ~~To license and regulate the manufacture and sale of articles of bedding, upholstered~~
7 ~~furniture, and filling materials;~~
- 8 (4) ~~To regulate the licensing of compassion centers, licensed cultivators, and cooperative~~
9 ~~cultivations pursuant to chapter 28.6 of title 21 of the general laws to license, regulate and control~~
10 ~~all areas as required by this chapter and any and all other provisions of the general laws and public~~
11 ~~laws.~~

12 (b) Whenever any hearing is required or permitted to be held pursuant to law or regulation
13 of the department of business regulation, and whenever no statutory provision exists providing that
14 notice be given to interested parties prior to the hearing, no such hearing shall be held without
15 notice in writing being given at least ten (10) days prior to such hearing to all interested parties.
16 For purposes of this section, an "interested party" shall be deemed to include the party subject to
17 regulation hereunder, ~~the Rhode Island consumers' council~~, and any party entitled to appear at the
18 hearing. Notice to the party that will be subject to regulation, ~~the Rhode Island consumers' council~~
19 ~~[Repealed]~~, and any party who has made known his or her intention to appear at the hearing shall
20 be sufficient if it be in writing and mailed, first class mail, to the party at his or her regular business
21 address. Notice to the general public shall be sufficient hereunder if it be by publication in a
22 newspaper of general circulation in the municipality affected by the regulation.

23 ~~42-14-4. Banking and insurance financial services divisions~~ **Financial services**
24 **division.**

25 Within the department of business regulation there shall be a division of financial services
26 that oversees the regulation and control of banking ~~division~~ and ~~an~~ insurance ~~division~~ and such
27 other matters within the jurisdiction of the department as determined by the director. The ~~divisions~~
28 division shall have offices which shall be assigned to ~~them~~ it by the department of administration.
29 ~~A s~~ Superintendents ~~shall be in charge of each division, of banking and insurance~~ reporting
30 to the director, ~~deputy director~~ and/or health insurance commissioner as appropriate shall be in
31 charge of all matters relating to banking and insurance.

32 ~~42-14-5. Administrator~~ **Superintendents of banking and insurance**
33 **Superintendents of banking and insurance.**

34 (a) The ~~director of business regulation shall, in addition to his or her regular duties, act as~~

1 ~~administrator of banking and insurance and~~ superintendents of banking and insurance shall
2 administer the functions of the department relating to the regulation and control of banking and
3 insurance, ~~foreign surety companies, sale of securities, building and loan associations, and fraternal~~
4 ~~benefit and beneficiary societies.~~

5 (b) Wherever the words "banking administrator" or "banking commissioner" or "insurance
6 administrator" or "insurance commissioner" occur in this chapter or any general law, public law,
7 act, or resolution of the general assembly or department regulation, they shall be construed to mean
8 superintendent of banking ~~commissioner~~ and superintendent of insurance ~~commissioner~~ except as
9 delineated in subsection (d) below.

10 (c) "Health insurance" shall mean "health insurance coverage," as defined in §§ 27-18.5-2
11 and 27-18.6-2, "health benefit plan," as defined in § 27-50-3 and a "medical supplement policy,"
12 as defined in § 27-18.2-1 or coverage similar to a Medicare supplement policy that is issued to an
13 employer to cover retirees, and dental coverage, including, but not limited to, coverage provided
14 by a nonprofit dental service plan as defined in subsection 27-20.1-1(3).

15 (d) Whenever the words "commissioner," "insurance commissioner", "Health insurance
16 commissioner" or "director" appear in Title 27 or Title 42, those words shall be construed to mean
17 the health insurance commissioner established pursuant to § 42-14.5-1 with respect to all matters
18 relating to health insurance. The health insurance commissioner shall have sole and exclusive
19 jurisdiction over enforcement of those statutes with respect to all matters relating to health
20 insurance.

21 (e) Whenever the word "director" appears or is a defined term in Title 19, this word shall
22 be construed to mean the superintendent of banking established pursuant to this section.

23 (f) Whenever the word "director" or "commissioner" appears or is a defined term in Title
24 27, this word shall be construed to mean the superintendent of insurance established pursuant to
25 this section except as delineated in subsection (d) of this section.

26 ~~42-14-6. Restrictions on interests of administrator superintendents~~ **Restrictions on**
27 **interests of superintendents.**

28 The ~~administrator~~ superintendents of banking and insurance shall not engage in any other
29 business or be an officer of or directly or indirectly interested in any national bank doing business
30 in this state, or in any bank, savings bank, or trust company organized under the laws of this state,
31 nor be directly or indirectly interested in any corporation, business, or occupation that requires his
32 or her official supervision; absent compliance with § 42-14-6.1, ~~nor shall the administrator no~~
33 superintendent shall become indebted to any bank, savings bank, or trust company organized under
34 the laws of this state, nor shall he or she engage or be interested in the sale of securities as a business,

1 or in the negotiation of loans for others.

2 **42-14-7. ~~Deputies to administrator superintendents~~ Deputies to superintendents.**

3 The ~~administrator~~ superintendent of banking and the superintendent of insurance may
4 appoint one or more deputies to assist him or her in the performance of his or her duties, who shall
5 be removable at the pleasure of the ~~administrator~~ superintendent, and the ~~administrator~~
6 superintendent in his or her official capacity shall be liable for any deputy's misconduct or neglect
7 of duty in the performance of his or her official duties. Service of process upon any deputy, or at
8 the office of the ~~administrator~~ superintendent upon some person there employed, at any time, shall
9 be as effectual as service upon the ~~administrator~~ superintendent.

10 **42-14-8. Clerical assistance and expenses.**

11 The ~~administrator~~ superintendent of banking and the superintendent of insurance may
12 employ such clerical assistance and incur such office and traveling expenses for him or herself, his
13 or her deputies and assistants as may be necessary in the performance of his or her other duties, and
14 as provided by this title, within the amounts appropriated therefor.

15 **42-14-11. Subpoena power – False swearing.**

16 (a) In connection with any matters having to do with the discharge of his or her duties
17 pursuant to this chapter, the director or his or her designee, in all cases of every nature pending
18 before him or her, is hereby authorized and empowered to summon witnesses to attend and testify
19 in like manner as in either the supreme or the superior courts. The director or his or her designee is
20 authorized to compel the production of all papers, books, documents, records, certificates or other
21 legal evidence that may be necessary for the determination and the decision of any question or the
22 discharge of any duty required by law of the department, including the functions of the ~~director as~~
23 ~~a member of the board of bank incorporation and board of building loan association incorporation~~
24 superintendents of banking and insurance, by issuing a subpoena duces tecum signed by the director
25 or his or her designee.

26 (b) Every person who disobeys this writ shall be considered in contempt of the department,
27 and the department may punish that and any other contempt of the authority in like manner as
28 contempt may be punished in either the supreme or the superior court.

29 (c) Any person who shall willfully swear falsely in any proceedings, matter or hearing
30 before the department shall be deemed guilty of the crime of perjury.

31 **42-14-16. Insurance – Administrative penalties.**

32 (a) Whenever the director or his or her designee shall have cause to believe that a violation
33 of title 27 and/or chapters 14, 14.5, 62 or 128.1 of title 42 or the regulations promulgated thereunder
34 has occurred by a licensee, or any person or entity conducting any activities requiring licensure

1 under title 27, the director [or his or her designee](#) may, in accordance with the requirements of the
2 Administrative Procedures Act, chapter 35 of this title:

3 (1) Revoke or suspend a license;

4 (2) Levy an administrative penalty in an amount not less than one hundred dollars (\$100)
5 nor more than fifty thousand dollars (\$50,000);

6 (3) Order the violator to cease such actions;

7 (4) Require the licensee or person or entity conducting any activities requiring licensure
8 under title 27 to take such actions as are necessary to comply with title 27 and/or chapters 14, 14.5,
9 62, or 128.1 of title 42, or the regulations thereunder; or

10 (5) Any combination of the above penalties.

11 (b) Any monetary penalties assessed pursuant to this section shall be as general revenues.

12 **42-14-16.1. Order to cease and desist.**

13 (a) If the director [or his or her designee](#) has reason to believe that any person, firm,
14 corporation or association is conducting any activities requiring licensure under title 27 [or any other](#)
15 [provisions of the general laws or public laws within the jurisdiction of the department](#) without
16 obtaining a license, or who after the denial, suspension or revocation of a license conducts any
17 activities requiring licensure under title 27 [or any other provisions of the general laws or public](#)
18 [laws within the jurisdiction of the department](#), the department may issue its order to that person,
19 firm, corporation or association commanding them to appear before the department at a hearing to
20 be held no sooner than ten (10) days nor later than twenty (20) days after issuance of that order to
21 show cause why the department should not issue an order to that person to cease and desist from
22 the violation of the provisions of ~~title 27~~ [applicable law](#).

23 (b) The order to show cause may be served on any person, firm, corporation or association
24 named in the order in the same manner that summons in a civil action may be served, or by mailing
25 a copy of the order, certified mail, return receipt requested, to that person at any address at which
26 he or she has done business or at which he or she lives. If, upon that hearing, the department is
27 satisfied that the person is in fact violating any provision of ~~title 27~~ [applicable law](#), then the
28 department may order that person, in writing, to cease and desist from that violation.

29 (c) All hearings shall be governed in accordance with chapter 35 of this title, the
30 "Administrative Procedures Act." If that person fails to comply with an order of the department
31 after being afforded a hearing, the superior court in Providence county has jurisdiction upon
32 complaint of the department to restrain and enjoin that person from violating this chapter.

33 SECTION 9. Section 42-28-3 of the General Laws in Chapter 42-28 entitled "State Police"
34 is hereby amended as follows:

1 **42-28-3. Scope of responsibilities.**

2 (a) The Rhode Island state police and the superintendent shall be charged with the
3 responsibility of:

- 4 (1) Providing a uniformed force for law enforcement;
5 (2) Preparing rules and regulations for law enforcement;
6 (3) Maintaining facilities for crime detection and suppression; and
7 (4) Controlling traffic and maintaining safety on the highways.

8 (b) ~~The superintendent shall be ex officio state fire marshal.~~

9 (c) The superintendent shall also serve as the director of the department of public safety.

10 SECTION 10. Section 42-28-26 of the General Laws in Chapter 42-28 entitled "State
11 Police" is hereby repealed.

12 **~~42-28-26. Location of school.~~**

13 ~~The municipal police training school shall be maintained by the state and located on the
14 premises of the University of Rhode Island and such other state owned property as the
15 superintendent of the state police, with the consent of the governor, may from time to time
16 determine.~~

17 SECTION 11. Section 42-133-6 of the General Laws in Chapter entitled "Tobacco
18 Settlement Financing Corporation Act" is hereby amended to read as follows:

19 **42-133-6. Board and officers.**

20 (a)(1) The powers of the corporation shall be vested in a board consisting of five (5)
21 members, which shall constitute the governing body of the corporation, and which shall be
22 comprised as follows: ~~two (2) members of the state investment commission to be appointed by the~~
23 ~~governor who shall give due consideration to the recommendation of the chair of the investment~~
24 ~~commission, the state budget officer, who shall serve as chairperson, the general treasurer or~~
25 ~~designee, the director of revenue or designee~~ and ~~three (3)~~ two (2) members of the general public
26 appointed by the governor with the advice and consent of the senate. Each public member shall
27 serve for a term of ~~two (2)~~ four (4) years, except that any member appointed to fill a vacancy shall
28 serve only until the expiration of the unexpired term of such member's predecessor in office. Each
29 member shall continue to hold office until a successor has been appointed. Members shall be
30 eligible for reappointment. No person shall be eligible for appointment unless such person is a
31 resident of the state. Each member, before entering upon the duties of the office of member, shall
32 swear or solemnly affirm to administer the duties of office faithfully and impartially, and such oath
33 or affirmation shall be filed in the office of the secretary of state.

34 (2) ~~Those members of the board as of July 9, 2005 who were appointed to the board by~~

1 ~~members of the general assembly shall cease to be members of the board on July 9, 2005, and the~~
2 ~~governor shall thereupon seek recommendations from the chair of the state investment commission~~
3 ~~for him or her duly to consider for the appointment of two (2) members thereof. Those members of~~
4 ~~the board as of July 9, 2005 who were appointed to the board by the governor shall continue to~~
5 ~~serve the balance of their current terms.~~

6 (3) Newly appointed and qualified public members shall, within six (6) months of their
7 qualification or designation, attend a training course that shall be developed with board approval
8 and conducted by the chair of the board and shall include instruction in the subject area of chapters
9 46 of this title, 133 of this title, 14 of title 36, and 2 of title 38; and the board's rules and regulations.
10 The director of the department of administration shall, within ninety (90) days of July 9, 2005,
11 prepare and disseminate training materials relating to the provisions of chapters 46 of this title, 14
12 of title 36 and 2 of title 38.

13 (b) Members shall receive no compensation for the performance of their duties.

14 (c) ~~The board shall elect one of its members to serve as chairperson.~~ Three (3) members
15 shall constitute a quorum, and any action to be taken by the corporation under the provisions of this
16 chapter may be authorized by resolution approved by a majority of the members present and voting
17 at any regular or special meeting at which a quorum is present.

18 (d) ~~In addition to electing a chairperson, the~~ The board shall appoint a secretary and such
19 additional officers as it shall deem appropriate.

20 (e) Any action taken by the corporation under the provisions of this chapter may be
21 authorized by vote at any regular or special meeting, and the vote shall take effect immediately.

22 (f) Any action required by this chapter to be taken at a meeting of the board shall comply
23 with chapter 46 of this title, entitled "Open Meetings."

24 (g) To the extent that administrative assistance is needed for the functions and operations
25 of the board, the corporation may by contract or agreement obtain this assistance from the director
26 of administration, the attorney general, and any successor officer at such cost to the corporation as
27 shall be established by such contract or agreement. The board, however, shall remain responsible
28 for, and provide oversight of, proper implementation of this chapter.

29 (h) Members of the board and persons acting on the corporation's behalf, while acting
30 within the scope of their employment or agency, are not subject to personal liability resulting from
31 carrying out the powers and duties conferred on them under this chapter.

32 (i) The state shall indemnify and hold harmless every past, present, or future board member,
33 officer or employee of the corporation who is made a party to or is required to testify in any action,
34 investigation, or other proceeding in connection with or arising out of the performance or alleged

1 lack of performance of that person's duties on behalf of the corporation. These persons shall be
2 indemnified and held harmless, whether they are sued individually or in their capacities as board
3 members, officers or employees of the corporation, for all expenses, legal fees and/or costs incurred
4 by them during or resulting from the proceedings, and for any award or judgment arising out of
5 their service to the corporation that is not paid by the corporation and is sought to be enforced
6 against a person individually, as expenses, legal fees, costs, awards or judgments occur; provided,
7 that neither the state nor the corporation shall indemnify any member, officer, or employee:

8 (1) For acts or omissions not in good faith or which involve intentional misconduct or a
9 knowing violation of law;

10 (2) For any transaction from which the member derived an improper personal benefit; or

11 (3) For any malicious act.

12 (j) Public members of the board shall be removable by the governor, pursuant to the
13 provisions of § 36-1-7, for cause only, and removal solely for partisan or personal reasons unrelated
14 to capacity or fitness for the office shall be unlawful.

15 SECTION 12. Sections 44-31.2-2 and 44-31.2-6 of the General Laws in Chapter 44-31.2
16 entitled "Motion Picture Production Tax Credits" are hereby amended to read as follows:

17 **44-31.2-2. Definitions.**

18 For the purposes of this chapter:

19 (1) "Accountant's certification" as provided in this chapter means a certified audit by a
20 Rhode Island certified public accountant licensed in accordance with chapter 3.1 of title 5.

21 (2) "Application year" means within the calendar year the motion picture production
22 company files an application for the tax credit.

23 (3) "Base investment" means the actual investment made and expended by a state-certified
24 production in the state as production-related costs.

25 (4) "Documentary production" means a non-fiction production intended for educational or
26 commercial distribution that may require out-of-state principal photography.

27 (5) "Domiciled in Rhode Island" means a corporation incorporated in Rhode Island or a
28 partnership, limited liability company, or other business entity formed under the laws of the state
29 of Rhode Island for the purpose of producing motion pictures as defined in this section, or an
30 individual who is a domiciled resident of the state of Rhode Island as defined in chapter 30 of this
31 title.

32 (6) "Final production budget" means and includes the total pre-production, production, and
33 post-production out-of-pocket costs incurred and paid in connection with the making of the motion
34 picture. The final production budget excludes costs associated with the promotion or marketing of

1 the motion picture.

2 (7) "Motion picture" means a feature-length film, documentary production, video,
3 television series, or commercial made in Rhode Island, in whole or in part, for theatrical or
4 television viewing or as a television pilot or for educational distribution. The term "motion picture"
5 shall not include the production of television coverage of news or athletic events, nor shall it apply
6 to any film, video, television series, or commercial or a production for which records are required
7 under 18 U.S.C. § 2257, to be maintained with respect to any performer in such production or
8 reporting of books, films, etc. with respect to sexually explicit conduct.

9 (8) "Motion picture production company" means a corporation, partnership, limited
10 liability company, or other business entity engaged in the business of producing one or more motion
11 pictures as defined in this section. Motion picture production company shall not mean or include:

12 (a) Any company owned, affiliated, or controlled, in whole or in part, by any company or
13 person who or that is in default:

14 (i) On taxes owed to the state; or

15 (ii) On a loan made by the state in the application year; or

16 (iii) On a loan guaranteed by the state in the application year; or

17 (b) Any company or person who or that has discharged an obligation to pay or repay public
18 funds or monies by:

19 (i) Filing a petition under any federal or state bankruptcy or insolvency law;

20 (ii) Having a petition filed under any federal or state bankruptcy or insolvency law against
21 such company or person;

22 (iii) Consenting to, or acquiescing or joining in, a petition named in (i) or (ii);

23 (iv) Consenting to, or acquiescing or joining in, the appointment of a custodian, receiver,
24 trustee, or examiner for such company's or person's property; or

25 (v) Making an assignment for the benefit of creditors or admitting in writing or in any legal
26 proceeding its insolvency or inability to pay debts as they become due.

27 (9) "Primary locations" means the locations that (1) At least fifty-one percent (51%) of the
28 motion picture principal photography days are filmed; or (2) At least fifty-one percent (51%) of the
29 motion picture's final production budget is spent and employs at least five (5) individuals during
30 the production in this state; or (3) For documentary productions, the location of at least fifty-one
31 percent (51%) of the total productions days, which shall include pre-production and post-
32 production locations.

33 (10) "Rhode Island film and television office" means an office within the ~~department of~~
34 ~~administration~~ [Rhode Island Council on the Arts](#) that has been established in order to promote and

1 encourage the locating of film and television productions within the state of Rhode Island. The
2 office is also referred to within as the "film office".

3 (11) "State-certified production" means a motion picture production approved by the
4 Rhode Island film office and produced by a motion picture production company domiciled in
5 Rhode Island, whether or not such company owns or controls the copyright and distribution rights
6 in the motion picture; provided, that such company has either:

7 (a) Signed a viable distribution plan; or

8 (b) Is producing the motion picture for:

9 (i) A major motion picture distributor;

10 (ii) A major theatrical exhibitor;

11 (iii) Television network; or

12 (iv) Cable television programmer.

13 (12) "State-certified production cost" means any pre-production, production, and post-
14 production cost that a motion picture production company incurs and pays to the extent it occurs
15 within the state of Rhode Island. Without limiting the generality of the foregoing, "state-certified
16 production costs" include: set construction and operation; wardrobes, make-up, accessories, and
17 related services; costs associated with photography and sound synchronization, lighting, and related
18 services and materials; editing and related services, including, but not limited to: film processing,
19 transfers of film to tape or digital format, sound mixing, computer graphics services, special effects
20 services, and animation services, salary, wages, and other compensation, including related benefits,
21 of persons employed, either directly or indirectly, in the production of a film including writer,
22 motion picture director, producer (provided the work is performed in the state of Rhode Island);
23 rental of facilities and equipment used in Rhode Island; leasing of vehicles; costs of food and
24 lodging; music, if performed, composed, or recorded by a Rhode Island musician, or released or
25 published by a person domiciled in Rhode Island; travel expenses incurred to bring persons
26 employed, either directly or indirectly, in the production of the motion picture, to Rhode Island (but
27 not expenses of such persons departing from Rhode Island); and legal (but not the expense of a
28 completion bond or insurance and accounting fees and expenses related to the production's
29 activities in Rhode Island); provided such services are provided by Rhode Island licensed attorneys
30 or accountants.

31 **44-31.2-6. Certification and administration.**

32 (a) *Initial certification of a production.* The applicant shall properly prepare, sign and
33 submit to the film office an application for initial certification of the Rhode Island production. The
34 application shall include such information and data as the film office deems necessary for the proper

1 evaluation and administration of said application, including, but not limited to, any information
2 about the motion picture production company, and a specific Rhode Island motion picture. The film
3 office shall review the completed application and determine whether it meets the requisite criteria
4 and qualifications for the initial certification for the production. If the initial certification is granted,
5 the film office shall issue a notice of initial certification of the motion picture production to the
6 motion picture production company and to the tax administrator. The notice shall state that, after
7 appropriate review, the initial application meets the appropriate criteria for conditional eligibility.
8 The notice of initial certification will provide a unique identification number for the production and
9 is only a statement of conditional eligibility for the production and, as such, does not grant or
10 convey any Rhode Island tax benefits.

11 *(b) Final certification of a production.* Upon completion of the Rhode Island production
12 activities, the applicant shall request a certificate of good standing from the Rhode Island division
13 of taxation. Such certificates shall verify to the film office the motion picture production company's
14 compliance with the requirements of subsection 44-31.2-2(5). The applicant shall properly prepare,
15 sign and submit to the film office an application for final certification of the production and which
16 must include the certificate of good standing from the division of taxation. In addition, the
17 application shall contain such information and data as the film office determines is necessary for
18 the proper evaluation and administration, including, but not limited to, any information about the
19 motion picture production company, its investors and information about the production previously
20 granted initial certification. The final application shall also contain a cost report and an
21 "accountant's certification". The film office and tax administrator may rely without independent
22 investigation, upon the accountant's certification, in the form of an opinion, confirming the
23 accuracy of the information included in the cost report. Upon review of a duly completed and filed
24 application, the film office will make a determination pertaining to the final certification of the
25 production. Within ninety (90) days after the division of taxation's receipt of the motion picture
26 production company final certification and cost report, the division of taxation shall issue a
27 certification of the amount of credit for which the motion picture production company qualifies
28 under § 44-31.2-5. To claim the tax credit, the division of taxation's certification as to the amount
29 of the tax credit shall be attached to all state tax returns on which the credit is claimed.

30 *(c) Final certification and credits.* Upon determination that the motion picture production
31 company qualifies for final certification, the film office shall issue a letter to the production
32 company indicating "certificate of completion of a state certified production". A motion picture
33 production company is prohibited from using state funds, state loans or state guaranteed loans to
34 qualify for the motion picture tax credit. All documents that are issued by the film office pursuant

1 to this section shall reference the identification number that was issued to the production as part of
2 its initial certification.

3 (d) The director of ~~the department of administration,~~ [the Rhode Island Council on the Arts,](#)
4 in consultation as needed with the tax administrator, shall promulgate such rules and regulations as
5 are necessary to carry out the intent and purposes of this chapter in accordance with the general
6 guidelines provided herein for the certification of the production and the resultant production credit.

7 (e) The tax administrator of the division of taxation, in consultation with the director of the
8 Rhode Island film and television office, shall promulgate such rules and regulations as are
9 necessary to carry out the intent and purposes of this chapter in accordance with the general
10 guidelines for the tax credit provided herein.

11 (f) Any motion picture production company applying for the credit shall be required to
12 reimburse the division of taxation for any audits required in relation to granting the credit.

13 SECTION 13. This Article shall take effect upon passage.

ARTICLE 4

RELATING TO TAXES AND REVENUE

SECTION 1. Sections 42-61-4 and 42-61-15 of the General Laws in Chapter 61 entitled "State Lottery" are hereby amended to read as follows:

42-61-4. Powers and duties of director.

The director shall have the power and it shall be his or her duty to:

(1) Supervise and administer the operation of lotteries in accordance with this chapter, chapter 61.2 of this title and with the rules and regulations of the division;

(2) Act as the chief administrative officer having general charge of the office and records and to employ necessary personnel to serve at his or her pleasure and who shall be in the unclassified service and whose salaries shall be set by the director of the department of revenue, pursuant to the provisions of § 42-61-3.

(3) In accordance with this chapter and the rules and regulations of the division, license as agents to sell lottery tickets those persons, as in his or her opinion, who will best serve the public convenience and promote the sale of tickets or shares. The director may require a bond from every licensed agent, in an amount provided in the rules and regulations of the division. Every licensed agent shall prominently display his or her license, or a copy of their license, as provided in the rules and regulations of the committee;

(4) Confer regularly as necessary or desirable, and not less than nine (9) times per year, with the permanent joint committee on state lottery on the operation and administration of the lotteries; make available for inspection by the committee, upon request, all books, records, files, and other information, and documents of the division; advise the committee and recommend those matters that he or she deems necessary and advisable to improve the operation and administration of the lotteries;

(5) Suspend or revoke any license issued pursuant to this chapter, chapter 61.2 of this title or the rules and regulations promulgated under this chapter and chapter 61.2 of this title;

(6) Enter into contracts for the operation of the lotteries, or any part of the operation of the lotteries, and into contracts for the promotion of the lotteries;

(7) Ensure that monthly financial reports are prepared providing gross monthly revenues, prize disbursements, other expenses, net income, and the amount transferred to the state general

1 fund for keno and for all other lottery operations; submit this report to the state budget officer, the
2 auditor general, the permanent joint committee on state lottery, the legislative fiscal advisors, and
3 the governor no later than the twentieth business day following the close of the month; the monthly
4 report shall be prepared in a manner prescribed by the members of the revenues estimating
5 conference; at the end of each fiscal year the director shall submit an annual report based upon an
6 accrual system of accounting which shall include a full and complete statement of lottery revenues,
7 prize disbursements and expenses, to the governor and the general assembly, which report shall be
8 a public document and shall be filed with the secretary of state;

9 (8) Carry on a continuous study and investigation of the state lotteries throughout the state,
10 and the operation and administration of similar laws, which may be in effect in other states or
11 countries; and the director shall continue to exercise his authority to study, evaluate and where
12 deemed feasible and advisable by the director, implement lottery-related initiatives, including but
13 not limited to, pilot programs for limited periods of time, with the goal of generating additional
14 revenues to be transferred by the Lottery to the general fund pursuant to § 42-61-15(3). Each such
15 initiative shall be objectively evaluated from time to time using measurable criteria to determine
16 whether the initiative is generating revenue to be transferred by the Lottery to the general fund.
17 Nothing herein shall be deemed to permit the implementation of an initiative that would constitute
18 an expansion of gambling requiring voter approval under applicable Rhode Island law.

19 (9) Implement the creation and sale of commercial advertising space on lottery tickets as
20 authorized by § 42-61-4 of this chapter as soon as practicable after June 22, 1994;

21 (10) Promulgate rules and regulations, which shall include, but not be limited to:

22 (i) The price of tickets or shares in the lotteries;

23 (ii) The number and size of the prizes on the winning tickets or shares;

24 (iii) The manner of selecting the winning tickets or shares;

25 (iv) The manner of payment of prizes to the holders of winning tickets or shares;

26 (v) The frequency of the drawings or selections of winning tickets or shares;

27 (vi) The number and types of location at which tickets or shares may be sold;

28 (vii) The method to be used in selling tickets or shares;

29 (viii) The licensing of agents to sell tickets or shares, except that a person under the age of
30 eighteen

31 (18) shall not be licensed as an agent;

32 (ix) The license fee to be charged to agents;

33 (x) The manner in which the proceeds of the sale of lottery tickets or shares are maintained,
34 reported, and otherwise accounted for;

1 (xi) The manner and amount of compensation to be paid licensed sales agents necessary to
2 provide for the adequate availability of tickets or shares to prospective buyers and for the
3 convenience of the general public;

4 (xii) The apportionment of the total annual revenue accruing from the sale of lottery tickets
5 or shares and from all other sources for the payment of prizes to the holders of winning tickets or
6 shares, for the payment of costs incurred in the operation and administration of the lotteries,
7 including the expense of the division and the costs resulting from any contract or contracts entered
8 into for promotional, advertising, consulting, or operational services or for the purchase or lease of
9 facilities, lottery equipment, and materials, for the repayment of moneys appropriated to the lottery
10 fund;

11 (xiii) The superior court upon petition of the director after a hearing may issue subpoenas
12 to compel the attendance of witnesses and the production of documents, papers, books, records,
13 and other evidence in any matter over which it has jurisdiction, control or supervision. If a person
14 subpoenaed to attend in the proceeding or hearing fails to obey the command of the subpoena
15 without reasonable cause, or if a person in attendance in the proceeding or hearing refuses without
16 lawful cause to be examined or to answer a legal or pertinent question or to exhibit any book,
17 account, record, or other document when ordered to do so by the court, that person may be punished
18 for contempt of the court;

19 (xiv) The manner, standards, and specification for the process of competitive bidding for
20 division purchases and contracts; and

21 (xv) The sale of commercial advertising space on the reverse side of, or in other available
22 areas upon, lottery tickets provided that all net revenue derived from the sale of the advertising
23 space shall be deposited immediately into the state's general fund and shall not be subject to the
24 provisions of § 42-61-15.

25 **42-61-15. State lottery fund.**

26 (a) There is created the state lottery fund, into which shall be deposited all revenues
27 received by the division from the sales of lottery tickets and license fees. The fund shall be in the
28 custody of the general treasurer, subject to the direction of division for the use of the division, and
29 money shall be disbursed from it on the order of the controller of the state, pursuant to vouchers or
30 invoices signed by the director and certified by the director of administration. The moneys in the
31 state lottery fund shall be allotted in the following order, and only for the following purposes:

32 (1) Establishing a prize fund from which payments of the prize awards shall be disbursed
33 to holders of winning lottery tickets on checks signed by the director and countersigned by the
34 controller of the state or his or her designee.

1 (i) The amount of payments of prize awards to holders of winning lottery tickets shall be
2 determined by the division, but shall not be less than forty-five percent (45%) nor more than sixty-
3 five percent (65%) of the total revenue accruing from the sale of lottery tickets.

4 (ii) For the lottery game commonly known as "Keno", the amount of prize awards to
5 holders of winning Keno tickets shall be determined by the division, but shall not be less than forty-
6 five percent (45%) nor more than seventy-two percent (72%) of the total revenue accruing from
7 the sale of Keno tickets.

8 (2) Payment of expenses incurred by the division in the operation of the state lotteries
9 including, but not limited to, costs arising from contracts entered into by the director for
10 promotional, consulting, or operational services, salaries of professional, technical, and clerical
11 assistants, and purchases or lease of facilities, lottery equipment, and materials; provided however,
12 solely for the purpose of determining revenues remaining and available for transfer to the state's
13 general fund, ~~beginning in fiscal year 2015~~ expenses incurred by the division in the operation of
14 state lotteries shall reflect (i) Beginning in fiscal year 2015, the actuarially determined employer
15 contribution to the Employees' Retirement System consistent with the state's adopted funding
16 policy; and (ii) Beginning in fiscal year 2018, the actuarially determined employer contribution to
17 the State Employees and Electing Teachers' OPEB System consistent with the state's adopted
18 funding policy. For financial reporting purposes, the state lottery fund financial statements shall be
19 prepared in accordance with generally accepted accounting principles as promulgated by the
20 Governmental Accounting Standards Board; and

21 (3) Payment into the general revenue fund of all revenues remaining in the state lottery
22 fund after the payments specified in subdivisions (a)(1) – (a)(2) of this section.

23 (b) The auditor general shall conduct an annual post audit of the financial records and
24 operations of the lottery for the preceding year in accordance with generally accepted auditing
25 standards and government auditing standards. In connection with the audit, the auditor general may
26 examine all records, files, and other documents of the division, and any records of lottery sales
27 agents that pertain to their activities as agents, for purposes of conducting the audit. The auditor
28 general, in addition to the annual post audit, may require or conduct any other audits or studies he
29 or she deems appropriate, the costs of which shall be borne by the division.

30 (c) Payments into the state's general fund specified in subsection (a)(3) of this section shall
31 be made on an estimated quarterly basis. Payment shall be made on the tenth business day following
32 the close of the quarter except for the fourth quarter when payment shall be on the last business
33 day.

34 SECTION 2. Purpose.

1 (a) Article VI, Section 22 of the Rhode Island Constitution provides that "[n]o act
2 expanding the types or locations of gambling permitted within the state or within any city or town
3 . . . shall take effect until it has been approved by the majority of those electors voting in a statewide
4 referendum and by the majority of those electors voting in said referendum in the municipality in
5 which the proposed gambling would be allowed . . ."

6 (b) In the 2012 general election, a majority of Rhode Island voters statewide and in the
7 Town of Lincoln approved the following referendum question (among others):

8 "Shall an act be approved which would authorize the facility known as "Twin River" in the
9 town of Lincoln to add state-operated casino gaming, such as table games, to the types of gambling
10 it offers?"

11 (c) Similarly, in the 2016 general election, a majority of Rhode Island voters statewide and
12 in the Town of Tiverton approved the following referendum question (among others):

13 "Shall an act be approved which would authorize a facility owned by Twin River-Tiverton,
14 LLC, located in the Town of Tiverton at the intersection of William S. Canning Boulevard and
15 Stafford Road, to be licensed as a pari-mutuel facility and offer state-operated video-lottery games
16 and state-operated casino gaming, such as table games?"

17 (d) In the voter information handbooks setting forth and explaining the question in each
18 instance, "casino gaming" was defined to include games "within the definition of Class III gaming
19 as that term is defined in section 2703(8) of Title 25 of the United States Code and which is
20 approved by the State of Rhode Island through the Lottery Division." "Casino gaming" is also
21 defined to include games within the definition of class III gaming in section 42-61.2-1 of the general
22 laws.

23 (e) Section 2703(8) of Title 25 US Code (part of the Indian Gaming Regulatory Act, or
24 "IGRA") provides that the term "class III gaming" means "all forms of gaming that are not class I
25 gaming or class II gaming." The regulations promulgated under IGRA (25 CFR 502.4) expressly
26 state that Class III gaming includes sports wagering.

27 (f) Thus, voters state-wide and locally approved state-operated sports wagering to be
28 offered by the Twin River and Tiverton gaming facilities. Voter approval of sports wagering shall
29 be implemented by providing an infrastructure for state-operated sports wagering offered by the
30 Twin River gaming facilities in Lincoln and Tiverton, by authorizing necessary amendments to
31 certain contracts and by authorizing the division of lotteries to promulgate regulations to direct and
32 control state-operated sports wagering.

33 (g) State operated sports wagering shall be operated by the state through the division of
34 lotteries. Sports wagering may be conducted at (i) the Twin River Gaming Facility, located in

1 Lincoln at 100 Twin River Road and owned by UTGR, Inc., a licensed video lottery and table game
2 retailer, and at (ii) the Tiverton Gaming Facility, located in Tiverton at the intersection of William
3 S. Canning Boulevard and Stafford Road, and owned by Twin River-Tiverton, once Twin River-
4 Tiverton is licensed as a video lottery and table game retailer.

5 (h) The state through the division of lotteries shall exercise its existing authority to
6 implement, operate, conduct and control sports wagering at the Twin River gaming facility and the
7 Twin River-Tiverton gaming facility in accordance with the provisions of this chapter and the rules
8 and regulations of the division of lotteries.

9 (i) Notwithstanding the provisions of this section, sports wagering shall be prohibited in
10 connection with any collegiate sports or athletic event that takes place in Rhode Island or a sports
11 contest or athletic event in which any Rhode Island college team participates, regardless of where
12 the event takes place.

13 (j) No other law providing any penalty or disability for conducting, hosting, maintaining,
14 supporting or participating in sports wagering, or any acts done in connection with sports wagering,
15 shall apply to the conduct, hosting, maintenance, support or participation in sports wagering
16 pursuant to this chapter.

17 SECTION 3. The title of Chapter 42-61.2 of the General Laws entitled "Video-Lottery
18 Terminal" is hereby amended to read as follows:

19 ~~CHAPTER 42-61.2~~

20 ~~Video Lottery Terminal~~

21 CHAPTER 42-61.2

22 VIDEO-LOTTERY GAMES, TABLE GAMES AND SPORTS WAGERING

23 SECTION 4. Section 42-61.2-1, 42-61.2-3.2, 42-61.2-4, 42-61.2-6, 42-61.2-10, 42-61.2-
24 11, 42-61.2-13, 42-61.2-14 and 42-61.2-15 of the General Laws in Chapter 42-61.2 entitled "Video-
25 Lottery Terminal" are hereby amended to read as follows:

26 **42-61.2-1. Definitions.**

27 For the purpose of this chapter, the following words shall mean:

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

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

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

5 (4) "Pari-mutuel licensee" means:
6 (i) An entity licensed pursuant to § 41-3.1-3; and/or
7 (ii) An entity licensed pursuant to § 41-7-3.

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

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

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

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

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

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

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

33 (12) "Table-game retailer" means a retailer authorized to conduct table gaming pursuant to
34 §§ 42-61.2-2.1 or 42-61.2-2.3.

1 (13) "Credit facilitator" means any employee of a licensed, video-lottery retailer approved
2 in writing by the division whose responsibility is to, among other things, review applications for
3 credit by players, verify information on credit applications, grant, deny, and suspend credit,
4 establish credit limits, increase and decrease credit limits, and maintain credit files, all in
5 accordance with this chapter and rules and regulations approved by the division.

6 (14) "Newport Grand" means Newport Grand, LLC, a Rhode Island limited-liability
7 company, successor to Newport Grand Jai Alai, LLC, and each permitted successor to and assignee
8 of Newport Grand, LLC under the Newport Grand Master Contract, including, but not limited to,
9 Premier Entertainment II, LLC and/or Twin River-Tiverton, LLC, provided it is a pari-mutuel
10 licensee as defined in § 42-61.2-1 et seq.; provided, further, however, where the context indicates
11 that the term is referring to the physical facility, then it shall mean the gaming and entertainment
12 facility located at 150 Admiral Kalbfus Road, Newport, Rhode Island.

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

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

21 (17) "Premier" means Premier Entertainment II, LLC and/or its successor in interest by
22 reason of the acquisition of the stock, membership interests, or substantially all of the assets of such
23 entity.

24 (18) "Twin River-Tiverton" means Twin River-Tiverton, LLC and/or its successor in
25 interest by reason of the acquisition of the stock, membership interests, or substantially all of the
26 assets of such entity.

27 (19) "Sports wagering revenue" means
28 (1) The total of cash or cash equivalents received from sports wagering minus the total of:
29 (i) Cash or cash equivalents paid to players as a result of sports wagering, and
30 (ii) Such other expenses approved by the division of lottery.
31 (2) The term does not include any of the following:
32 (i) Counterfeit cash.
33 (ii) Coins or currency of other countries received as a result of sports wagering, except to
34 the extent that the coins or currency are readily convertible to cash.

1 (iii) Cash taken in a fraudulent act perpetrated against a hosting facility or sports wagering
2 vendor for which the hosting facility or sports wagering vendor is not reimbursed.

3 (iv) Free play provided by the hosting facility or sports wagering vendor as authorized by
4 the division of lottery to a patron and subsequently "won back" by the hosting facility or sports
5 wagering vendor, for which the hosting facility or sports wagering vendor can demonstrate that it
6 or its affiliate has not been reimbursed in cash.

7 (20) "Sporting event" means a regulated professional sports or athletic event or a regulated
8 collegiate sports or athletic event.

9 (21) "Collegiate sports or athletic event" shall not include a collegiate sports contest or
10 collegiate athletic event that takes place in Rhode Island or a sports contest or athletic event in
11 which any Rhode Island college team participates regardless of where the event takes place.

12 (22) "Sports wagering" means the business of accepting wagers on sporting events or a
13 combination of sporting events, or on the individual performance statistics of athletes in a sporting
14 event or combination of sporting events, by any system or method of wagering. The term includes,
15 but is not limited to, exchange wagering, parlays, over-under, moneyline, pools and straight bets,
16 and the term includes the placement of such bets and wagers. However, the term does not include,
17 without limitation, the following:

18 (1) Lotteries, including video lottery games and other types of casino gaming operated by
19 the state, through the division, on the date this act is enacted.

20 (2) Pari-mutuel betting on the outcome of thoroughbred or harness horse racing, or
21 greyhound dog racing, including but not limited to pari-mutuel wagering on a race that is
22 "simulcast" (as defined in section 41-11-1 of the general laws), as regulated elsewhere pursuant to
23 the general laws, including in chapters 41-3, 41-3.1, 41-4 and 41-11 of the general laws.

24 (3) Off-track betting on racing events, as regulated elsewhere pursuant to the general laws,
25 including in chapter 41-10 of the general laws.

26 (4) Wagering on the respective scores or points of the game of jai alai or pelota and the
27 sale of pari-mutuel pools related to such games, as regulated elsewhere pursuant to the general
28 laws, including in chapter 41-7 of the general laws.

29 (5) Lotteries, charitable gaming, games of chance, bingo games, raffles and pull-tab lottery
30 tickets, to the extent permitted and regulated pursuant to chapter 11-19 of the general laws.

31 (23) "Sports wagering device" means any mechanical, electrical or computerized
32 contrivance, terminal, machine or other device, apparatus, equipment or supplies approved by the
33 division and used to conduct sports wagering.

34 (24) "Sports wagering vendor" means any entity authorized by the division of lottery to

1 operate sports betting on the division's behalf in accordance with this chapter.

2 (25) "Payoff" when used in connection with sports wagering, means cash or cash
3 equivalents paid to a player as a result of the player's winning a sports wager. A "payoff" is a type
4 of "prize," as the term "prize" is used in chapter 42-61, chapter 42-61.2 and in chapter 42-61.3.

5 (26) "Tiverton gaming facility" (sometimes referred to as "Twin River-Tiverton") means
6 the gaming and entertainment facility located in the Town of Tiverton at the intersection of William
7 S. Canning Boulevard and Stafford Road.

8 (27) "Twin River" (sometimes referred to as "UTGR") means UTGR, Inc., a Delaware
9 corporation, and each permitted successor to and assignee of UTGR, Inc.; provided further,
10 however, where the context indicates that the term is referring to a physical facility, then "Twin
11 River" or "Twin River gaming facility" shall mean the gaming and entertainment facility located at
12 100 Twin River Road in Lincoln, Rhode Island.

13 (28) "Hosting facility" refers to Twin River and the Tiverton gaming facility.

14 (29) "DBR" means the department of business regulation, division of licensing and gaming
15 and athletics, and/or any successor in interest thereto.

16 (30) "Division," "division of lottery," "division of lotteries" or "lottery division" means the
17 division of lotteries within the department of revenue and/or any successor in interest thereto.

18 (31) "Director" means the director of the division.

19 **42-61.2-3.2. Gaming credit authorized.**

20 (a) Authority. In addition to the powers and duties of the state lottery director under §§ 42-
21 61-4, 42-61.2-3, 42-61.2-3.1 and 42-61.2-4, the division shall authorize each licensed, video-lottery
22 retailer to extend credit to players pursuant to the terms and conditions of this chapter.

23 (b) Credit. Notwithstanding any provision of the general laws to the contrary, including,
24 without limitation, § 11-19-17, except for applicable licensing laws and regulations, each licensed,
25 video-lottery retailer may extend interest-free, unsecured credit to its patrons for the sole purpose
26 of such patrons making wagers at table games and/or video-lottery terminals and/or for the purpose
27 of making sports wagering bets, at the licensed, video-lottery retailer's facility subject to the terms
28 and conditions of this chapter.

29 (c) Regulations. Each licensed, video-lottery retailer shall be subject to rules and
30 regulations submitted by licensed, video-lottery retailers and subject to the approval of the division
31 of lotteries regarding procedures governing the extension of credit and requirements with respect
32 to a credit applicant's financial fitness, including, without limitation: annual income; debt-to-
33 income ratio; prior credit history; average monthly bank balance; and/or level of play. The division
34 of lotteries may approve, approve with modification, or disapprove any portion of the policies and

1 procedures submitted for review and approval.

2 (d) Credit applications. Each applicant for credit shall submit a written application to the
3 licensed, video-lottery retailer that shall be maintained by the licensed, video-lottery retailer for
4 three (3) years in a confidential credit file. The application shall include the patron's name; address;
5 telephone number; social security number; comprehensive bank account information; the requested
6 credit limit; the patron's approximate amount of current indebtedness; the amount and source of
7 income in support of the application; the patron's signature on the application; a certification of
8 truthfulness; and any other information deemed relevant by the licensed, video-lottery retailer or
9 the division of lotteries.

10 (e) Credit application verification. As part of the review of a credit application and before
11 an application for credit is approved, the licensed, video-lottery retailer shall verify:

12 (1) The identity, creditworthiness, and indebtedness information of the applicant by
13 conducting a comprehensive review of:

14 (i) The information submitted with the application;

15 (ii) Indebtedness information regarding the applicant received from a credit bureau; and/or

16 (iii) Information regarding the applicant's credit activity at other licensed facilities that the
17 licensed, video-lottery retailer may obtain through a casino credit bureau and, if appropriate,
18 through direct contact with other casinos.

19 (2) That the applicant's name is not included on an exclusion or self-exclusion list
20 maintained by the licensed, video-lottery retailer and/or the division of lotteries.

21 (3) As part of the credit application, the licensed, video-lottery retailer shall notify each
22 applicant in advance that the licensed, video-lottery retailer will verify the information in
23 subsections (e)(1) and (e)(2) and may verify any other information provided by the applicant as
24 part of the credit application. The applicant is required to acknowledge in writing that he or she
25 understands that the verification process will be conducted as part of the application process and
26 that he or she consents to having said verification process conducted.

27 (f) Establishment of credit. After a review of the credit application, and upon completion
28 of the verification required under subsection (e), and subject to the rules and regulations approved
29 by the division of lotteries, a credit facilitator may approve or deny an application for credit to a
30 player. The credit facilitator shall establish a credit limit for each patron to whom credit is granted.
31 The approval or denial of credit shall be recorded in the applicant's credit file that shall also include
32 the information that was verified as part of the review process, and the reasons and information
33 relied on by the credit facilitator in approving or denying the extension of credit and determining
34 the credit limit. Subject to the rules and regulations approved by the division of lotteries, increases

1 to an individual's credit limit may be approved by a credit facilitator upon receipt of written request
2 from the player after a review of updated financial information requested by the credit facilitator
3 and re-verification of the player's credit information.

4 (g) Recordkeeping. Detailed information pertaining to all transactions affecting an
5 individual's outstanding indebtedness to the licensed, video-lottery retailer shall be recorded in
6 chronological order in the individual's credit file. The financial information in an application for
7 credit and documents related thereto shall be confidential. All credit application files shall be
8 maintained by the licensed, video-lottery retailer in a secure manner and shall not be accessible to
9 anyone not a credit facilitator or a manager or officer of a licensed, video-lottery retailer responsible
10 for the oversight of the extension of credit program.

11 (h) Reduction or suspension of credit. A credit facilitator may reduce a player's credit limit
12 or suspend his or her credit to the extent permitted by the rules and regulations approved by the
13 division of lotteries and shall reduce a player's credit limit or suspend a player's credit limit as
14 required by said rules and regulations.

15 (i) Voluntary credit suspension. A player may request that the licensed, video-lottery
16 retailer suspend or reduce his or her credit. Upon receipt of a written request to do so, the player's
17 credit shall be reduced or suspended as requested. A copy of the request and the action taken by
18 the credit facilitator shall be placed in the player's credit application file.

19 (j) Liability. In the event that a player fails to repay a debt owed to a licensed, video-lottery
20 retailer resulting from the extension of credit by that licensed, video-lottery retailer, neither the
21 state of Rhode Island nor the division of lotteries shall be responsible for the loss and said loss shall
22 not affect net, table-game revenue or net terminal income. A licensed, video-lottery retailer, the
23 state of Rhode Island, the division of lotteries, and/or any employee of a licensed, video-lottery
24 retailer, shall not be liable in any judicial or administrative proceeding to any player, any individual,
25 or any other party, including table game players or individuals on the voluntary suspension list, for
26 any harm, monetary or otherwise, that may arise as a result of:

- 27 (1) Granting or denial of credit to a player;
- 28 (2) Increasing the credit limit of a player;
- 29 (3) Allowing a player to exercise his or her right to use credit as otherwise authorized;
- 30 (4) Failure of the licensed, video-lottery retailer to increase a credit limit;
- 31 (5) Failure of the licensed, video-lottery retailer to restore credit privileges that have been
32 suspended, whether involuntarily or at the request of the table game patron; or
- 33 (6) Permitting or prohibiting an individual whose credit privileges have been suspended,
34 whether involuntarily or at the request of the player, to engage in gaming activity in a licensed

1 facility while on the voluntary credit suspension list.

2 (k) Limitations. Notwithstanding any other provision of this chapter, for any extensions of
3 credit, the maximum amount of outstanding credit per player shall be fifty thousand dollars
4 (\$50,000).

5 **42-61.2-4. Additional powers and duties of director and lottery division.**

6 In addition to the powers and duties set forth in §§ 42-61-4 and 42-61.2-3, the director shall
7 have the power to:

8 (1) Supervise and administer the operation of video lottery games [and sports wagering](#) in
9 accordance with this chapter and with the rules and regulations of the division;

10 (2) Suspend or revoke upon a hearing any license issued pursuant to this chapter or the
11 rules and regulations promulgated under this chapter; ~~and~~

12 (3) In compliance with the provisions of chapter 2 of title 37, enter into contracts for the
13 operation of a central communications system and technology providers, or any part thereof; ~~;~~

14 [\(4\) In compliance with the provisions of chapter 2 of title 37, enter into contracts for the](#)
15 [provision of sports wagering systems, facilities and related technology necessary and/or desirable](#)
16 [for the state-operated sports wagering to be hosted at Twin River and the Tiverton gaming facilities,](#)
17 [including technology related to the operation of on-premises remote sports wagering, or any part](#)
18 [thereof; and](#)

19 ~~(4)~~(5) Certify monthly to the budget officer, the auditor general, the permanent joint
20 committee on state lottery, and to the governor a full and complete statement of lottery revenues,
21 prize disbursements and other expenses for the preceding month; ensure that monthly financial
22 reports are prepared providing gross monthly revenues, prize disbursements, other expenses, and
23 net income for keno and for all other lottery operations; submit this report to the state budget officer,
24 the auditor general, the permanent joint committee on state lottery, the legislative fiscal advisors,
25 and the governor no later than the twentieth business day following the close of the month; at the
26 end of each fiscal year the director shall submit an annual report based upon an accrual system of
27 accounting which shall include a full and complete statement of lottery revenues, prize
28 disbursements and expenses, to the governor and the general assembly, which report shall be a
29 public document and shall be filed with the secretary of state. The monthly report shall be prepared
30 in a manner prescribed by the members of the revenue estimating conference.

31 **42-61.2-6. When games may be played.**

32 [\(a\)](#) Video-lottery games authorized by this chapter may be played at the licensed, video-
33 lottery retailer's facilities with the approval of the ~~lottery commission~~ [division](#), even if that facility
34 is not conducting a pari-mutuel event.

1 (b) Sports wagering authorized by this chapter, including accepting sports wagers and
2 administering payoffs of winning sports wagers, may be conducted at the Twin River and the
3 Tiverton gaming facilities, with the approval of the division, even if that facility is not conducting
4 a pari-mutuel event.

5 **42-61.2-10. Prizes exempt from taxation.**

6 ~~The prizes received pursuant to this chapter shall be exempt from the state sales or use tax.~~
7 The prizes, including payoffs, received pursuant to this chapter shall be exempt from the state sales
8 or use tax but shall be applicable to personal income tax laws.

9 **42-61.2-11. Effect of other laws and local ordinances.**

10 (a) No other law providing any penalty or disability for operating, hosting, maintaining,
11 supporting or playing video lottery games, or any acts done in connection with video lottery games,
12 shall apply to operating, hosting, maintaining, supporting or playing video lottery games pursuant
13 to this chapter.

14 (b) No other law providing any penalty or disability for conducting, hosting, maintaining,
15 supporting or participating in sports wagering, or any acts done in connection with sports wagering,
16 shall apply to conducting, hosting, maintaining, supporting or participating in sports wagering
17 pursuant to this chapter.

18 (c) The provisions of §§ 41-9-4 and 41-9-6 shall not apply to this chapter, and the
19 provisions of this chapter shall take precedence over any local ordinances to the contrary. It is
20 specifically acknowledged that the installation, operation and use of video-lottery terminals by a
21 pari-mutuel licensee, as authorized in this chapter, shall for all purposes be deemed a permitted use
22 as defined in § 45-24-31. No city or town where video-lottery terminals are authorized may seek to
23 prevent the installation and use of said video-lottery terminals by defining such as a prohibited use.

24 **42-61.2-13. ~~Table game enforcement. [See Applicability notes.] Enforcement.~~**

25 (a) Whoever violates § 42-61.2-2.1 or § 42-61.2-3.1, or any rule or regulation, policy or
26 procedure, duly promulgated thereunder, or any administrative order issued pursuant to § 42-61.2-
27 2.1 or § 42-61.2-3.1, shall be punishable as follows:

28 (1) In the Division director's discretion, the Division director may impose an administrative
29 penalty of not more than one thousand dollars (\$1,000) for each violation. Each day of continued
30 violation shall be considered as a separate violation if the violator has knowledge of the facts
31 constituting the violation and knows or should know that such facts constitute or may constitute a
32 violation. Lack of knowledge regarding such facts or violation shall not be a defense to a continued
33 violation with respect to the first day of its occurrence. Written notice detailing the nature of the
34 violation, the penalty amount, and effective date of the penalty will be provided by the Division

1 director. Penalties shall take effect upon notification. A written request for a hearing must be
2 submitted in writing to the Division director within thirty (30) days of notification of violation.

3 (2) In the Division director's discretion, the Division director may endeavor to obtain
4 compliance with requirements of this chapter by written administrative order. Such order shall be
5 provided to the responsible party, shall specify the complaint, and propose a time for correction of
6 the violation.

7 (b) The Division director shall enforce this chapter. Such enforcement shall include, but
8 not be limited to, referral of suspected criminal activity to the Rhode Island state police for
9 investigation.

10 (c) Any interest, costs or expense collected under this section shall be appropriated to the
11 Division for administrative purposes.

12 (d) Any penalty imposed by the Division pursuant to this § 42-61.2-13 shall be appealable
13 to Superior Court.

14 **42-61.2-14. Compulsive and problem gambling program. [See Applicability notes.]**

15 The Division and the State acknowledge that the vast majority of gaming patrons can enjoy
16 gambling games responsibly, but that there are certain societal costs associated with gaming by
17 some individuals who have problems handling the product or services provided. The Division and
18 the State further understand that it is their duty to act responsibly toward those who cannot
19 participate conscientiously in gaming. Pursuant to the foregoing, Twin River and Newport Grand,
20 in cooperation with the State, shall offer compulsive and problem gambling programs that include,
21 but are not limited to (a) problem gambling awareness programs for employees; (b) player self-
22 exclusion program; and (c) promotion of a problem gambling hotline. Twin River and Newport
23 Grand (and its successor in interest, Twin River-Tiverton) shall modify their existing compulsive
24 and problem-gambling programs to include table games and sports wagering to the extent such
25 games are authorized at such facilities. Twin River and Newport Grand (and its successor in
26 interest, Twin River-Tiverton) shall reimburse and pay to the Division no less than ~~one hundred~~
27 ~~thousand dollars (\$100,000)~~ one hundred twenty-five thousand dollars (\$125,000) in aggregate
28 annually for compulsive and problem gambling programs established by the Division. The
29 contribution from each facility shall be determined by the Division.

30 **42-61.2-15. ~~Table game hours of operation~~ Table game and sports wagering hours of**
31 **operation.**

32 (a) To the extent table games are authorized at the premises of a table-game retailer, such
33 table games may be offered at the premises of a table-game retailer for all or a portion of the days
34 and times that video-lottery games are offered.

1 (b) To the extent sports wagering is authorized at the premises of a table-game retailer,
2 such sports wagering may be offered at the premises of such table-game retailer for all or a portion
3 of the days and times that video-lottery games are offered.

4 SECTION 5. Chapter 42-61.2 of the General Laws entitled "Video-Lottery Terminal" is
5 hereby amended by adding thereto the following sections:

6 **42-61.2-2.4. State to conduct sports wagering hosted by Twin River and the Tiverton**
7 **Gaming Facility.**

8 (a) The state, through the division of lotteries, shall implement, operate, conduct and
9 control sports wagering at the Twin River gaming facility and the Twin River-Tiverton gaming
10 facility, once Twin River-Tiverton is licensed as a video lottery and table game retailer. In
11 furtherance thereof, the state, through the division, shall have full operational control to operate
12 such sports wagering, including, without limitation, the power and authority to:

13 (1) Establish with respect to sports wagering one or more systems for linking, tracking,
14 depositing and reporting of receipts, audits, annual reports, prohibited conduct and other such
15 matters determined by the division from time to time;

16 (2) Collect all sports wagering revenue indirectly through Twin River and Tiverton gaming
17 facilities, require that the Twin River and Tiverton gaming facilities collect all sports wagering
18 revenue in trust for the state (through the division), deposit such sports wagering revenue into an
19 account or accounts of the division's choice, allocate such sports wagering revenue according to
20 law, and otherwise maintain custody and control over all sports wagering revenue;

21 (3) Hold and exercise sufficient powers over the Twin River and Tiverton gaming facilities'
22 accounting and finances to allow for adequate oversight and verification of the financial aspects of
23 sports wagering hosted at their respective facilities in Lincoln and Tiverton, including, without
24 limitation:

25 (i) The right to require the Twin River and Tiverton gaming facilities to maintain an annual
26 balance sheet, profit and loss statement, and any other necessary information or reports;

27 (ii) The authority and power to conduct periodic compliance or special or focused audits
28 of the information or reports provided, as well as the premises within the facilities containing
29 records of sports wagering or in which the sports wagering activities are conducted; and

30 (iii) The right to require the Twin River gaming facility and the Tiverton gaming facility
31 to reimburse and pay the division all reasonable costs and expenses associated with the division's
32 oversight of and review of the operation of sports wagering, including such items as consultants,
33 ongoing auditing, legal, investigation services and other related matters.

34 (4) Monitor the sports wagering operations hosted by the Twin River and Tiverton gaming

1 facilities and have the power to terminate or suspend any sports wagering activities in the event of
2 an integrity concern or other threat to the public trust, and in furtherance thereof, require Twin
3 River and Tiverton, respectively, to provide a specified area or areas from which to conduct such
4 monitoring activities;

5 (5) Through the use of a sports wagering vendor, define and limit the rules of play and odds
6 of authorized sports wagering games, including, without limitation, the minimum and maximum
7 wagers for each sports wagering game;

8 (6) Establish compulsive gambling treatment programs;

9 (7) Promulgate, or propose for promulgation, any legislative, interpretive and procedural
10 rules necessary for the successful implementation, administration and enforcement of this chapter;
11 and

12 (8) Hold all other powers necessary and proper to fully effectively execute and administer
13 the provisions of this chapter for the purpose of allowing the state to operate sports wagering hosted
14 by the Twin River and Tiverton gaming facilities.

15 (b) The state, through the division and/or the DBR, shall have approval rights over matters
16 relating to the employment of individuals to be involved, directly or indirectly, with the operation
17 of sports wagering at the Twin River and Tiverton gaming facilities.

18 (c) Nothing in this chapter 42-61.2 or elsewhere in the general laws shall be construed to
19 create a separate license governing the hosting of sports wagering in Rhode Island by licensed video
20 lottery and table game retailers.

21 (d) The state, through the division, shall have authority to issue such regulations as it deems
22 appropriate pertaining to the control, operation and management of sports wagering. The state,
23 through DBR shall have authority to issue such regulations as it deems appropriate pertaining to
24 the employment of individuals to be involved, directly or indirectly, with the operations of sports
25 wagering as set forth in subsection (b) of this section.

26 **42-61.2-3.3. Sports wagering regulation.**

27 (a) In addition to the powers and duties of the division director under §§ 42-61-4, 42-61.2-
28 3, 42-61.2-4 and 42-61.2-3.1, and pursuant to § 42-61.2-2.4, the division director shall promulgate
29 rules and regulations relating to sports wagering and set policy therefor. These rules and regulations
30 shall establish standards and procedures for sports waging and associated devices, equipment and
31 accessories, and shall include, but not be limited to:

32 (1) Approve standards, rules and regulations to govern the conduct of sports wagering and
33 the system of wagering associated with sports wagering, including without limitation:

34 (i) The objects of the sports wagering (i.e., the sporting events upon which sports wagering

1 bets may be accepted) and methods of play, including what constitutes win, loss or tie bets;

2 (ii) The manner in which sports wagering bets are received, payoffs are remitted and point

3 spreads, lines and odds are determined for each type of available sports wagering bet;

4 (iii) Physical characteristics of any devices, equipment and accessories related to sports

5 wagering;

6 (iv) The applicable inspection procedures for any devices, equipment and accessories

7 related to sports wagering;

8 (v) Procedures for the collection of bets and payoffs, including but not limited to

9 requirements for internal revenue service purposes;

10 (vi) Procedures for handling suspected cheating and sports wagering irregularities; and

11 (vii) Procedures for handling any defective or malfunctioning devices, equipment and

12 accessories related to sports wagering.

13 (2) Establishing the method for calculating sports wagering revenue and standards for the

14 daily counting and recording of cash and cash equivalents received in the conduct of sports

15 wagering, and ensuring that internal controls are followed and financial books and records are

16 maintained and audits are conducted;

17 (3) Establishing the number and type of sports wagering bets authorized at the hosting

18 facility, including any new sports wagering bets or variations or composites of approved sports

19 wagering bets, and all rules related thereto;

20 (4) Establishing any sports wagering rule changes, sports wagering minimum and

21 maximum bet changes, and changes to the types of sports wagering products offered at a particular

22 hosting facility, including but not limited to any new sports wagering bets or variations or

23 composites of approved sports wagering bets, and including all rules related thereto;

24 (5) Requiring the hosting facility and/or sports wagering vendor to:

25 (i) Provide written information at each sports wagering location within the hosting facility

26 about wagering rules, payoffs on winning sports wagers and other information as the division may

27 require.

28 (ii) Provide specifications approved by the division to integrate and update the hosting

29 facility's surveillance system to cover all areas within the hosting facility where sports wagering is

30 conducted and other areas as required by the division. The specifications shall include provisions

31 providing the division and other persons authorized by the division with onsite access to the system.

32 (iii) Designate one or more locations within the hosting facility where sports wagering bets

33 are received.

34 (iv) Ensure that visibility in a hosting facility is not obstructed in any way that could

1 interfere with the ability of the division, the sports wagering vendor or other persons authorized
2 under this section or by the division to oversee the surveillance of the conduct of sports wagering.

3 (v) Ensure that the count rooms for sports wagering has appropriate security for the
4 counting and storage of cash.

5 (vi) Ensure that drop boxes are brought into or removed from an area where sports
6 wagering is conducted or locked or unlocked in accordance with procedures established by the
7 division.

8 (vii) Designate secure locations for the inspection, service, repair or storage of sports
9 wagering equipment and for employee training and instruction to be approved by the division.

10 (vii) Establish standards prohibiting persons under eighteen (18) of age from participating
11 in sports wagering.

12 (ix) Establish compulsive and problem gambling standards and/or programs pertaining to
13 sports wagering consistent with general laws chapter 42-61.2.

14 (6) Establishing the minimal proficiency requirements for those individuals accepting
15 sports wagers and administering payoffs on winning sports wagers. The foregoing requirements of
16 this subsection may be in addition to any rules or regulations of the DBR requiring licensing of
17 personnel of state-operated gaming facilities;

18 (7) Establish appropriate eligibility requirements and standards for traditional sports
19 wagering equipment suppliers; and

20 (8) Any other matters necessary for conducting sports wagering.

21 (b) The hosting facility shall provide secure, segregated facilities as required by the
22 division on the premises for the exclusive use of the division staff and the gaming enforcement unit
23 of the state police. Such space shall be located proximate to the gaming floor and shall include
24 surveillance equipment, monitors with full camera control capability, as well as other office
25 equipment that may be deemed necessary by the division. The location and size of the space and
26 necessary equipment shall be subject to the approval of the division.

27 **42-61.2-5. Allocation of sports wagering revenue.**

28 (a) Notwithstanding the provisions of § 42-61-15, the division of lottery is authorized to
29 enter into an agreement, subject to approval of the general assembly and limited to in-person on-
30 site sports wagering, to allocate sports wagering revenue derived from sports wagering at the Twin
31 River and Tiverton gaming facilities between the state, any sports wagering vendors, and the Twin
32 River and Tiverton gaming facilities. Upon expiration of the agreement, the allocation of sports
33 wagering revenue shall be established in the general laws.

34 (b) Sports wagering revenue allocated to the state shall be deposited into the state lottery

1 fund for administrative purposes and then the balance remaining into the general fund.

2 (c) Under no circumstances shall the Twin River and Tiverton gaming facilities or any
3 sports wagering vendor receive a larger share of the sports wagering revenue than the state.

4 (d) Under no circumstances shall the state or the division pay an integrity fee to any sports
5 league.

6 (e) The state shall pay the Town of Lincoln an annual flat fee of one hundred thousand
7 dollars (\$100,000) and the Town of Tiverton an annual flat fee of one hundred thousand dollars
8 (\$100,000) in compensation for serving as the host communities for sports wagering.

9 **42-61.2-9. Unclaimed prize money, including unclaimed sports wagering payoffs.**

10 Unclaimed prize money for prizes in connection with the play of a video lottery game and
11 an unclaimed payoff in connection with a sports wager shall be retained by the director for the
12 person entitled thereto for one year after, respectively, the completion of the applicable video
13 lottery game or the determination of the result of the sporting event that was the subject of the
14 applicable sports wager. If no claim is made for the prize money or payoff within that year, the
15 prize money or payoff shall automatically revert to the lottery fund and the winner shall have no
16 claim thereto.

17 SECTION 6. Sections 42-61.2-3.2 and 42-61.2-4 of the General Laws in Chapter 42-61.2
18 entitled "Video-Lottery Terminal" are hereby amended to read as follows:

19 **42-61.2-3.2. Gaming credit authorized.**

20 (a) Authority. In addition to the powers and duties of the state lottery director under §§ 42-
21 61-4, 42-61.2-3, 42-61.2-3.1 and 42-61.2-4, the division shall authorize each licensed, video-lottery
22 retailer to extend credit to players pursuant to the terms and conditions of this chapter.

23 (b) Credit. Notwithstanding any provision of the general laws to the contrary, including,
24 without limitation, § 11-19-17, except for applicable licensing laws and regulations, each licensed,
25 video-lottery retailer may extend interest-free, unsecured credit to its patrons for the sole purpose
26 of such patrons making wagers at table games and/or video-lottery terminals at the licensed, video-
27 lottery retailer's facility subject to the terms and conditions of this chapter.

28 (c) Regulations. Each licensed, video-lottery retailer shall be subject to rules and
29 regulations submitted by licensed, video-lottery retailers and subject to the approval of the division
30 of lotteries regarding procedures governing the extension of credit and requirements with respect
31 to a credit applicant's financial fitness, including, without limitation: annual income; debt-to-
32 income ratio; prior credit history; average monthly bank balance; and/or level of play. The division
33 of lotteries may approve, approve with modification, or disapprove any portion of the policies and
34 procedures submitted for review and approval.

1 (d) Credit applications. Each applicant for credit shall submit a written application to the
2 licensed, video-lottery retailer that shall be maintained by the licensed, video-lottery retailer for
3 three (3) years in a confidential credit file. The application shall include the patron's name; address;
4 telephone number; social security number; comprehensive bank account information; the requested
5 credit limit; the patron's approximate amount of current indebtedness; the amount and source of
6 income in support of the application; the patron's signature on the application; a certification of
7 truthfulness; and any other information deemed relevant by the licensed, video-lottery retailer or
8 the division of lotteries.

9 (e) Credit application verification. As part of the review of a credit application and before
10 an application for credit is approved, the licensed, video-lottery retailer shall verify:

11 (1) The identity, creditworthiness, and indebtedness information of the applicant by
12 conducting a comprehensive review of:

13 (i) The information submitted with the application;

14 (ii) Indebtedness information regarding the applicant received from a credit bureau; and/or

15 (iii) Information regarding the applicant's credit activity at other licensed facilities that the
16 licensed, video-lottery retailer may obtain through a casino credit bureau and, if appropriate,
17 through direct contact with other casinos.

18 (2) That the applicant's name is not included on an exclusion or self-exclusion list
19 maintained by the licensed, video-lottery retailer and/or the division of lotteries.

20 (3) As part of the credit application, the licensed, video-lottery retailer shall notify each
21 applicant in advance that the licensed, video-lottery retailer will verify the information in
22 subsections (e)(1) and (e)(2) and may verify any other information provided by the applicant as
23 part of the credit application. The applicant is required to acknowledge in writing that he or she
24 understands that the verification process will be conducted as part of the application process and
25 that he or she consents to having said verification process conducted.

26 (f) Establishment of credit. After a review of the credit application, and upon completion
27 of the verification required under subsection (e), and subject to the rules and regulations approved
28 by the division of lotteries, a credit facilitator may approve or deny an application for credit to a
29 player. The credit facilitator shall establish a credit limit for each patron to whom credit is granted.
30 The approval or denial of credit shall be recorded in the applicant's credit file that shall also include
31 the information that was verified as part of the review process, and the reasons and information
32 relied on by the credit facilitator in approving or denying the extension of credit and determining
33 the credit limit. Subject to the rules and regulations approved by the division of lotteries, increases
34 to an individual's credit limit may be approved by a credit facilitator upon receipt of written request

1 from the player after a review of updated financial information requested by the credit facilitator
2 and re-verification of the player's credit information.

3 (g) Recordkeeping. Detailed information pertaining to all transactions affecting an
4 individual's outstanding indebtedness to the licensed, video-lottery retailer shall be recorded in
5 chronological order in the individual's credit file. The financial information in an application for
6 credit and documents related thereto shall be confidential. All credit application files shall be
7 maintained by the licensed, video-lottery retailer in a secure manner and shall not be accessible to
8 anyone not a credit facilitator or a manager or officer of a licensed, video-lottery retailer responsible
9 for the oversight of the extension of credit program.

10 (h) Reduction or suspension of credit. A credit facilitator may reduce a player's credit limit
11 or suspend his or her credit to the extent permitted by the rules and regulations approved by the
12 division of lotteries and shall reduce a player's credit limit or suspend a player's credit limit as
13 required by said rules and regulations.

14 (i) Voluntary credit suspension. A player may request that the licensed, video-lottery
15 retailer suspend or reduce his or her credit. Upon receipt of a written request to do so, the player's
16 credit shall be reduced or suspended as requested. A copy of the request and the action taken by
17 the credit facilitator shall be placed in the player's credit application file.

18 (j) Liability. In the event that a player fails to repay a debt owed to a licensed, video-lottery
19 retailer resulting from the extension of credit by that licensed, video-lottery retailer, neither the
20 state of Rhode Island nor the division of lotteries shall be responsible for the loss and said loss shall
21 not affect net, table-game revenue or net terminal income. A licensed, video-lottery retailer, the
22 state of Rhode Island, the division of lotteries, and/or any employee of a licensed, video-lottery
23 retailer, shall not be liable in any judicial or administrative proceeding to any player, any individual,
24 or any other party, including table game players or individuals on the voluntary suspension list, for
25 any harm, monetary or otherwise, that may arise as a result of:

- 26 (1) Granting or denial of credit to a player;
- 27 (2) Increasing the credit limit of a player;
- 28 (3) Allowing a player to exercise his or her right to use credit as otherwise authorized;
- 29 (4) Failure of the licensed, video-lottery retailer to increase a credit limit;
- 30 (5) Failure of the licensed, video-lottery retailer to restore credit privileges that have been
31 suspended, whether involuntarily or at the request of the table game patron; or
- 32 (6) Permitting or prohibiting an individual whose credit privileges have been suspended,
33 whether involuntarily or at the request of the player, to engage in gaming activity in a licensed
34 facility while on the voluntary credit suspension list.

1 (k) Limitations. Notwithstanding any other provision of this chapter, for any extensions of
2 credit, the maximum amount of outstanding credit per player shall be fifty thousand dollars
3 (\$50,000).

4 **42-61.2-4. Additional powers and duties of director and lottery division.**

5 In addition to the powers and duties set forth in §§ 42-61-4 and 42-61.2-3, the director shall
6 have the power to:

7 (1) Supervise and administer the operation of video lottery games in accordance with this
8 chapter and with the rules and regulations of the division;

9 (2) Suspend or revoke upon a hearing any license issued pursuant to this chapter or the
10 rules and regulations promulgated under this chapter; and

11 (3) In compliance with the provisions of chapter 2 of title 37, enter into contracts for the
12 operation of a central communications system and technology providers, or any part thereof.

13 (4) Certify monthly to the budget officer, the auditor general, the permanent joint
14 committee on state lottery, and to the governor a full and complete statement of lottery revenues,
15 prize disbursements and other expenses for the preceding month; ensure that monthly financial
16 reports are prepared providing gross monthly revenues, prize disbursements, other expenses, and
17 net income for keno and for all other lottery operations; submit this report to the state budget officer,
18 the auditor general, the permanent joint committee on state lottery, the legislative fiscal advisors,
19 and the governor no later than the twentieth business day following the close of the month; at the
20 end of each fiscal year the director shall submit an annual report based upon an accrual system of
21 accounting which shall include a full and complete statement of lottery revenues, prize
22 disbursements and expenses, to the governor and the general assembly, which report shall be a
23 public document and shall be filed with the secretary of state. The monthly report shall be prepared
24 in a manner prescribed by the members of the revenue estimating conference.

25 SECTION 7. Section 42-61.3-2 of the General Laws in Chapter 42-61.3 entitled "Casino
26 Gaming" is hereby amended to read as follows:

27 **42-61.3-2. Casino gaming crimes.**

28 (a) Definitions as used in this chapter:

29 (1) "Casino gaming" shall have the meaning set forth in the Rhode Island general laws
30 subdivision 42-61.2-1(8).

31 (2) "Cheat" means to alter the element of chance, method of selection, or criteria which
32 determines:

33 (i) The result of the game;

34 (ii) The amount or frequency of payment in a game, including intentionally taking

1 advantage of a malfunctioning machine;

2 (iii) The value of a wagering instrument; or

3 (iv) The value of a wagering credit.

4 (3) "Cheating device" means any physical, mechanical, electromechanical, electronic,
5 photographic, or computerized device used in such a manner as to cheat, deceive or defraud a casino
6 game. This includes, but is not limited to:

7 (i) Plastic, tape, string or dental floss, or any other item placed inside a coin or bill acceptor
8 or any other opening in a video-lottery terminal in a manner to simulate coin or currency
9 acceptance;

10 (ii) Forged or stolen keys used to gain access to a casino game to remove its contents; and

11 (iii) Game cards or dice that have been tampered with, marked or loaded.

12 (4) "Gaming facility" means any facility authorized to conduct casino gaming as defined
13 in the Rhode Island general laws subdivision 42-61.2-1(8), including its parking areas and/or
14 adjacent buildings and structures.

15 (5) "Paraphernalia for the manufacturing of cheating devices" means the equipment,
16 products or materials that are intended for use in manufacturing, producing, fabricating, preparing,
17 testing, analyzing, packaging, storing or concealing a counterfeit facsimile of the chips, tokens,
18 debit instruments or other wagering devices approved by the division of state lottery or lawful coin
19 or currency of the United States of America. This term includes, but is not limited to:

20 (i) Lead or lead alloy molds, forms, or similar equipment capable of producing a likeness
21 of a gaming token or United States coin or currency;

22 (ii) Melting pots or other receptacles;

23 (iii) Torches, tongs, trimming tools or other similar equipment; and

24 (iv) Equipment that can be used to manufacture facsimiles of debit instruments or wagering
25 instruments approved by the division of state lottery.

26 (6) "Table game" shall have the meaning set forth in Rhode Island general laws subdivision
27 42-61.2-1(11).

28 (7) "Wager" means a sum of money or representative of value that is risked on an
29 occurrence for which the outcome is uncertain.

30 (b) Prohibited acts and penalties. It shall be unlawful for any person to:

31 (1) Use, or attempt to use, a cheating device in a casino game or to have possession of such
32 a device in a gaming facility. Any person convicted of violating this section shall be guilty of a
33 felony punishable by imprisonment for not more than ten (10) years or a fine of not more than one
34 hundred thousand dollars (\$100,000), or both;

1 (2) Use, acquire, or possess paraphernalia with intent to cheat, or attempt to use, acquire or
2 possess, paraphernalia with the intent to manufacture cheating devices. Any person convicted of
3 violating this section shall be guilty of a felony punishable by imprisonment for not more than ten
4 (10) years or a fine of not more than one hundred thousand dollars (\$100,000), or both;

5 (3) Cheat, or attempt to cheat, in order to take or collect money or anything of value,
6 whether for one's self or another, in or from a casino game in a gaming facility. Any person
7 convicted of violating this section shall be guilty of a felony punishable by imprisonment for not
8 more than ten (10) years or a fine of not more than one hundred thousand dollars (\$100,000), or
9 both;

10 (4) Conduct, carry on, operate, deal, or attempt to conduct, carry on, operate or deal, or
11 allow to be conducted, carried on, operated, or dealt, any cheating game or device. Any person
12 convicted of violating this section shall be guilty of a felony punishable by imprisonment for not
13 more than ten (10) years or a fine of not more than one hundred thousand dollars (\$100,000), or
14 both;

15 (5) Manipulate or alter or attempt to manipulate or alter, with the intent to cheat, any
16 physical, mechanical, electromechanical, electronic, or computerized component of a casino game,
17 contrary to the designed and normal operational purpose for the component. Any person convicted
18 of violating this section shall be guilty of a felony punishable by imprisonment for not more than
19 ten (10) years or a fine of not more than one hundred thousand dollars (\$100,000), or both;

20 (6) Use, sell or possess, or attempt to use, sell or possess, counterfeit: coins, slugs, tokens,
21 gaming chips, debit instruments, player rewards cards or any counterfeit wagering instruments
22 and/or devices resembling tokens, gaming chips, debit or other wagering instruments approved by
23 the division of state lottery for use in a casino game in a gaming facility. Any person convicted of
24 violating this section shall be guilty of a felony punishable by imprisonment for not more than ten
25 (10) years or a fine of not more than one hundred thousand dollars (\$100,000), or both;

26 (7) (i) Place, increase, decrease, cancel or remove a wager or determine the course of play
27 of a table game, or attempt to place, increase, decrease, cancel or remove a wager or determine the
28 course of play of a table game, with knowledge of the outcome of the table game where such
29 knowledge is not available to all players; or

30 (ii) Aid, or attempt to aid anyone in acquiring such knowledge for the purpose of placing,
31 increasing, decreasing, cancelling or removing a wager or determining the course of play of the
32 table game. Any person convicted of violating this section shall be guilty of a felony punishable by
33 imprisonment for not more than ten (10) years or a fine of not more than one hundred thousand
34 dollars (\$100,000), or both;

1 (8) Claim, collect or take, or attempt to claim, collect or take, money or anything of value
2 in or from a casino game or gaming facility, with intent to defraud, or to claim, collect or take an
3 amount greater than the amount won. Any person convicted of violating this section shall be guilty
4 of a felony punishable by imprisonment for not more than ten (10) years or a fine of not more than
5 one hundred thousand dollars (\$100,000), or both;

6 (9) For any employee of a gaming facility or anyone acting on behalf of or at the direction
7 of an employee of a gaming facility, to knowingly fail to collect, or attempt to fail to collect, a
8 losing wager or pay, or attempt to pay, an amount greater on any wager than required under the
9 rules of a casino game. Any person convicted of violating this section shall be guilty of a felony
10 punishable by imprisonment for not more than ten (10) years or a fine of not more than one hundred
11 thousand dollars (\$100,000), or both;

12 (10) Directly or indirectly offer, or attempt to offer, to conspire with another, or solicit, or
13 attempt to solicit, from another, anything of value, for the purpose of influencing the outcome of a
14 casino game. Any person convicted of violating this section shall be guilty of a felony punishable
15 by imprisonment for not more than ten (10) years or a fine of not more than one hundred thousand
16 dollars (\$100,000), or both;

17 (11) Use or possess, or attempt to use or possess, at a gaming facility, without the written
18 consent of the director of the division of state lottery, any electronic, electrical or mechanical device
19 designed, constructed or programmed to assist the user or another person with the intent to:

20 (i) Predict the outcome of a casino game;

21 (ii) Keep track of the cards played;

22 (iii) Analyze and/or predict the probability of an occurrence relating to the casino game;
23 and/or

24 (iv) Analyze and/or predict the strategy for playing or wagering to be used in the casino
25 game. Any person convicted of violating this section shall be guilty of a felony punishable by
26 imprisonment for not more than ten (10) years or a fine of not more than one hundred thousand
27 dollars (\$100,000), or both;

28 (12) Skim, or attempt to skim, casino gaming proceeds by excluding anything of value
29 from the deposit, counting, collection, or computation of:

30 (i) Gross revenues from gaming operations or activities;

31 (ii) Net gaming proceeds; and/or

32 (iii) Amounts due the state pursuant to applicable casino gaming-related laws. Any person
33 convicted of violating this section shall be guilty of a felony punishable by imprisonment for not
34 more than ten (10) years or a fine of not more than one hundred thousand dollars (\$100,000), or

1 both;

2 (13) Cheat, or attempt to cheat, in the performance of his/her duties as a dealer or other
3 casino employee by conducting one's self in a manner that is deceptive to the public or alters the
4 normal random selection of characteristics or the normal chance or result of the game, including,
5 but not limited to, using cards, dice or any cheating device(s) which have been marked, tampered
6 with or altered. Any person convicted of violating this section shall be guilty of a felony punishable
7 by imprisonment for not more than ten (10) years or a fine of not more than one hundred thousand
8 dollars (\$100,000), or both;

9 (14) Possess or use, or attempt to use, without proper authorization from the state lottery
10 division, while in the gaming facility any key or device designed for the purpose of or suitable for
11 opening or entering any self-redemption unit (kiosk), vault, video-lottery terminal, drop box or any
12 secured area in the gaming facility that contains casino gaming and/or surveillance equipment,
13 computers, electrical systems, currency, cards, chips, dice, or any other thing of value. Any person
14 convicted of violating this section shall be guilty of a felony punishable by imprisonment for not
15 more than ten (10) years or a fine of not more than one hundred thousand dollars (\$100,000), or
16 both;

17 (15) Tamper and/or interfere, or attempt to tamper and/or interfere, with any casino gaming
18 and/or surveillance equipment, including, but not limited to, related computers and electrical
19 systems. Any person convicted of violating this section shall be guilty of a felony punishable by
20 imprisonment for not more than ten (10) years or a fine of not more than one hundred thousand
21 dollars (\$100,000), or both;

22 (16) Access, interfere with, infiltrate, hack into or infect, or attempt to access, interfere
23 with, infiltrate, hack into or infect, any casino gaming-related computer, network, hardware and/or
24 software or other equipment. Any person convicted of violating this section shall be guilty of a
25 felony punishable by imprisonment for not more than ten (10) years or a fine of not more than one
26 hundred thousand dollars (\$100,000), or both;

27 (17) Sell, trade, barter, profit from or otherwise use to one's financial advantage, or attempt
28 to sell, trade, barter, profit from or otherwise use to one's financial advantage, any confidential
29 information related to casino-gaming operations, including, but not limited to, data (whether stored
30 on a computer's software, hardware, network or elsewhere), passwords, codes, surveillance and
31 security characteristics and/or vulnerabilities, and/or non-public internal controls, policies and
32 procedures related thereto. Any person convicted of violating this section shall be guilty of a felony
33 punishable by imprisonment for not more than ten (10) years or a fine of not more than one hundred
34 thousand dollars (\$100,000), or both;

1 (18) Conduct a gaming operation, or attempt to conduct a gaming operation, where
2 wagering is used or to be used without a license issued by [or authorization from](#) the division of
3 state lottery. Any person convicted of violating this section shall be guilty of a felony punishable
4 by imprisonment for not more than ten (10) years or a fine of not more than one hundred thousand
5 dollars (\$100,000), or both;

6 (19) Provide false information and/or testimony to the division of state lottery, department
7 of business regulation, or their authorized representatives and/or the state police while under oath.
8 Any person convicted of violating this section shall be guilty of a felony punishable by
9 imprisonment for not more than ten (10) years or a fine of not more than one hundred thousand
10 dollars (\$100,000), or both;

11 (20) Play a casino game and/or make a wager, or attempting to play a casino game and/or
12 make a wager, if under the age eighteen (18) years. Any person charged under this section shall be
13 referred to family court; or

14 (21) Permit, or attempt to permit, a person to play a casino game and/or accept, or attempt
15 to accept, a wager from a person, if he/she is under the age of eighteen (18) years. Any person
16 convicted of violating this section be guilty of a misdemeanor punishable by imprisonment for not
17 more than one year or a fine of not more than one thousand dollars (\$1,000), or both.

18 SECTION 8. Section 11-19-14 of the General Laws in Chapter 11-19 entitled "Gambling
19 and Lotteries" is hereby amended to read as follows:

20 **11-19-14. Bookmaking.**

21 Except as provided in chapter 4 of title 41 [and excluding activities authorized by the](#)
22 [division of lottery under chapters 61 and 61.2 of title 42](#), any person who shall engage in pool
23 selling or bookmaking, or shall occupy or keep any room, shed, tenement, tent, or building, or any
24 part of them, or shall occupy any place upon any public or private grounds within this state, with
25 books, apparatus, or paraphernalia for the purpose of recording or registering bets or wagers or of
26 buying or selling pools, or who shall record or register bets or wagers or sell pools upon the result
27 of any trial or contest of skill, speed or power of endurance of man or beast, or upon the result of
28 any political nomination, appointment, or election, or, being the owner or lessee or occupant of any
29 room, tent, tenement, shed, booth, or building, or part of them, knowingly shall permit it to be used
30 or occupied for any of these purposes, or shall keep, exhibit or employ any device or apparatus for
31 the purpose of recording or registering bets or wagers, or the selling of pools, or shall become the
32 custodian or depositary for gain, hire, or reward of any money, property, or thing of value staked,
33 wagered, or pledged or to be wagered or pledged upon the result, or who shall receive, register,
34 record, forward, or purport or pretend to forward to or for any race course, or person, within or

1 outside this state, any money, thing, or consideration of value bet or wagered, or money, thing, or
2 consideration of value offered for the purpose of being bet or wagered upon the speed or endurance
3 of any man or beast; or who shall occupy any place or building or part of it with books, papers,
4 apparatus, or paraphernalia for the purpose of receiving or pretending to receive, or for recording
5 or registering, or for forwarding or pretending or attempting to forward in any manner whatsoever,
6 any money, thing, or consideration of value bet or wagered or to be bet or wagered for any other
7 person, or who shall receive or offer to receive any money, thing, or consideration of value bet or
8 to be bet at any race track within or without this state, or who shall aid, assist or abet in any manner
9 in any of the acts forbidden by this section, shall upon conviction be punished by a fine not
10 exceeding five hundred dollars (\$500) or imprisonment not exceeding one year, and upon a second
11 conviction of a violation of this section shall be imprisoned for a period not less than one nor more
12 than five (5) years.

13 SECTION 9. Sections 42-142-1 and 42-142-2 of the General Laws in Chapter entitled
14 "Department of Revenue" are hereby amended to read as follows:

15 **42-142-1. Department of revenue.**

16 (a) There is hereby established within the executive branch of state government a
17 department of revenue.

18 (b) The head of the department shall be the director of revenue, who shall be appointed by
19 the governor, with the advice and consent of the senate, and shall serve at the pleasure of the
20 governor.

21 (c) The department shall contain the division of taxation (chapter 1 of title 44), the division
22 of motor vehicles (chapter 2 of title 31), the division of state lottery (chapter 61 of title 42), the
23 office of revenue analysis (chapter 142 of title 42), the division of municipal finance (chapter 142
24 of title 42), [and a collection unit \(chapter 142 of title 42\)](#). Any reference to the division of property
25 valuation, division of property valuation and municipal finance, or office of municipal affairs in
26 the Rhode Island general laws shall mean the division of municipal finance.

27 **42-142-2. Powers and duties of the department.**

28 The department of revenue shall have the following powers and duties:

29 (a) To operate a division of taxation~~;~~;

30 (b) To operate a division of motor vehicles;

31 (c) To operate a division of state lottery;

32 (d) To operate an office of revenue analysis; ~~and~~

33 (e) To operate a division of property valuation; ~~and~~

34 [\(f\) To operate a collection unit.](#)

1 SECTION 10. Chapter 42-142 of the General Laws entitled "Department of Revenue" is
2 hereby amended by adding thereto the following section:

3 **42-142-8. Collection unit.**

4 (a) The director of the department of revenue is authorized to establish within the
5 department of revenue a collections unit for the purpose of assisting state agencies in the collection
6 of debts owed to the state. The director of the department of revenue may enter into an agreement
7 with any state agency(ies) to collect any delinquent debt owed to the state.

8 (b) The director of the department of revenue shall initially implement a pilot program to
9 assist the agency(ies) with the collection of delinquent debts owed to the state.

10 (c) The agency(ies) participating in the pilot program shall refer to the collection unit
11 within department of revenue, debts owed by delinquent debtors where the nature and amount of
12 the debt owed has been determined and reconciled by the agency and the debt is: (i) The subject of
13 a written settlement agreement and/or written waiver agreement and the delinquent debtor has
14 failed to timely make payments under said agreement and/or waiver and is therefore in violation of
15 the terms of said agreement and/or waiver; (ii) The subject of a final administrative order or
16 decision and the debtor has not timely appealed said order or decision; (iii) The subject of final
17 order, judgement or decision of a court of competent jurisdiction and the debtor has not timely
18 appealed said order, judgement or decision. The collections unit shall not accept a referral of any
19 delinquent debt unless it satisfies subsection (c)(i), (ii) or (iii) of this section.

20 (d) Any agency(ies) entering into an agreement with the department of revenue to allow
21 the collection unit of the department to collect a delinquent debt owed to the state shall indemnify
22 the department of revenue against injuries, actions, liabilities, or proceedings arising from the
23 collection, or attempted collection, by the collection unit of the debt owed to the state.

24 (e) Before referring a delinquent debt to the collection unit, the agency(ies) must notify the
25 debtor of its intention to submit the debt to the collection unit for collection and of the debtor's right
26 to appeal that decision not less than thirty (30) days before the debt is submitted to the collection
27 unit.

28 (f) At such time as the agency(ies) refers a delinquent debt to the collection unit, the agency
29 shall: (i) Represent in writing to the collection unit that it has complied with all applicable state and
30 federal laws and regulations relating to the collection of the debt, including, but not limited to, the
31 requirement to provide the debtor with the notice of referral to the collection unit under section (e)
32 of this section; and (ii) Provide the collection unit personnel with all relevant supporting
33 documentation including, not limited to notices, invoices, ledgers, correspondence, agreements,
34 waivers, decisions, orders and judgements necessary for the collection unit to attempt to collect the

1 delinquent debt.

2 (g) The referring agency(ies) shall assist the collection unit by providing any and all
3 information, expertise and resources deemed necessary by the collection unit to collect the
4 delinquent debts referred to the collection unit.

5 (h) Upon receipt of a referral of a delinquent debt from an agency(ies), the amount of the
6 delinquent debt shall accrue interest at an annual rate with such rate determined by adding two (2)
7 percent to the prime rate which was in effect on October 1 of the preceding year; provided however,
8 in no event shall the rate of interest exceed twenty-one (21%) per annum nor be less than eighteen
9 percent (18%) per annum.

10 (i) Upon receipt of a referral of a delinquent debt from the agency(ies), the collection unit
11 shall provide the delinquent debtor with a "Notice of Referral" advising the debtor that:

12 (1) The delinquent debt has been referred to the collection unit for collection; and

13 (2) The collection unit will initiate, in its names, any action that is available under state law
14 for the collection of the delinquent debt, including, but not limited to, referring the debt to a third
15 party to initiate said action.

16 (j) Upon receipt of a referral of a delinquent debt from an agency(ies), the director of the
17 department of revenue shall have the authority to institute, in its name, any action(s) that are
18 available under state law for collection of the delinquent debt and interest, penalties and/or fees
19 thereon and to, with or without suit, settle the delinquent debt.

20 (k) In exercising its authority under this section, the collection unit shall comply with all
21 state and federal laws and regulations related to the collection of debts.

22 (l) Upon of the receipt of payment from a delinquent debtor, whether a full or partial
23 payment, the collection unit shall disburse/deposit the proceeds of said payment in the following
24 order:

25 (1) To the appropriate federal account to reimburse the federal government funds owed to
26 them by the state from funds recovered; and

27 (2) The balance of the amount collected to the referring agency.

28 (m) Notwithstanding the above, the establishment of a collection unit within the department
29 of revenue shall be contingent upon an annual appropriation by the general assembly of amounts
30 necessary and sufficient to cover the costs and expenses to establish, maintain and operate the
31 collection unit including, but not limited, computer hardware and software, maintenance of the
32 computer system to manage the system and personnel perform work within the collection unit.

33 (n) In addition to the implementation of any pilot program, the collection unit shall comply
34 with the provisions of this section in the collection of all delinquent debts under to this section.

1 (o) The department of revenue is authorized to promulgate rules and regulations as it deems
2 appropriate with respect to the collection unit.

3 (p) By September 1, 2020 and each year thereafter, the department of revenue shall
4 specifically assess the performance, effectiveness, and revenue impact of the collections associated
5 with this section, including, but not limited to, the total amounts referred and collected by each
6 referring agency during the previous state fiscal year to the governor, the speaker of the house of
7 representatives, the president of the senate, and the chairpersons of the house and senate finance
8 committees, the house and senate fiscal advisors. Such report shall include the net revenue impact
9 to the state of the collections unit.

10 (q) No operations of a collections unit pursuant to this chapter shall be authorized after
11 June 30, 2021.

12 SECTION 11. Sections 44-18-7, 44-18-7.1, 44-18-7.3, 44-18-8, 44-18-15, 44-18-20, 44-
13 18-21, 44-18-22, 44-18-23, 44-18-25, and 44-18-30 of the General Laws in Chapter 44-18 entitled
14 "Sales and Use Taxes – Liability and Computation" are hereby amended to read as follows:

15 **44-18-7. Sales defined.**

16 "Sales" means and includes:

17 (1) Any transfer of title or possession, exchange, barter, lease, or rental, conditional or
18 otherwise, in any manner or by any means of tangible personal property for a consideration.
19 "Transfer of possession", "lease", or "rental" includes transactions found by the tax administrator
20 to be in lieu of a transfer of title, exchange, or barter.

21 (2) The producing, fabricating, processing, printing, or imprinting of tangible personal
22 property for a consideration for consumers who furnish either directly or indirectly the materials
23 used in the producing, fabricating, processing, printing, or imprinting.

24 (3) The furnishing and distributing of tangible personal property for a consideration by
25 social, athletic, and similar clubs and fraternal organizations to their members or others.

26 (4) The furnishing, preparing, or serving for consideration of food, meals, or drinks,
27 including any cover, minimum, entertainment, or other charge in connection therewith.

28 (5) A transaction whereby the possession of tangible personal property is transferred, but
29 the seller retains the title as security for the payment of the price.

30 (6) Any withdrawal, except a withdrawal pursuant to a transaction in foreign or interstate
31 commerce, of tangible personal property from the place where it is located for delivery to a point
32 in this state for the purpose of the transfer of title or possession, exchange, barter, lease, or rental,
33 conditional or otherwise, in any manner or by any means whatsoever, of the property for a
34 consideration.

1 (7) A transfer for a consideration of the title or possession of tangible personal property,
2 which has been produced, fabricated, or printed to the special order of the customer, or any
3 publication.

4 (8) The furnishing and distributing of electricity, natural gas, artificial gas, steam,
5 refrigeration, and water.

6 (9)(i) The furnishing for consideration of intrastate, interstate and international
7 telecommunications service sourced in this state in accordance with subsections 44-18.1(15) and
8 (16) and all ancillary services, any maintenance services of telecommunication equipment other
9 than as provided for in subdivision 44-18-12(b)(ii). For the purposes of chapters 18 and 19 of this
10 title only, telecommunication service does not include service rendered using a prepaid telephone
11 calling arrangement.

12 (ii) Notwithstanding the provisions of paragraph (i) of this subdivision, in accordance with
13 the Mobile Telecommunications Sourcing Act (4 U.S.C. §§ 116 – 126), subject to the specific
14 exemptions described in 4 U.S.C. § 116(c), and the exemptions provided in §§ 44-18-8 and 44-18-
15 12, mobile telecommunications services that are deemed to be provided by the customer's home
16 service provider are subject to tax under this chapter if the customer's place of primary use is in this
17 state regardless of where the mobile telecommunications services originate, terminate or pass
18 through. Mobile telecommunications services provided to a customer, the charges for which are
19 billed by or for the customer's home service provider, shall be deemed to be provided by the
20 customer's home service provider.

21 (10) The furnishing of service for transmission of messages by telegraph, cable, or radio
22 and the furnishing of community antenna television, subscription television, and cable television
23 services.

24 (11) The rental of living quarters in any hotel, rooming house, or tourist camp.

25 (12) The transfer for consideration of prepaid telephone calling arrangements and the
26 recharge of prepaid telephone calling arrangements sourced to this state in accordance with §§ 44-
27 18.1-11 and 44-18.1-15. "Prepaid telephone calling arrangement" means and includes prepaid
28 calling service and prepaid wireless calling service.

29 (13) The sale, storage, use or other consumption of over-the-counter drugs as defined in
30 paragraph 44-18-7.1(h)(ii).

31 (14) The sale, storage, use or other consumption of prewritten computer software delivered
32 electronically or by load and leave as defined in paragraph 44-18-7.1(g)(v).

33 [\(15\) The sale, storage, use or other consumption of vendor-hosted prewritten computer](#)
34 [software as defined in § 44-18-7.1\(g\)\(vii\).](#)

1 ~~(15)~~(16) The sale, storage, use or other consumption of medical marijuana as defined in §
2 21-28.6-3.

3 ~~(16)~~(17) The furnishing of services in this state as defined in § 44-18-7.3.

4 **44-18-7.1. Additional Definitions.**

5 (a) "Agreement" means the streamlined sales and use tax agreement.

6 (b) "Alcoholic beverages" means beverages that are suitable for human consumption and
7 contain one-half of one percent (.5%) or more of alcohol by volume.

8 (c) "Bundled transaction" is the retail sale of two or more products, except real property
9 and services to real property, where (1) The products are otherwise distinct and identifiable, and
10 (2) The products are sold for one non-itemized price. A "bundled transaction" does not include the
11 sale of any products in which the "sales price" varies, or is negotiable, based on the selection by
12 the purchaser of the products included in the transaction.

13 (i) "Distinct and identifiable products" does not include:

14 (A) Packaging – such as containers, boxes, sacks, bags, and bottles – or other materials –
15 such as wrapping, labels, tags, and instruction guides – that accompany the "retail sale" of the
16 products and are incidental or immaterial to the "retail sale" thereof. Examples of packaging that
17 are incidental or immaterial include grocery sacks, shoeboxes, dry cleaning garment bags, and
18 express delivery envelopes and boxes.

19 (B) A product provided free of charge with the required purchase of another product. A
20 product is "provided free of charge" if the "sales price" of the product purchased does not vary
21 depending on the inclusion of the products "provided free of charge."

22 (C) Items included in the member state's definition of "sales price," pursuant to appendix
23 C of the agreement.

24 (ii) The term "one non-itemized price" does not include a price that is separately identified
25 by product on binding sales or other supporting sales-related documentation made available to the
26 customer in paper or electronic form including, but not limited to, an invoice, bill of sale, receipt,
27 contract, service agreement, lease agreement, periodic notice of rates and services, rate card, or
28 price list.

29 (iii) A transaction that otherwise meets the definition of a "bundled transaction" as defined
30 above, is not a "bundled transaction" if it is:

31 (A) The "retail sale" of tangible personal property and a service where the tangible personal
32 property is essential to the use of the service, and is provided exclusively in connection with the
33 service, and the true object of the transaction is the service; or

34 (B) The "retail sale" of services where one service is provided that is essential to the use or

1 receipt of a second service and the first service is provided exclusively in connection with the
2 second service and the true object of the transaction is the second service; or

3 (C) A transaction that includes taxable products and nontaxable products and the "purchase
4 price" or "sales price" of the taxable products is de minimis.

5 1. De minimis means the seller's "purchase price" or "sales price" of the taxable products
6 is ten percent (10%) or less of the total "purchase price" or "sales price" of the bundled products.

7 2. Sellers shall use either the "purchase price" or the "sales price" of the products to
8 determine if the taxable products are de minimis. Sellers may not use a combination of the
9 "purchase price" and "sales price" of the products to determine if the taxable products are de
10 minimis.

11 3. Sellers shall use the full term of a service contract to determine if the taxable products
12 are de minimis; or

13 (D) The "retail sale" of exempt tangible personal property and taxable tangible personal
14 property where:

15 1. The transaction includes "food and food ingredients", "drugs", "durable medical
16 equipment", "mobility enhancing equipment", "over-the-counter drugs", "prosthetic devices" (all
17 as defined in this section) or medical supplies; and

18 2. Where the seller's "purchase price" or "sales price" of the taxable tangible personal
19 property is fifty percent (50%) or less of the total "purchase price" or "sales price" of the bundled
20 tangible personal property. Sellers may not use a combination of the "purchase price" and "sales
21 price" of the tangible personal property when making the fifty percent (50%) determination for a
22 transaction.

23 (d) "Certified automated system (CAS)" means software certified under the agreement to
24 calculate the tax imposed by each jurisdiction on a transaction, determine the amount of tax to remit
25 to the appropriate state, and maintain a record of the transaction.

26 (e) "Certified service provider (CSP)" means an agent certified under the agreement to
27 perform all the seller's sales and use tax functions, other than the seller's obligation to remit tax on
28 its own purchases.

29 *(f) Clothing and Related Items*

30 (i) "Clothing" means all human wearing apparel suitable for general use.

31 (ii) "Clothing accessories or equipment" means incidental items worn on the person or in
32 conjunction with "clothing." "Clothing accessories or equipment" does not include "clothing",
33 "sport or recreational equipment", or "protective equipment."

34 (iii) "Protective equipment" means items for human wear and designed as protection of the

1 wearer against injury or disease or as protections against damage or injury of other persons or
2 property but not suitable for general use. "Protective equipment" does not include "clothing",
3 "clothing accessories or equipment", and "sport or recreational equipment."

4 (iv) "Sport or recreational equipment" means items designed for human use and worn in
5 conjunction with an athletic or recreational activity that are not suitable for general use. "Sport or
6 recreational equipment" does not include "clothing", "clothing accessories or equipment", and
7 "protective equipment."

8 (g) *Computer and Related Items*

9 (i) "Computer" means an electronic device that accepts information in digital or similar
10 form and manipulates it for a result based on a sequence of instructions.

11 (ii) "Computer software" means a set of coded instructions designed to cause a "computer"
12 or automatic data processing equipment to perform a task.

13 (iii) "Delivered electronically" means delivered to the purchaser by means other than
14 tangible storage media.

15 (iv) "Electronic" means relating to technology having electrical, digital, magnetic, wireless,
16 optical, electromagnetic, or similar capabilities.

17 (v) "Load and leave" means delivery to the purchaser by use of a tangible storage media
18 where the tangible storage media is not physically transferred to the purchaser.

19 (vi) "Prewritten computer software" means "computer software," including prewritten
20 upgrades, that is not designed and developed by the author or other creator to the specifications of
21 a specific purchaser. The combining of two (2) or more "prewritten computer software" programs
22 or prewritten portions thereof does not cause the combination to be other than "prewritten computer
23 software." "Prewritten computer software" includes software designed and developed by the author
24 or other creator to the specifications of a specific purchaser when it is sold to a person other than
25 the specific purchaser. Where a person modifies or enhances "computer software" of which the
26 person is not the author or creator, the person shall be deemed to be the author or creator only of
27 such person's modifications or enhancements. "Prewritten computer software" or a prewritten
28 portion thereof that is modified or enhanced to any degree, where such modification or
29 enhancement is designed and developed to the specifications of a specific purchaser, remains
30 "prewritten computer software"; provided, however, that where there is a reasonable, separately
31 stated charge or an invoice or other statement of the price given to the purchaser for such
32 modification or enhancement, such modification or enhancement shall not constitute "prewritten
33 computer software."

34 [\(vii\) "Vendor-hosted prewritten computer software" means prewritten computer software](#)

1 [that is accessed through the Internet and/or a vendor-hosted server regardless of whether the access](#)
2 [is permanent or temporary and regardless of whether any downloading occurs.](#)

3 (h) *Drugs and Related Items*

4 (i) "Drug" means a compound, substance, or preparation, and any component of a
5 compound, substance, or preparation, other than "food and food ingredients," "dietary
6 supplements" or "alcoholic beverages":

7 (A) Recognized in the official United States Pharmacopoeia, official Homeopathic
8 Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them;
9 or

10 (B) Intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease;
11 or

12 (C) Intended to affect the structure or any function of the body.

13 "Drug" shall also include insulin and medical oxygen whether or not sold on prescription.

14 (ii) "Over-the-counter drug" means a drug that contains a label that identifies the product
15 as a drug as required by 21 C.F.R. § 201.66. The "over-the-counter drug" label includes:

16 (A) A "Drug Facts" panel; or

17 (B) A statement of the "active ingredient(s)" with a list of those ingredients contained in
18 the compound, substance, or preparation.

19 "Over-the-counter drug" shall not include "grooming and hygiene products."

20 (iii) "Grooming and hygiene products" are soaps and cleaning solutions, shampoo,
21 toothpaste, mouthwash, antiperspirants, and suntan lotions and screens, regardless of whether the
22 items meet the definition of "over-the-counter drugs."

23 (iv) "Prescription" means an order, formula, or recipe issued in any form of oral, written,
24 electronic, or other means of transmission by a duly licensed practitioner authorized by the laws of
25 the member state.

26 (i) "Delivery charges" means charges by the seller of personal property or services for
27 preparation and delivery to a location designated by the purchaser of personal property or services
28 including, but not limited to: transportation, shipping, postage, handling, crating, and packing.

29 "Delivery charges" shall not include the charges for delivery of "direct mail" if the charges
30 are separately stated on an invoice or similar billing document given to the purchaser.

31 (j) "Direct mail" means printed material delivered or distributed by United States mail or
32 other delivery service to a mass audience or to addressees on a mailing list provided by the
33 purchaser or at the direction of the purchaser when the cost of the items are not billed directly to
34 the recipients. "Direct mail" includes tangible personal property supplied directly or indirectly by

1 the purchaser to the direct mail seller for inclusion in the package containing the printed material.
2 "Direct mail" does not include multiple items of printed material delivered to a single address.

3 (k) "Durable medical equipment" means equipment including repair and replacement parts
4 for same which:

5 (i) Can withstand repeated use; and

6 (ii) Is primarily and customarily used to serve a medical purpose; and

7 (iii) Generally is not useful to a person in the absence of illness or injury; and

8 (iv) Is not worn in or on the body.

9 Durable medical equipment does not include mobility enhancing equipment.

10 *(l) Food and Related Items*

11 (i) "Food and food ingredients" means substances, whether in liquid, concentrated, solid,
12 frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are
13 consumed for their taste or nutritional value ~~and seeds and plants used to grow food and food~~
14 ~~ingredients.~~ "Food and food ingredients" does not include "alcoholic beverages", "tobacco",
15 "candy", "dietary supplements", and "soft drinks." ~~; or "marijuana seeds or plants."~~

16 (ii) "Prepared food" means:

17 (A) Food sold in a heated state or heated by the seller;

18 (B) Two (2) or more food ingredients mixed or combined by the seller for sale as a single
19 item; or

20 (C) Food sold with eating utensils provided by the seller, including: plates, knives, forks,
21 spoons, glasses, cups, napkins, or straws. A plate does not include a container or packaging used to
22 transport the food.

23 "Prepared food" in (B) does not include food that is only cut, repackaged, or pasteurized
24 by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring
25 cooking by the consumer as recommended by the Food and Drug Administration in chapter 3, part
26 401.11 of its Food Code so as to prevent food borne illnesses.

27 (iii) "Candy" means a preparation of sugar, honey, or other natural or artificial sweeteners
28 in combination with chocolate, fruits, nuts, or other ingredients or flavorings in the form of bars,
29 drops, or pieces. "Candy" shall not include any preparation containing flour and shall require no
30 refrigeration.

31 (iv) "Soft drinks" means non-alcoholic beverages that contain natural or artificial
32 sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice, or
33 similar milk substitutes, or greater than fifty percent (50%) of vegetable or fruit juice by volume.

34 (v) "Dietary supplement" means any product, other than "tobacco", intended to supplement

1 the diet that:

2 (A) Contains one or more of the following dietary ingredients:

3 1. A vitamin;

4 2. A mineral;

5 3. An herb or other botanical;

6 4. An amino acid;

7 5. A dietary substance for use by humans to supplement the diet by increasing the total
8 dietary intake; or

9 6. A concentrate, metabolite, constituent, extract, or combination of any ingredient
10 described above; and

11 (B) Is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or
12 if not intended for ingestion in such a form, is not represented as conventional food and is not
13 represented for use as a sole item of a meal or of the diet; and

14 (C) Is required to be labeled as a dietary supplement, identifiable by the "supplemental
15 facts" box found on the label and as required pursuant to 21 C.F.R. § 101.36.

16 (m) "Food sold through vending machines" means food dispensed from a machine or other
17 mechanical device that accepts payment.

18 (n) "Hotel" means every building or other structure kept, used, maintained, advertised as,
19 or held out to the public to be a place where living quarters are supplied for pay to transient or
20 permanent guests and tenants and includes a motel.

21 (i) "Living quarters" means sleeping rooms, sleeping or housekeeping accommodations, or
22 any other room or accommodation in any part of the hotel, rooming house, or tourist camp that is
23 available for or rented out for hire in the lodging of guests.

24 (ii) "Rooming house" means every house, boat, vehicle, motor court, or other structure
25 kept, used, maintained, advertised, or held out to the public to be a place where living quarters are
26 supplied for pay to transient or permanent guests or tenants, whether in one or adjoining buildings.

27 (iii) "Tourist camp" means a place where tents or tent houses, or camp cottages, or cabins
28 or other structures are located and offered to the public or any segment thereof for human
29 habitation.

30 (o) "Lease or rental" means any transfer of possession or control of tangible personal
31 property for a fixed or indeterminate term for consideration. A lease or rental may include future
32 options to purchase or extend. Lease or rental does not include:

33 (i) A transfer of possession or control of property under a security agreement or deferred
34 payment plan that requires the transfer of title upon completion of the required payments;

1 (ii) A transfer of possession or control of property under an agreement that requires the
2 transfer of title upon completion of required payments and payment of an option price does not
3 exceed the greater of one hundred dollars (\$100) or one percent of the total required payments; or

4 (iii) Providing tangible personal property along with an operator for a fixed or
5 indeterminate period of time. A condition of this exclusion is that the operator is necessary for the
6 equipment to perform as designed. For the purpose of this subsection, an operator must do more
7 than maintain, inspect, or set-up the tangible personal property.

8 (iv) Lease or rental does include agreements covering motor vehicles and trailers where the
9 amount of consideration may be increased or decreased by reference to the amount realized upon
10 sale or disposition of the property as defined in 26 U.S.C. § 7701(h)(1).

11 (v) This definition shall be used for sales and use tax purposes regardless if a transaction
12 is characterized as a lease or rental under generally accepted accounting principles, the Internal
13 Revenue Code, the Uniform Commercial Code, or other provisions of federal, state, or local law.

14 (vi) This definition will be applied only prospectively from the date of adoption and will
15 have no retroactive impact on existing leases or rentals. This definition shall neither impact any
16 existing sale-leaseback exemption or exclusions that a state may have, nor preclude a state from
17 adopting a sale-leaseback exemption or exclusion after the effective date of the agreement.

18 (p) "Mobility enhancing equipment" means equipment, including repair and replacement
19 parts to same, that:

20 (i) Is primarily and customarily used to provide or increase the ability to move from one
21 place to another and that is appropriate for use either in a home or a motor vehicle; and

22 (ii) Is not generally used by persons with normal mobility; and

23 (iii) Does not include any motor vehicle or equipment on a motor vehicle normally
24 provided by a motor vehicle manufacturer.

25 Mobility enhancing equipment does not include durable medical equipment.

26 (q) "Model 1 Seller" means a seller that has selected a CSP as its agent to perform all the
27 seller's sales and use tax functions, other than the seller's obligation to remit tax on its own
28 purchases.

29 (r) "Model 2 Seller" means a seller that has selected a CAS to perform part of its sales and
30 use tax functions, but retains responsibility for remitting the tax.

31 (s) "Model 3 Seller" means a seller that has sales in at least five member states, has total
32 annual sales revenue of at least five hundred million dollars (\$500,000,000), has a proprietary
33 system that calculates the amount of tax due each jurisdiction, and has entered into a performance
34 agreement with the member states that establishes a tax performance standard for the seller. As

1 used in this definition, a seller includes an affiliated group of sellers using the same proprietary
2 system.

3 (t) "Prosthetic device" means a replacement, corrective, or supportive device including
4 repair and replacement parts for same worn on or in the body to:

5 (i) Artificially replace a missing portion of the body;

6 (ii) Prevent or correct physical deformity or malfunction; or

7 (iii) Support a weak or deformed portion of the body.

8 (u) "Purchaser" means a person to whom a sale of personal property is made or to whom a
9 service is furnished.

10 (v) "Purchase price" applies to the measure subject to use tax and has the same meaning as
11 sales price.

12 (w) "Seller" means a person making sales, leases, or rentals of personal property or
13 services.

14 (x) "State" means any state of the United States and the District of Columbia.

15 (y) "Telecommunications" tax base/exemption terms

16 (i) Telecommunication terms shall be defined as follows:

17 (A) "Ancillary services" means services that are associated with or incidental to the
18 provision of "telecommunications services", including, but not limited to, "detailed
19 telecommunications billing", "directory assistance", "vertical service", and "voice mail services".

20 (B) "Conference bridging service" means an "ancillary service" that links two (2) or more
21 participants of an audio or video conference call and may include the provision of a telephone
22 number. "Conference bridging service" does not include the "telecommunications services" used
23 to reach the conference bridge.

24 (C) "Detailed telecommunications billing service" means an "ancillary service" of
25 separately stating information pertaining to individual calls on a customer's billing statement.

26 (D) "Directory assistance" means an "ancillary service" of providing telephone number
27 information, and/or address information.

28 (E) "Vertical service" means an "ancillary service" that is offered in connection with one
29 or more "telecommunications services", which offers advanced calling features that allow
30 customers to identify callers and to manage multiple calls and call connections, including
31 "conference bridging services".

32 (F) "Voice mail service" means an "ancillary service" that enables the customer to store,
33 send, or receive recorded messages. "Voice mail service" does not include any "vertical services"
34 that the customer may be required to have in order to utilize the "voice mail service".

1 (G) "Telecommunications service" means the electronic transmission, conveyance, or
2 routing of voice, data, audio, video, or any other information or signals to a point, or between or
3 among points. The term "telecommunications service" includes such transmission, conveyance, or
4 routing in which computer processing applications are used to act on the form, code, or protocol of
5 the content for purposes of transmission, conveyance, or routing without regard to whether such
6 service is referred to as voice over internet protocol services or is classified by the Federal
7 Communications Commission as enhanced or value added. "Telecommunications service" does not
8 include:

9 (1) Data processing and information services that allow data to be generated, acquired,
10 stored, processed, or retrieved and delivered by an electronic transmission to a purchaser where
11 such purchaser's primary purpose for the underlying transaction is the processed data or
12 information;

13 (2) Installation or maintenance of wiring or equipment on a customer's premises;

14 (3) Tangible personal property;

15 (4) Advertising, including, but not limited to, directory advertising;

16 (5) Billing and collection services provided to third parties;

17 (6) Internet access service;

18 (7) Radio and television audio and video programming services, regardless of the medium,
19 including the furnishing of transmission, conveyance, and routing of such services by the
20 programming service provider. Radio and television audio and video programming services shall
21 include, but not be limited to, cable service as defined in 47 U.S.C. § 522(6) and audio and video
22 programming services delivered by commercial mobile radio service providers as defined in 47
23 C.F.R. § 20.3;

24 (8) "Ancillary services"; or

25 (9) Digital products "delivered electronically", including, but not limited to: software,
26 music, video, reading materials or ring tones.

27 (H) "800 service" means a "telecommunications service" that allows a caller to dial a toll-
28 free number without incurring a charge for the call. The service is typically marketed under the
29 name "800", "855", "866", "877", and "888" toll-free calling, and any subsequent numbers
30 designated by the Federal Communications Commission.

31 (I) "900 service" means an inbound toll "telecommunications service" purchased by a
32 subscriber that allows the subscriber's customers to call in to the subscriber's prerecorded
33 announcement or live service. "900 service" does not include the charge for: collection services
34 provided by the seller of the "telecommunications services" to the subscriber, or service or product

1 sold by the subscriber to the subscriber's customer. The service is typically marketed under the
2 name "900 service," and any subsequent numbers designated by the Federal Communications
3 Commission.

4 (J) "Fixed wireless service" means a "telecommunications service" that provides radio
5 communication between fixed points.

6 (K) "Mobile wireless service" means a "telecommunications service" that is transmitted,
7 conveyed, or routed regardless of the technology used, whereby the origination and/or termination
8 points of the transmission, conveyance, or routing are not fixed, including, by way of example only,
9 "telecommunications services" that are provided by a commercial mobile radio service provider.

10 (L) "Paging service" means a "telecommunications service" that provides transmission of
11 coded radio signals for the purpose of activating specific pagers; such transmissions may include
12 messages and/or sounds.

13 (M) "Prepaid calling service" means the right to access exclusively "telecommunications
14 services", which must be paid for in advance and that enables the origination of calls using an
15 access number or authorization code, whether manually or electronically dialed, and that is sold in
16 predetermined units or dollars of which the number declines with use in a known amount.

17 (N) "Prepaid wireless calling service" means a "telecommunications service" that provides
18 the right to utilize "mobile wireless service", as well as other non-telecommunications services,
19 including the download of digital products "delivered electronically", content and "ancillary
20 services" which must be paid for in advance that is sold in predetermined units of dollars of which
21 the number declines with use in a known amount.

22 (O) "Private communications service" means a telecommunications service that entitles the
23 customer to exclusive or priority use of a communications channel or group of channels between
24 or among termination points, regardless of the manner in which such channel or channels are
25 connected, and includes switching capacity, extension lines, stations, and any other associated
26 services that are provided in connection with the use of such channel or channels.

27 (P) "Value-added non-voice data service" means a service that otherwise meets the
28 definition of "telecommunications services" in which computer processing applications are used to
29 act on the form, content, code, or protocol of the information or data primarily for a purpose other
30 than transmission, conveyance, or routing.

31 (ii) "Modifiers of Sales Tax Base/Exemption Terms" – the following terms can be used to
32 further delineate the type of "telecommunications service" to be taxed or exempted. The terms
33 would be used with the broader terms and subcategories delineated above.

34 (A) "Coin-operated telephone service" means a "telecommunications service" paid for by

1 inserting money into a telephone accepting direct deposits of money to operate.

2 (B) "International" means a "telecommunications service" that originates or terminates in
3 the United States and terminates or originates outside the United States, respectively. United States
4 includes the District of Columbia or a U.S. territory or possession.

5 (C) "Interstate" means a "telecommunications service" that originates in one United States
6 state, or a United States territory or possession, and terminates in a different United States state or
7 a United States territory or possession.

8 (D) "Intrastate" means a "telecommunications service" that originates in one United States
9 state or a United States territory or possession, and terminates in the same United States state or a
10 United States territory or possession.

11 (E) "Pay telephone service" means a "telecommunications service" provided through any
12 pay telephone.

13 (F) "Residential telecommunications service" means a "telecommunications service" or
14 "ancillary services" provided to an individual for personal use at a residential address, including an
15 individual dwelling unit such as an apartment. In the case of institutions where individuals reside,
16 such as schools or nursing homes, "telecommunications service" is considered residential if it is
17 provided to and paid for by an individual resident rather than the institution.

18 The terms "ancillary services" and "telecommunications service" are defined as a broad
19 range of services. The terms "ancillary services" and "telecommunications service" are broader
20 than the sum of the subcategories. Definitions of subcategories of "ancillary services" and
21 "telecommunications service" can be used by a member state alone or in combination with other
22 subcategories to define a narrower tax base than the definitions of "ancillary services" and
23 "telecommunications service" would imply. The subcategories can also be used by a member state
24 to provide exemptions for certain subcategories of the more broadly defined terms.

25 A member state that specifically imposes tax on, or exempts from tax, local telephone or
26 local telecommunications service may define "local service" in any manner in accordance with §
27 44-18.1-28, except as limited by other sections of this Agreement.

28 (z) "Tobacco" means cigarettes, cigars, chewing, or pipe tobacco, or any other item that
29 contains tobacco.

30 **44-18-7.3. Services defined.**

31 (a) "Services" means all activities engaged in for other persons for a fee, retainer,
32 commission, or other monetary charge, which activities involve the performance of a service in this
33 state as distinguished from selling property.

34 (b) The following businesses and services performed in this state, along with the applicable

1 2007 North American Industrial Classification System (NAICS) codes, are included in the
2 definition of services:

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

4 (i) Taxicab services including taxi dispatchers (485310); and
5 (ii) Limousine services (485320).

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

7 (i) Charter bus service (485510);
8 (ii) "Transportation network companies" (TNC) defined as an entity that uses a digital
9 network to connect transportation network company riders to transportation network operators who
10 provide prearranged rides. Any TNC operating in this state is a retailer as provided in § 44-18-15
11 and is required to file a business application and registration form and obtain a permit to make sales
12 at retail with the tax administrator, to charge, collect, and remit Rhode Island sales and use tax; and
13 (iii) All other transit and ground passenger transportation (485999).

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

15 (4)(i) "Room reseller" or "reseller" means any person, except a tour operator as defined in
16 § 42-63.1-2, having any right, permission, license, or other authority from or through a hotel as
17 defined in § 42-63.1-2, to reserve, or arrange the transfer of occupancy of, accommodations the
18 reservation or transfer of which is subject to this chapter, such that the occupant pays all or a portion
19 of the rental and other fees to the room reseller or reseller, room reseller or reseller shall include,
20 but not be limited to, sellers of travel packages as defined in this section. Notwithstanding the
21 provisions of any other law, where said reservation or transfer of occupancy is done using a room
22 reseller or reseller, the application of the sales and use tax under §§ 44-18-18 and 44-18-20, and
23 the hotel tax under § 44-18-36.1 shall be as follows: The room reseller or reseller is required to
24 register with, and shall collect and pay to, the tax administrator the sales and use and hotel taxes,
25 with said taxes being calculated upon the amount of rental and other fees paid by the occupant to
26 the room reseller or reseller, less the amount of any rental and other fees paid by the room reseller
27 or reseller to the hotel. The hotel shall collect and pay to the tax administrator said taxes upon the
28 amount of rental and other fees paid to the hotel by the room reseller or reseller and/or the occupant.
29 No assessment shall be made by the tax administrator against a hotel because of an incorrect
30 remittance of the taxes under this chapter by a room reseller or reseller. No assessment shall be
31 made by the tax administrator against a room reseller or reseller because of an incorrect remittance
32 of the taxes under this chapter by a hotel. If the hotel has paid the taxes imposed under this chapter,
33 the occupant and/or room reseller or reseller, as applicable, shall reimburse the hotel for said taxes.
34 If the room reseller or reseller has paid said taxes, the occupant shall reimburse the room reseller

1 or reseller for said taxes. Each hotel and room reseller or reseller shall add and collect, from the
2 occupant or the room reseller or the reseller, the full amount of the taxes imposed on the rental and
3 other fees. When added to the rental and other fees, the taxes shall be a debt owed by the occupant
4 to the hotel or room reseller or reseller, as applicable, and shall be recoverable at law in the same
5 manner as other debts. The amount of the taxes collected by the hotel and/or room reseller or
6 reseller from the occupant under this chapter shall be stated and charged separately from the rental
7 and other fees, and shall be shown separately on all records thereof, whether made at the time the
8 transfer of occupancy occurs, or on any evidence of the transfer issued or used by the hotel or the
9 room reseller or the reseller. A room reseller or reseller shall not be required to disclose to the
10 occupant the amount of tax charged by the hotel; provided, however, the room reseller or reseller
11 shall represent to the occupant that the separately stated taxes charged by the room reseller or
12 reseller include taxes charged by the hotel. No person shall operate a hotel in this state, or act as a
13 room reseller or reseller for any hotel in the state, unless the tax administrator has issued a permit
14 pursuant to § 44-19-1.

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

30 [\(5\) Investigation, Guard, and Armored Car Services \(56161\).](#)

31 (c) All services as defined herein are required to file a business application and registration
32 form and obtain a permit to make sales at retail with the tax administrator, to charge, collect, and
33 remit Rhode Island sales and use tax.

34 (d) The tax administrator is authorized to promulgate rules and regulations in accordance

1 with the provisions of chapter 42-35 to carry out the provisions, policies, and purposes of this
2 chapter.

3 **44-18-8. Retail sale or sale at retail defined.**

4 A "retail sale" or "sale at retail" means any sale, lease or rentals of tangible personal
5 property, prewritten computer software delivered electronically or by load and leave, [vendor-hosted](#)
6 [prewritten computer software](#), or services as defined in § 44-18-7.3 for any purpose other than
7 resale, sublease or subrent in the regular course of business. The sale of tangible personal property
8 to be used for purposes of rental in the regular course of business is considered to be a sale for
9 resale. In regard to telecommunications service as defined in § 44-18-7(9), retail sale does not
10 include the purchase of telecommunications service by a telecommunications provider from
11 another telecommunication provider for resale to the ultimate consumer; provided, that the
12 purchaser submits to the seller a certificate attesting to the applicability of this exclusion, upon
13 receipt of which the seller is relieved of any tax liability for the sale.

14 **44-18-15. "Retailer" defined.**

15 (a) "Retailer" includes:

16 (1) Every person engaged in the business of making sales at retail including prewritten
17 computer software delivered electronically or by load and leave, [vendor-hosted prewritten](#)
18 [computer software](#), sales of services as defined in § 44-18-7.3, and sales at auction of tangible
19 personal property owned by the person or others.

20 (2) Every person making sales of tangible personal property including prewritten computer
21 software delivered electronically or by load and leave, [or vendor-hosted prewritten computer](#)
22 [software](#), or sales of services as defined in § 44-18-7.3, through an independent contractor or other
23 representative, if the retailer enters into an agreement with a resident of this state, under which the
24 resident, for a commission or other consideration, directly or indirectly refers potential customers,
25 whether by a link on an Internet website or otherwise, to the retailer, provided the cumulative gross
26 receipts from sales by the retailer to customers in the state who are referred to the retailer by all
27 residents with this type of an agreement with the retailer, is in excess of five thousand dollars
28 (\$5,000) during the preceding four (4) quarterly periods ending on the last day of March, June,
29 September and December. Such retailer shall be presumed to be soliciting business through such
30 independent contractor or other representative, which presumption may be rebutted by proof that
31 the resident with whom the retailer has an agreement did not engage in any solicitation in the state
32 on behalf of the retailer that would satisfy the nexus requirement of the United States Constitution
33 during such four (4) quarterly periods.

34 (3) Every person engaged in the business of making sales for storage, use, or other

1 consumption of: ~~(i)~~(i) tangible personal property, (ii) sales at auction of tangible personal property
2 owned by the person or others, (iii) prewritten computer software delivered electronically or by
3 load and leave, (iv) vendor-hosted prewritten computer software, and ~~(iv)~~(v) services as defined in
4 § 44-18-7.3.

5 (4) A person conducting a horse race meeting with respect to horses, which are claimed
6 during the meeting.

7 (5) Every person engaged in the business of renting any living quarters in any hotel as
8 defined in § 42-63.1-2, rooming house, or tourist camp.

9 (6) Every person maintaining a business within or outside of this state who engages in the
10 regular or systematic solicitation of sales of tangible personal property, prewritten computer
11 software delivered electronically or by load and leave, vendor-hosted prewritten computer
12 software:

13 (i) Advertising in newspapers, magazines, and other periodicals published in this state, sold
14 over the counter in this state or sold by subscription to residents of this state, billboards located in
15 this state, airborne advertising messages produced or transported in the airspace above this state,
16 display cards and posters on common carriers or any other means of public conveyance
17 incorporated or operated primarily in this state, brochures, catalogs, circulars, coupons, pamphlets,
18 samples, and similar advertising material mailed to, or distributed within this state to residents of
19 this state;

20 (ii) Telephone;

21 (iii) Computer assisted shopping networks; and

22 (iv) Television, radio or any other electronic media, which is intended to be broadcast to
23 consumers located in this state.

24 (b) When the tax administrator determines that it is necessary for the proper administration
25 of chapters 18 and 19 of this title to regard any salespersons, representatives, truckers, peddlers, or
26 canvassers as the agents of the dealers, distributors, supervisors, employers, or persons under whom
27 they operate or from whom they obtain the tangible personal property sold by them, irrespective of
28 whether they are making sales on their own behalf or on behalf of the dealers, distributors,
29 supervisors, or employers, the tax administrator may so regard them and may regard the dealers,
30 distributors, supervisors, or employers as retailers for purposes of chapters 18 and 19 of this title.

31 **44-18-20. Use tax imposed.**

32 (a) An excise tax is imposed on the storage, use, or other consumption in this state of
33 tangible personal property; prewritten computer software delivered electronically or by load and
34 leave; vendor-hosted prewritten computer software; or services as defined in § 44-18-7.3, including

1 a motor vehicle, a boat, an airplane, or a trailer, purchased from any retailer at the rate of six percent
2 (6%) of the sale price of the property.

3 (b) An excise tax is imposed on the storage, use, or other consumption in this state of a
4 motor vehicle, a boat, an airplane, or a trailer purchased from other than a licensed motor vehicle
5 dealer or other than a retailer of boats, airplanes, or trailers respectively, at the rate of six percent
6 (6%) of the sale price of the motor vehicle, boat, airplane, or trailer.

7 (c) The word "trailer," as used in this section and in § 44-18-21, means and includes those
8 defined in § 31-1-5(a) – (e) and also includes boat trailers, camping trailers, house trailers, and
9 mobile homes.

10 (d) Notwithstanding the provisions contained in this section and in § 44-18-21 relating to
11 the imposition of a use tax and liability for this tax on certain casual sales, no tax is payable in any
12 casual sale:

13 (1) When the transferee or purchaser is the spouse, mother, father, brother, sister, or child
14 of the transferor or seller;

15 (2) When the transfer or sale is made in connection with the organization, reorganization,
16 dissolution, or partial liquidation of a business entity, provided:

17 (i) The last taxable sale, transfer, or use of the article being transferred or sold was subjected
18 to a tax imposed by this chapter;

19 (ii) The transferee is the business entity referred to or is a stockholder, owner, member, or
20 partner; and

21 (iii) Any gain or loss to the transferor is not recognized for income tax purposes under the
22 provisions of the federal income tax law and treasury regulations and rulings issued thereunder;

23 (3) When the sale or transfer is of a trailer, other than a camping trailer, of the type
24 ordinarily used for residential purposes and commonly known as a house trailer or as a mobile
25 home; or

26 (4) When the transferee or purchaser is exempt under the provisions of § 44-18-30 or other
27 general law of this state or special act of the general assembly of this state.

28 (e) The term "casual" means a sale made by a person other than a retailer, provided, that in
29 the case of a sale of a motor vehicle, the term means a sale made by a person other than a licensed
30 motor vehicle dealer or an auctioneer at an auction sale. In no case is the tax imposed under the
31 provisions of subsections (a) and (b) of this section on the storage, use, or other consumption in
32 this state of a used motor vehicle less than the product obtained by multiplying the amount of the
33 retail dollar value at the time of purchase of the motor vehicle by the applicable tax rate; provided,
34 that where the amount of the sale price exceeds the amount of the retail dollar value, the tax is

1 based on the sale price. The tax administrator shall use as his or her guide the retail dollar value as
2 shown in the current issue of any nationally recognized, used-vehicle guide for appraisal purposes
3 in this state. On request within thirty (30) days by the taxpayer after payment of the tax, if the tax
4 administrator determines that the retail dollar value as stated in this subsection is inequitable or
5 unreasonable, he or she shall, after affording the taxpayer reasonable opportunity to be heard, re-
6 determine the tax.

7 (f) Every person making more than five (5) retail sales of tangible personal property or
8 prewritten computer software delivered electronically or by load and leave, [or vendor-hosted](#)
9 [prewritten computer software](#), or services as defined in § 44-18-7.3 during any twelve-month (12)
10 period, including sales made in the capacity of assignee for the benefit of creditors or receiver or
11 trustee in bankruptcy, is considered a retailer within the provisions of this chapter.

12 (g)(1) "Casual sale" includes a sale of tangible personal property not held or used by a
13 seller in the course of activities for which the seller is required to hold a seller's permit or permits
14 or would be required to hold a seller's permit or permits if the activities were conducted in this
15 state, provided that the sale is not one of a series of sales sufficient in number, scope, and character
16 (more than five (5) in any twelve-month (12) period) to constitute an activity for which the seller
17 is required to hold a seller's permit or would be required to hold a seller's permit if the activity were
18 conducted in this state.

19 (2) Casual sales also include sales made at bazaars, fairs, picnics, or similar events by
20 nonprofit organizations, that are organized for charitable, educational, civic, religious, social,
21 recreational, fraternal, or literary purposes during two (2) events not to exceed a total of six (6)
22 days duration each calendar year. Each event requires the issuance of a permit by the division of
23 taxation. Where sales are made at events by a vendor that holds a sales tax permit and is not a
24 nonprofit organization, the sales are in the regular course of business and are not exempt as casual
25 sales.

26 (h) The use tax imposed under this section for the period commencing July 1, 1990, is at
27 the rate of seven percent (7%). In recognition of the work being performed by the streamlined sales
28 and use tax governing board, upon passage of any federal law that authorizes states to require
29 remote sellers to collect and remit sales and use taxes, effective the first (1st) day of the first (1st)
30 state fiscal quarter following the change, the rate imposed under § 44-18-18 shall be reduced from
31 seven percent (7.0%) to six and one-half percent (6.5%). The six and one-half percent (6.5%) rate
32 shall take effect on the date that the state requires remote sellers to collect and remit sales and use
33 taxes.

34 **44-18-21. Liability for use tax.**

1 (a) Every person storing, using, or consuming in this state tangible personal property,
2 including a motor vehicle, boat, airplane, or trailer, purchased from a retailer, and a motor vehicle,
3 boat, airplane, or trailer, purchased from other than a licensed motor vehicle dealer or other than a
4 retailer of boats, airplanes, or trailers respectively; or storing, using or consuming specified
5 prewritten computer software delivered electronically or by load and leave, [or vendor-hosted](#)
6 [prewritten computer software](#), or services as defined in § 44-18-7.3 is liable for the use tax. The
7 person's liability is not extinguished until the tax has been paid to this state, except that a receipt
8 from a retailer engaging in business in this state or from a retailer who is authorized by the tax
9 administrator to collect the tax under rules and regulations that he or she may prescribe, given to
10 the purchaser pursuant to the provisions of § 44-18-22, is sufficient to relieve the purchaser from
11 further liability for the tax to which the receipt refers.

12 (b) Each person before obtaining an original or transferral registration for any article or
13 commodity in this state, which article or commodity is required to be licensed or registered in the
14 state, shall furnish satisfactory evidence to the tax administrator that any tax due under this chapter
15 with reference to the article or commodity has been paid, and for the purpose of effecting
16 compliance, the tax administrator, in addition to any other powers granted to him or her, may invoke
17 the provisions of § 31-3-4 in the case of a motor vehicle. The tax administrator, when he or she
18 deems it to be for the convenience of the general public, may authorize any agency of the state
19 concerned with the licensing or registering of these articles or commodities to collect the use tax
20 on any articles or commodities which the purchaser is required by this chapter to pay before
21 receiving an original or transferral registration. The general assembly shall annually appropriate a
22 sum that it deems necessary to carry out the purposes of this section. Notwithstanding the
23 provisions of §§ 44-18-19, 44-18-22, and 44-18-24, the sales or use tax on any motor vehicle and/or
24 recreational vehicle requiring registration by the administrator of the division of motor vehicles
25 shall not be added by the retailer to the sale price or charge but shall be paid directly by the
26 purchaser to the tax administrator, or his or her authorized deputy or agent as provided in this
27 section.

28 (c) In cases involving total loss or destruction of a motor vehicle occurring within one
29 hundred twenty (120) days from the date of purchase and upon which the purchaser has paid the
30 use tax, the amount of the tax constitutes an overpayment. The amount of the overpayment may be
31 credited against the amount of use tax on any subsequent vehicle which the owner acquires to
32 replace the lost or destroyed vehicle or may be refunded, in whole or in part.

33 **44-18-22. Collection of use tax by retailer.**

34 Every retailer engaging in business in this state and making sales of tangible personal

1 property or prewritten computer software delivered electronically or by load and leave, [or vendor-](#)
2 [hosted prewritten computer software](#), or services as defined in § 44-18-7.3, for storage, use, or other
3 consumption in this state, not exempted under this chapter shall, at the time of making the sales, or
4 if the storage, use, or other consumption of the tangible personal property, prewritten computer
5 software delivered electronically or by load and leave, [vendor-hosted prewritten computer](#)
6 [software](#), or services as defined in § 44-18-7.3, is not then taxable under this chapter, at the time
7 the storage, use, or other consumption becomes taxable, collect the tax from the purchaser and give
8 to the purchaser a receipt in the manner and form prescribed by the tax administrator.

9 **44-18-23. "Engaging in business" defined.**

10 As used in §§ 44-18-21 and 44-18-22 the term "engaging in business in this state" means
11 the selling or delivering in this state, or any activity in this state related to the selling or delivering
12 in this state of tangible personal property or prewritten computer software delivered electronically
13 or by load and leave, [or vendor-hosted prewritten computer software](#), for storage, use, or other
14 consumption in this state; or services as defined in § 44-18-7.3 in this state. This term includes, but
15 is not limited to, the following acts or methods of transacting business:

16 (1) Maintaining, occupying, or using in this state permanently or temporarily, directly or
17 indirectly or through a subsidiary, representative, or agent by whatever name called and whether or
18 not qualified to do business in this state, any office, place of distribution, sales or sample room or
19 place, warehouse or storage place, or other place of business;

20 (2) Having any subsidiary, representative, agent, salesperson, canvasser, or solicitor
21 permanently or temporarily, and whether or not the subsidiary, representative, or agent is qualified
22 to do business in this state, operate in this state for the purpose of selling, delivering, or the taking
23 of orders for any tangible personal property, or prewritten computer software delivered
24 electronically or by load and leave, [or vendor-hosted prewritten computer software](#), or services as
25 defined in § 44-18-7.3;

26 (3) The regular or systematic solicitation of sales of tangible personal property, or
27 prewritten computer software delivered electronically or by load and leave, [or vendor-hosted](#)
28 [prewritten computer software](#), or services as defined in § 44-18-7.3, in this state by means of:

29 (i) Advertising in newspapers, magazines, and other periodicals published in this state, sold
30 over the counter in this state or sold by subscription to residents of this state, billboards located in
31 this state, airborne advertising messages produced or transported in the air space above this state,
32 display cards and posters on common carriers or any other means of public conveyance
33 incorporated or operating primarily in this state, brochures, catalogs, circulars, coupons, pamphlets,
34 samples, and similar advertising material mailed to, or distributed within this state to residents of

1 this state;

2 (ii) Telephone;

3 (iii) Computer-assisted shopping networks; and

4 (iv) Television, radio or any other electronic media, which is intended to be broadcast to
5 consumers located in this state.

6 **44-18-25. Presumption that sale is for storage, use, or consumption – Resale**
7 **certificate.**

8 It is presumed that all gross receipts are subject to the sales tax, and that the use of all
9 tangible personal property, or prewritten computer software delivered electronically or by load and
10 leave, [or vendor-hosted prewritten computer software](#), or services as defined in § 44-18-7.3, are
11 subject to the use tax, and that all tangible personal property, or prewritten computer software
12 delivered electronically or by load and leave, [or vendor-hosted prewritten computer software](#), or
13 services as defined in § 44-18-7.3, sold or in processing or intended for delivery or delivered in this
14 state is sold or delivered for storage, use, or other consumption in this state, until the contrary is
15 established to the satisfaction of the tax administrator. The burden of proving the contrary is upon
16 the person who makes the sale and the purchaser, unless the person who makes the sale takes from
17 the purchaser a certificate to the effect that the purchase was for resale. The certificate shall contain
18 any information and be in the form that the tax administrator may require.

19 **44-18-30. Gross receipts exempt from sales and use taxes.**

20 There are exempted from the taxes imposed by this chapter the following gross receipts:

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

25 (2) Newspapers.

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

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

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

32 (3) School meals. From the sale and from the storage, use, or other consumption in this
33 state of meals served by public, private, or parochial schools, school districts, colleges, universities,
34 student organizations, and parent-teacher associations to the students or teachers of a school,

1 college, or university whether the meals are served by the educational institutions or by a food
2 service or management entity under contract to the educational institutions.

3 (4) Containers.

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

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

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

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

13 [\(D\) Keg and barrel containers, whether returnable or not, when sold to alcoholic beverage](#)
14 [producers who place the alcoholic beverages in the containers.](#)

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

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

32 (ii) In the case of contracts entered into with the federal government, its agencies, or
33 instrumentalities, this state, or any other state of the United States of America, its agencies, any
34 city, town, district, or other political subdivision of the states; hospitals not operated for profit;

1 educational institutions not operated for profit; churches, orphanages, and other institutions or
2 organizations operated exclusively for religious or charitable purposes, the contractor may purchase
3 such materials and supplies (materials and/or supplies are defined as those that are essential to the
4 project) that are to be utilized in the construction of the projects being performed under the contracts
5 without payment of the tax.

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

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

15 (7) Purchase for manufacturing purposes.

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

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

25 (iii) "Consumed" includes mere obsolescence.

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

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

33 (vi) "Process of manufacturing" does not mean or include administration operations such
34 as general office operations, accounting, collection, or sales promotion, nor does it mean or include

1 distribution operations that occur subsequent to production operations, such as handling, storing,
2 selling, and transporting the manufactured products, even though the administration and
3 distribution operations are performed by, or in connection with, a manufacturing business.

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

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

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

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

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

16 (iii) Bakery items, including: bread, rolls, buns, biscuits, bagels, croissants, pastries,
17 donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and

18 is not sold with utensils provided by the seller, including: plates, knives, forks, spoons,
19 glasses, cups, napkins, or straws.

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

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

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

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

1 and mobility enhancing equipment as defined in § 44-18-7.1(p), including wheelchairs, crutches
2 and canes.

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

6 (13) Motor vehicles sold to nonresidents.

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

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

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

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

33 (15) Air and water pollution control facilities. From the sale, storage, use, or other
34 consumption in this state of tangible personal property or supplies acquired for incorporation into

1 or used and consumed in the operation of a facility, the primary purpose of which is to aid in the
2 control of the pollution or contamination of the waters or air of the state, as defined in chapter 12
3 of title 46 and chapter 25 of title 23, respectively, and that has been certified as approved for that
4 purpose by the director of environmental management. The director of environmental management
5 may certify to a portion of the tangible personal property or supplies acquired for incorporation
6 into those facilities or used and consumed in the operation of those facilities to the extent that that
7 portion has as its primary purpose the control of the pollution or contamination of the waters or air
8 of this state. As used in this subdivision, "facility" means any land, facility, device, building,
9 machinery, or equipment.

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

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

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

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

26 (i) From the sale of: (A) Special adaptations; (B) The component parts of the special
27 adaptations; or (C) A specially adapted motor vehicle; provided that the owner furnishes to the tax
28 administrator an affidavit of a licensed physician to the effect that the specially adapted motor
29 vehicle is necessary to transport a family member with a disability or where the vehicle has been
30 specially adapted to meet the specific needs of the person with a disability. This exemption applies
31 to not more than one motor vehicle owned and registered for personal, noncommercial use.

32 (ii) For the purpose of this subsection the term "special adaptations" includes, but is not
33 limited to: wheelchair lifts, wheelchair carriers, wheelchair ramps, wheelchair securements, hand
34 controls, steering devices, extensions, relocations, and crossovers of operator controls, power-

1 assisted controls, raised tops or dropped floors, raised entry doors, or alternative signaling devices
2 to auditory signals.

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

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

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

12 (21) Electricity and gas. From the sale and from the storage, use, or other consumption in
13 this state of electricity and gas.

14 (22) Manufacturing machinery and equipment.

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

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

34 (iii) Machinery and equipment and related items used in connection with the actual

1 manufacture, conversion, or processing of any computer software or any tangible personal property
2 that is not to be sold and that would be exempt under subdivision (7) or this subdivision if purchased
3 from a vendor or machinery and equipment and related items used during any manufacturing,
4 converting, or processing function is exempt under this subdivision even if that operation, function,
5 or purpose is not an integral or essential part of a continuous production flow or manufacturing
6 process;

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

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

20 (24) Precious metal bullion.

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

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

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

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

34 (26) Commercial fishing vessels. From the sale and from the storage, use, or other

1 consumption in this state of vessels and other watercraft that are in excess of five (5) net tons and
2 that are used exclusively for "commercial fishing", as defined in this subdivision, and from the
3 repair, alteration, or conversion of those vessels and other watercraft, and from the sale of property
4 purchased for the use of those vessels and other watercraft including provisions, supplies, and
5 material for the maintenance and/or repair of the vessels and other watercraft and the boats nets,
6 cables, tackle, and other fishing equipment appurtenant to or used in connection with the
7 commercial fishing of the vessels and other watercraft. "Commercial fishing" means taking or
8 attempting to take any fish, shellfish, crustacea, or bait species with the intent of disposing of it for
9 profit or by sale, barter, trade, or in commercial channels. The term does not include subsistence
10 fishing, i.e., the taking for personal use and not for sale or barter; or sport fishing; but shall include
11 vessels and other watercraft with a Rhode Island party and charter boat license issued by the
12 department of environmental management pursuant to § 20-2-27.1 that meet the following criteria:
13 (i) The operator must have a current U.S.C.G. license to carry passengers for hire; (ii) U.S.C.G.
14 vessel documentation in the coast wide fishery trade; (iii) U.S.C.G. vessel documentation as to
15 proof of Rhode Island home port status or a Rhode Island boat registration to prove Rhode Island
16 home port status; and (iv) The vessel must be used as a commercial passenger carrying fishing
17 vessel to carry passengers for fishing. The vessel must be able to demonstrate that at least fifty
18 percent (50%) of its annual gross income derives from charters or provides documentation of a
19 minimum of one hundred (100) charter trips annually; and (v) The vessel must have a valid Rhode
20 Island party and charter boat license. The tax administrator shall implement the provisions of this
21 subdivision by promulgating rules and regulations relating thereto.

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

34 (28) Water for residential use. From the sale and from the storage, use, or other

1 consumption in this state of water furnished for domestic use by occupants of residential premises.

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

6 (30) Boats.

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

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

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

22 (32) Farm equipment. From the sale and from the storage or use of machinery and
23 equipment used directly for commercial farming and agricultural production; including, but not
24 limited to: tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors,
25 balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment,
26 greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and
27 other farming equipment, including replacement parts appurtenant to or used in connection with
28 commercial farming and tools and supplies used in the repair and maintenance of farming
29 equipment. "Commercial farming" means the keeping or boarding of five (5) or more horses or the
30 production within this state of agricultural products, including, but not limited to, field or orchard
31 crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or production
32 provides at least two thousand five hundred dollars (\$2,500) in annual gross sales to the operator,
33 whether an individual, a group, a partnership, or a corporation for exemptions issued prior to July
34 1, 2002. For exemptions issued or renewed after July 1, 2002, there shall be two (2) levels. Level I

1 shall be based on proof of annual, gross sales from commercial farming of at least twenty-five
2 hundred dollars (\$2,500) and shall be valid for purchases subject to the exemption provided in this
3 subdivision except for motor vehicles with an excise tax value of five thousand dollars (\$5,000) or
4 greater. Level II shall be based on proof of annual gross sales from commercial farming of at least
5 ten thousand dollars (\$10,000) or greater and shall be valid for purchases subject to the exemption
6 provided in this subdivision including motor vehicles with an excise tax value of five thousand
7 dollars (\$5,000) or greater. For the initial issuance of the exemptions, proof of the requisite amount
8 of annual gross sales from commercial farming shall be required for the prior year; for any renewal
9 of an exemption granted in accordance with this subdivision at either level I or level II, proof of
10 gross annual sales from commercial farming at the requisite amount shall be required for each of
11 the prior two (2) years. Certificates of exemption issued or renewed after July 1, 2002, shall clearly
12 indicate the level of the exemption and be valid for four (4) years after the date of issue. This
13 exemption applies even if the same equipment is used for ancillary uses, or is temporarily used for
14 a non-farming or a non-agricultural purpose, but shall not apply to motor vehicles acquired after
15 July 1, 2002, unless the vehicle is a farm vehicle as defined pursuant to § 31-1-8 and is eligible for
16 registration displaying farm plates as provided for in § 31-3-31.

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

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

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

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

30 (37) Tangible personal property and supplies used in on-site hazardous waste recycling,
31 reuse, or treatment. From the sale, storage, use, or other consumption in this state of tangible
32 personal property or supplies used or consumed in the operation of equipment, the exclusive
33 function of which is the recycling, reuse, or recovery of materials (other than precious metals, as
34 defined in subdivision (24)(ii) of this section) from the treatment of "hazardous wastes", as defined

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

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

15 (39) Food items paid for by food stamps. From the sale and from the storage, use, or other
16 consumption in this state of eligible food items payment for which is properly made to the retailer
17 in the form of U.S. government food stamps issued in accordance with the Food Stamp Act of 1977,
18 7 U.S.C. § 2011 et seq.

19 (40) Transportation charges. From the sale or hiring of motor carriers as defined in § 39-
20 12-2(1) to haul goods, when the contract or hiring cost is charged by a motor freight tariff filed with
21 the Rhode Island public utilities commission on the number of miles driven or by the number of
22 hours spent on the job.

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

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

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

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

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

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

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

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

28 (49) Banks and regulated investment companies interstate toll-free calls. Notwithstanding
29 the provisions of this chapter, the tax imposed by this chapter does not apply to the furnishing of
30 interstate and international, toll-free terminating telecommunication service that is used directly
31 and exclusively by or for the benefit of an eligible company as defined in this subdivision; provided
32 that an eligible company employs on average during the calendar year no less than five hundred
33 (500) "full-time equivalent employees" as that term is defined in § 42-64.5-2. For purposes of this
34 section, an "eligible company" means a "regulated investment company" as that term is defined in

1 the Internal Revenue Code of 1986, 26 U.S.C. § ~~1-et-seq.~~ [851](#), or a corporation to the extent the
2 service is provided, directly or indirectly, to or on behalf of a regulated investment company, an
3 employee benefit plan, a retirement plan or a pension plan, or a state-chartered bank.

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

7 (51) Manufacturing business reconstruction materials.

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

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

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

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

20 (52) Tangible personal property and supplies used in the processing or preparation of floral
21 products and floral arrangements. From the sale, storage, use, or other consumption in this state of
22 tangible personal property or supplies purchased by florists, garden centers, or other like producers
23 or vendors of flowers, plants, floral products, and natural and artificial floral arrangements that are
24 ultimately sold with flowers, plants, floral products, and natural and artificial floral arrangements
25 or are otherwise used in the decoration, fabrication, creation, processing, or preparation of flowers,
26 plants, floral products, or natural and artificial floral arrangements, including descriptive labels,
27 stickers, and cards affixed to the flower, plant, floral product, or arrangement, artificial flowers,
28 spray materials, floral paint and tint, plant shine, flower food, insecticide and fertilizers.

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

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

33 (i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle to
34 a bona fide nonresident of this state who does not register the non-motorized recreational vehicle

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

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

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

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

30 (55) Sprinkler and fire alarm systems in existing buildings. From the sale in this state of
31 sprinkler and fire alarm systems; emergency lighting and alarm systems; and the materials
32 necessary and attendant to the installation of those systems that are required in buildings and
33 occupancies existing therein in July 2003 in order to comply with any additional requirements for
34 such buildings arising directly from the enactment of the Comprehensive Fire Safety Act of 2003

1 and that are not required by any other provision of law or ordinance or regulation adopted pursuant
2 to that act. The exemption provided in this subdivision shall expire on December 31, 2008.

3 (56) Aircraft. Notwithstanding the provisions of this chapter, the tax imposed by §§ 44-18-
4 18 and 44-18-20 shall not apply with respect to the sale and to the storage, use, or other consumption
5 in this state of any new or used aircraft or aircraft parts.

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

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

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

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

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

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

34 (63) Feed for certain animals used in commercial farming. From the sale of feed for animals

1 as described in subsection (61) of this section.

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

6 (65) Seeds and plants used to grow food and food ingredients. From the sale, storage, use,
7 or other consumption in this state of seeds and plants used to grow food and food ingredients as
8 defined in § 44-18-7.1(1)(i). "Seeds and plants used to grow food and food ingredients" shall not
9 include marijuana seeds or plants.

10 SECTION 12. Section 44-19-7 of the General Laws in Chapter 44-19 entitled "Sales and
11 Use Taxes - Enforcement and Collection" is hereby amended to read as follows:

12 **44-19-7. Registration of retailers.**

13 Every retailer selling tangible personal property or prewritten computer software delivered
14 electronically or by load and leave [or vendor-hosted prewritten computer software](#) for storage, use,
15 or other consumption in this state, as well as services as defined in § 44-18-7.3, in this state, or
16 renting living quarters in any hotel as defined in § 42-63.1-2, rooming house, or tourist camp in
17 this state must register with the tax administrator and give the name and address of all agents
18 operating in this state, the location of all distribution or sales houses or offices, or of any hotel as
19 defined in § 42-63.1-2, rooming house, or tourist camp or other places of business in this state, and
20 other information that the tax administrator may require.

21 SECTION 13. Section 44-20-13.2 of the General Laws in Chapter 44-20 entitled "Cigarette
22 and Other Tobacco Products Tax" is hereby amended to read as follows:

23 **44-20-13.2. Tax imposed on other tobacco products, smokeless tobacco, cigars, and**
24 **pipe tobacco products.**

25 (a) A tax is imposed on all other tobacco products, smokeless tobacco, cigars, and pipe
26 tobacco products sold, or held for sale in the state by any person, the payment of the tax to be
27 accomplished according to a mechanism established by the administrator, division of taxation,
28 department of revenue. The tax imposed by this section shall be as follows:

29 (1) At the rate of eighty percent (80%) of the wholesale cost of other tobacco products,
30 cigars, pipe tobacco products, and smokeless tobacco other than snuff.

31 (2) Notwithstanding the eighty percent (80%) rate in subsection (a) above, in the case of
32 cigars, the tax shall not exceed fifty cents (\$.50) for each cigar.

33 (3) At the rate of one dollar (\$1.00) per ounce of snuff, and a proportionate tax at the like
34 rate on all fractional parts of an ounce thereof. Such tax shall be computed based on the net weight

1 as listed by the manufacturer; provided, however, that any product listed by the manufacturer as
2 having a net weight of less than 1.2 ounces shall be taxed as if the product has a net weight of 1.2
3 ounces.

4 (b) ~~Any dealer having in his or her possession any other tobacco products with respect to~~
5 ~~the storage or use of which a tax is imposed by this section shall, within five (5) days after coming~~
6 ~~into possession of the other tobacco products in this state, file a return with the tax administrator in~~
7 ~~a form prescribed by the tax administrator. The return shall be accompanied by a payment of the~~
8 ~~amount of the tax shown on the form to be due. Records required under this section shall be~~
9 ~~preserved on the premises described in the relevant license in such a manner as to ensure~~
10 ~~permanency and accessibility for inspection at reasonable hours by authorized personnel of the~~
11 ~~administrator.~~

12 (c) The proceeds collected are paid into the general fund.

13 SECTION 14. Section 44-30-2.6 of the General Laws in Chapter 44-30 entitled "Personal
14 Income Tax" is hereby amended to read as follows:

15 **44-30-2.6. Rhode Island taxable income -- Rate of tax.**

16 (a) "Rhode Island taxable income" means federal taxable income as determined under the
17 Internal Revenue Code, 26 U.S.C. § 1 et seq., not including the increase in the basic, standard-
18 deduction amount for married couples filing joint returns as provided in the Jobs and Growth Tax
19 Relief Reconciliation Act of 2003 and the Economic Growth and Tax Relief Reconciliation Act of
20 2001 (EGTRRA), and as modified by the modifications in § 44-30-12.

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

33 (c) For tax years beginning on or after January 1, 2001, if a taxpayer has an alternative
34 minimum tax for federal tax purposes, the taxpayer shall determine if he or she has a Rhode Island

1 alternative minimum tax. The Rhode Island alternative minimum tax shall be computed by
2 multiplying the federal tentative minimum tax without allowing for the increased exemptions under
3 the Jobs and Growth Tax Relief Reconciliation Act of 2003 (as redetermined on federal form 6251
4 Alternative Minimum Tax-Individuals) by twenty-five and one-half percent (25.5%) for tax year
5 2001, and twenty-five percent (25%) for tax year 2002 and thereafter, and comparing the product
6 to the Rhode Island tax as computed otherwise under this section. The excess shall be the taxpayer's
7 Rhode Island alternative minimum tax.

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

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

16 (A) Tax imposed.

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

19 If taxable income is:	The tax is:
20 Not over \$53,150	3.75% of taxable income
21 Over \$53,150 but not over \$128,500	\$1,993.13 plus 7.00% of the excess over \$53,150
22 Over \$128,500 but not over \$195,850	\$7,267.63 plus 7.75% of the excess over \$128,500
23 Over \$195,850 but not over \$349,700	\$12,487.25 plus 9.00% of the excess over \$195,850
24 Over \$349,700	\$26,333.75 plus 9.90% of the excess over \$349,700

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

27 If taxable income is:	The tax is:
28 Not over \$42,650	3.75% of taxable income
29 Over \$42,650 but not over \$110,100	\$1,599.38 plus 7.00% of the excess over \$42,650
30 Over \$110,100 but not over \$178,350	\$6,320.88 plus 7.75% of the excess over \$110,100
31 Over \$178,350 but not over \$349,700	\$11,610.25 plus 9.00% of the excess over \$178,350
32 Over \$349,700	\$27,031.75 plus 9.90% of the excess over \$349,700

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

1 table:

2 If taxable income is:	The tax is:
3 Not over \$31,850	3.75% of taxable income
4 Over \$31,850 but not over \$77,100	\$1,194.38 plus 7.00% of the excess over \$31,850
5 Over \$77,100 but not over \$160,850	\$4,361.88 plus 7.75% of the excess over \$77,100
6 Over \$160,850 but not over \$349,700	\$10,852.50 plus 9.00% of the excess over \$160,850
7 Over \$349,700	\$27,849.00 plus 9.90% of the excess over \$349,700

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

10 If taxable income is:	The tax is:
11 Not over \$26,575	3.75% of taxable income
12 Over \$26,575 but not over \$64,250	\$996.56 plus 7.00% of the excess over \$26,575
13 Over \$64,250 but not over \$97,925	\$3,633.81 plus 7.75% of the excess over \$64,250
14 Over \$97,925 but not over \$174,850	\$6,243.63 plus 9.00% of the excess over \$97,925
15 Over \$174,850	\$13,166.88 plus 9.90% of the excess over \$174,850

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

18 If taxable income is:	The tax is:
19 Not over \$2,150	3.75% of taxable income
20 Over \$2,150 but not over \$5,000	\$80.63 plus 7.00% of the excess over \$2,150
21 Over \$5,000 but not over \$7,650	\$280.13 plus 7.75% of the excess over \$5,000
22 Over \$7,650 but not over \$10,450	\$485.50 plus 9.00% of the excess over \$7,650
23 Over \$10,450	\$737.50 plus 9.90% of the excess over \$10,450

24 (6) Adjustments for inflation.

25 The dollars amount contained in paragraph (A) shall be increased by an amount equal to:

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

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

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

31 (B) Maximum capital gains rates.

32 (1) In general.

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

1 (a) 2.5 % of the net capital gain as reported for federal income tax purposes under section
2 26 U.S.C. 1(h)(1)(a) and 26 U.S.C. 1(h)(1)(b).

3 (b) 5% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
4 1(h)(1)(c).

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

7 (d) 7% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.
8 1(h)(1)(e).

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

11 (C) Itemized deductions.

12 (1) In general.

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

15 (2) Individuals who do not itemize their deductions.

16 In the case of an individual who does not elect to itemize his deductions for the taxable
17 year, they may elect to take a standard deduction.

18 (3) Basic standard deduction.

19 The Rhode Island standard deduction shall be allowed in accordance with the following
20 table:

21 Filing status	Amount
22 Single	\$5,350
23 Married filing jointly or qualifying widow(er)	\$8,900
24 Married filing separately	\$4,450
25 Head of Household	\$7,850

26 (4) Additional standard deduction for the aged and blind.

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

30 (5) Limitation on basic standard deduction in the case of certain dependents.

31 In the case of an individual to whom a deduction under section (E) is allowable to another
32 taxpayer, the basic standard deduction applicable to such individual shall not exceed the greater of:

33 (a) \$850;

34 (b) The sum of \$300 and such individual's earned income;

1 (6) Certain individuals not eligible for standard deduction.

2 In the case of:

3 (a) A married individual filing a separate return where either spouse itemizes deductions;

4 (b) Nonresident alien individual;

5 (c) An estate or trust;

6 The standard deduction shall be zero.

7 (7) Adjustments for inflation.

8 Each dollar amount contained in paragraphs (3), (4) and (5) shall be increased by an amount
9 equal to:

10 (a) Such dollar amount contained in paragraphs (3), (4) and (5) in the year 1988, multiplied
11 by

12 (b) The cost-of-living adjustment determined under section (J) with a base year of 1988.

13 (D) Overall limitation on itemized deductions.

14 (1) General rule.

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

18 (a) Three percent (3%) of the excess of adjusted gross income as modified by § 44-30-12
19 over the applicable amount; or

20 (b) Eighty percent (80%) of the amount of the itemized deductions otherwise allowable for
21 such taxable year.

22 (2) Applicable amount.

23 (a) In general.

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

26 (b) Adjustments for inflation.

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

28 (i) Such dollar amount contained in paragraph (a) in the year 1991, multiplied by

29 (ii) The cost-of-living adjustment determined under section (J) with a base year of 1991.

30 (3) Phase-out of Limitation.

31 (a) In general.

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

1 (b) Applicable fraction.

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

4 For taxable years beginning in calendar year	The applicable fraction is
5 2006 and 2007	2/3
6 2008 and 2009	1/3

7 (E) Exemption amount.

8 (1) In general.

9 Except as otherwise provided in this subsection, the term "exemption amount" means
10 \$3,400.

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

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

15 (3) Adjustments for inflation.

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

17 (a) Such dollar amount contained in paragraph (1) in the year 1989, multiplied by

18 (b) The cost-of-living adjustment determined under section (J) with a base year of 1989.

19 (4) Limitation.

20 (a) In general.

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

23 (b) Applicable percentage.

24 In the case of any taxpayer whose adjusted gross income for the taxable year exceeds the
25 threshold amount, the exemption amount shall be reduced by two (2) percentage points for each
26 \$2,500 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year
27 exceeds the threshold amount. In the case of a married individual filing a separate return, the
28 preceding sentence shall be applied by substituting "\$1,250" for "\$2,500." In no event shall the
29 applicable percentage exceed one hundred percent (100%).

30 (c) Threshold Amount.

31 For the purposes of this paragraph, the term "threshold amount" shall be determined with
32 the following table:

33 Filing status	Amount
34 Single	\$156,400

1	Married filing jointly of qualifying widow(er)	\$234,600
2	Married filing separately	\$117,300
3	Head of Household	\$195,500

4 (d) Adjustments for inflation.

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

6 (i) Such dollar amount contained in paragraph (b) in the year 1991, multiplied by

7 (ii) The cost-of-living adjustment determined under section (J) with a base year of 1991.

8 (5) Phase-out of limitation.

9 (a) In general.

10 In the case of taxable years beginning after December 31, 2005, and before January 1,
11 2010, the reduction under section 4 shall be equal to the applicable fraction of the amount which
12 would be the amount of such reduction.

13 (b) Applicable fraction.

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

16 For taxable years beginning in calendar year	The applicable fraction is
17 2006 and 2007	2/3
18 2008 and 2009	1/3

19 (F) Alternative minimum tax.

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

22 (a) The tentative minimum tax for the taxable year, over

23 (b) The regular tax for the taxable year.

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

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

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

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

29 (4) Taxable excess. For the purposes of this subsection the term "taxable excess" means so
30 much of the federal alternative minimum taxable income as modified by the modifications in § 44-
31 30-12 as exceeds the exemption amount.

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

34 (6) Exemption amount.

1 For purposes of this section "exemption amount" means:

2 Filing status	Amount
3 Single	\$39,150
4 Married filing jointly or qualifying widow(er)	\$53,700
5 Married filing separately	\$26,850
6 Head of Household	\$39,150
7 Estate or trust	\$24,650

8 (7) Treatment of unearned income of minor children

9 (a) In general.

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

12 (i) Such child's earned income, plus

13 (ii) \$6,000.

14 (8) Adjustments for inflation.

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

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

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

19 (9) Phase-out.

20 (a) In general.

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

24 (b) Threshold amount.

25 For purposes of this paragraph, the term "threshold amount" shall be determined with the
26 following table:

27 Filing status	Amount
28 Single	\$123,250
29 Married filing jointly or qualifying widow(er)	\$164,350
30 Married filing separately	\$82,175
31 Head of Household	\$123,250
32 Estate or Trust	\$82,150

33 (c) Adjustments for inflation

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

- 1 (i) Such dollar amount contained in paragraph (9) in the year 2004, multiplied by
2 (ii) The cost-of-living adjustment determined under section (J) with a base year of 2004.
3 (G) Other Rhode Island taxes.

4 (1) General rule. There is hereby imposed (in addition to any other tax imposed by this
5 subtitle) a tax equal to twenty-five percent (25%) of:

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

10 (H) Tax for children under 18 with investment income.

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

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

13 (I) Averaging of farm income.

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

16 (a) The Federal averaging of farm income as determined in IRC section 1301 [26 U.S.C. §
17 1301].

18 (J) Cost-of-living adjustment.

19 (1) In general.

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

21 (a) The CPI for the preceding calendar year exceeds

22 (b) The CPI for the base year.

23 (2) CPI for any calendar year.

24 For purposes of paragraph (1), the CPI for any calendar year is the average of the consumer
25 price index as of the close of the twelve (12) month period ending on August 31 of such calendar
26 year.

27 (3) Consumer price index.

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

32 (4) Rounding.

33 (a) In general.

34 If any increase determined under paragraph (1) is not a multiple of \$50, such increase shall

1 be rounded to the next lowest multiple of \$50.

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

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

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

8 (2) Child and dependent care credit;

9 (3) General business credits;

10 (4) Credit for elderly or the disabled;

11 (5) Credit for prior year minimum tax;

12 (6) Mortgage interest credit;

13 (7) Empowerment zone employment credit;

14 (8) Qualified electric vehicle credit.

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

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

26 (N) Rhode Island earned-income credit.

27 (1) In general.

28 For tax years beginning before January 1, 2015, a taxpayer entitled to a federal earned-
29 income credit shall be allowed a Rhode Island earned-income credit equal to twenty-five percent
30 (25%) of the federal earned-income credit. Such credit shall not exceed the amount of the Rhode
31 Island income tax.

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

1 amount of the Rhode Island income tax.

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

6 For tax years beginning on or after January 1, 2017, a taxpayer entitled to a federal earned-
7 income credit shall be allowed a Rhode Island earned-income credit equal to fifteen percent (15%)
8 of the federal earned-income credit. Such credit shall not exceed the amount of the Rhode Island
9 income tax.

10 (2) Refundable portion.

11 In the event the Rhode Island earned-income credit allowed under paragraph (N)(1) of this
12 section exceeds the amount of Rhode Island income tax, a refundable earned-income credit shall
13 be allowed as follows.

14 (i) For tax years beginning before January 1, 2015, for purposes of paragraph (2) refundable
15 earned-income credit means fifteen percent (15%) of the amount by which the Rhode Island earned-
16 income credit exceeds the Rhode Island income tax.

17 (ii) For tax years beginning on or after January 1, 2015, for purposes of paragraph (2)
18 refundable earned-income credit means one hundred percent (100%) of the amount by which the
19 Rhode Island earned-income credit exceeds the Rhode Island income tax.

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

23 (3) For the period January 1, 2011 through December 31, 2011, and thereafter, "Rhode
24 Island taxable income" means federal adjusted gross income as determined under the Internal
25 Revenue Code, 26 U.S.C. 1 et seq., and as modified for Rhode Island purposes pursuant to § 44-
26 30-12 less the amount of Rhode Island Basic Standard Deduction allowed pursuant to subparagraph
27 44-30-2.6(c)(3)(B), and less the amount of personal exemption allowed pursuant to subparagraph
28 44-30-2.6(c)(3)(C).

29 (A) Tax imposed.

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

34 RI Taxable Income RI Income Tax

1	Over	But not over	Pay +% on Excess	on the amount over
2	\$0 -	\$ 55,000	\$ 0 + 3.75%	\$0
3	55,000 -	125,000	2,063 + 4.75%	55,000
4	125,000 -		5,388 + 5.99%	125,000

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

7	RI Taxable Income			RI Income Tax
8	Over	But not over	Pay + % on Excess	on the amount over
9	\$0 -	\$ 2,230	\$ 0 + 3.75%	\$0
10	2,230 -	7,022	84 + 4.75%	2,230
11	7,022 -		312 + 5.99%	7,022

12 (B) Deductions:

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

15	Filing status:	Amount
16	Single	\$7,500
17	Married filing jointly or qualifying widow(er)	\$15,000
18	Married filing separately	\$7,500
19	Head of Household	\$11,250

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

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

28 (C) Exemption Amount:

29 (I) The term "exemption amount" means three thousand five hundred dollars (\$3,500)
30 multiplied by the number of exemptions allowed for the taxable year for federal income tax
31 purposes. For tax years beginning on or after 2018, the term "exemption amount" means the same
32 as it does in 26 USC § 151 and 26 USC § 152 just prior to the enactment of the Tax Cuts and Jobs
33 Act (Pub. L. 115-97) on December 22, 2017.

34 (II) Exemption amount disallowed in case of certain dependents. In the case of an

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

4 (III) Identifying information required.

5 (1) Except as provided in § 44-30-2.6(c)(3)(C)(II) of this section, no exemption shall be
6 allowed under this section with respect to any individual unless the Taxpayer Identification Number
7 of such individual is included on the federal return claiming the exemption for the same tax filing
8 period.

9 (2) Notwithstanding the provisions of § 44-30-2.6(c)(3)(C)(I) of this section, in the event
10 that the Taxpayer Identification Number for each individual is not required to be included on the
11 federal tax return for the purposes of claiming a person exemption(s), then the Taxpayer
12 Identification Number must be provided on the Rhode Island tax return for the purpose of claiming
13 said exemption(s).

14 (D) In the case of any taxpayer whose adjusted gross income, as modified for Rhode Island
15 purposes pursuant to § 44-30-12, for the taxable year exceeds one hundred seventy-five thousand
16 dollars (\$175,000), the exemption amount shall be reduced by the applicable percentage. The term
17 "applicable percentage" means twenty (20) percentage points for each five thousand dollars
18 (\$5,000) (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year
19 exceeds one hundred seventy-five thousand dollars (\$175,000).

20 (E) Adjustment for inflation. The dollar amount contained in subparagraphs 44-30-
21 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
22 equal to:

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

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

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

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

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

6 (F) Credits against tax.

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

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

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

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

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

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

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

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

25 (h) Tax credits for contributions to Scholarship Organizations: Credit shall be allowed for
26 contributions to scholarship organizations as provided in chapter 62 of title 44.

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

34 (j) Stay Invested in RI Wavemaker Fellowship: Credit shall be allowed for stay invested in

1 RI wavemaker fellowship program as provided in § 42-64.26-1 et seq.

2 (k) Rebuild Rhode Island: Credit shall be allowed for rebuild RI tax credit as provided in
3 § 42-64.20-1 et seq.

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

6 (m) Historic homeownership assistance act: Effective for tax year 2017 and thereafter,
7 unused carryforward for such credit previously issued shall be allowed for the historic
8 homeownership assistance act as provided in § 44-33.1-4. This allowance is for credits already
9 issued pursuant to § 44-33.1-4 and shall not be construed to authorize the issuance of new credits
10 under the historic homeownership assistance act.

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

13 SECTION 15. Section 44-1-2 of the General Laws in Chapter 44-1 entitled "State Tax
14 Officials" is hereby amended to read as follows:

15 **44-1-2. Powers and duties of tax administrator.**

16 The tax administrator is required:

17 (1) To assess and collect all taxes previously assessed by the division of state taxation in
18 the department of revenue and regulation, including the franchise tax on domestic corporations,
19 corporate excess tax, tax upon gross earnings of public service corporations, tax upon interest
20 bearing deposits in national banks, the inheritance tax, tax on gasoline and motor fuels, and tax on
21 the manufacture of alcoholic beverages;

22 (2) To assess and collect the taxes upon banks and insurance companies previously
23 administered by the division of banking and insurance in the department of revenue and regulation,
24 including the tax on foreign and domestic insurance companies, tax on foreign building and loan
25 associations, deposit tax on savings banks, and deposit tax on trust companies;

26 (3) To assess and collect the tax on pari-mutuel or auction mutuel betting, previously
27 administered by the division of horse racing in the department of revenue and regulation.

28 (4) [Deleted by P.L. 2006, ch. 246, art. 38, § 10].

29 (5) To assess and collect the monthly surcharges that are collected by telecommunication
30 services providers pursuant to § 39-21.1-14 and are remitted to the division of taxation.

31 (6) To audit, assess and collect all unclaimed intangible and tangible property pursuant to
32 chapter 21.1 of title 33.

33 (7) To provide to the department of labor and training any state tax information, state
34 records or state documents they or the requesting agency certify as necessary to assist the agency

1 in efforts to investigate suspected misclassification of employee status, wage and hour violations,
2 or prevailing wage violations subject to the agency's jurisdiction, even if deemed confidential under
3 applicable law, provided that the confidentiality of such materials shall be maintained, to the extent
4 required of the releasing department by any federal or state law or regulation, by all state
5 departments to which the materials are released and no such information shall be publicly disclosed,
6 except to the extent necessary for the requesting department or agency to adjudicate a violation of
7 applicable law. The certification must include a representation that there is probable cause to
8 believe that a violation has occurred. State departments sharing this information or materials may
9 enter into written agreements via memorandums of understanding to ensure the safeguarding of
10 such released information or materials.

11 [\(8\) To preserve the Rhode Island tax base under Rhode Island law prior to the December](#)
12 [22, 2017 Congressional enactment of Public Law 115-97, The Tax Cuts and Jobs Act, the tax](#)
13 [administrator, upon prior written notice to the speaker of the house, senate president, and](#)
14 [chairpersons of the house and senate finance committees, is specifically authorized to amend tax](#)
15 [forms and related instructions in response to any changes the Internal Revenue Service makes to](#)
16 [its forms, regulations, and/or processing which will materially impact state revenues, to the extent](#)
17 [that impact is measurable. Any Internal Revenue Service changes to forms, regulations and/or](#)
18 [processing which go into effect during the current tax year or within six \(6\) months of the beginning](#)
19 [of the next tax year and which will materially impact state revenue will be deemed grounds for the](#)
20 [promulgation of emergency rules and regulations under Rhode Island General Laws 42-35-2.10.](#)
21 [The provisions of this subsection \(8\) shall sunset on December 31, 2021.](#)

22 SECTION 16. Sections 42-63.1-3 and 42-63.1-12 of the General Laws in Chapter 42-63.1
23 entitled "Tourism and Development" are hereby amended to read as follows:

24 **42-63.1-3. Distribution of tax.**

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

29 (1) Forty-seven percent (47%) of the tax generated by the hotels in the district, except as
30 otherwise provided in this chapter, shall be given to the regional tourism district wherein the hotel
31 is located; provided, however, that from the tax generated by the hotels in the city of Warwick,
32 thirty-one percent (31%) of the tax shall be given to the Warwick regional tourism district
33 established in § 42-63.1-5(a)(5) and sixteen percent (16%) of the tax shall be given to the Greater
34 Providence-Warwick Convention and Visitors' Bureau established in § 42-63.1-11; and provided

1 further, that from the tax generated by the hotels in the city of Providence, sixteen percent (16%)
2 of that tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau
3 established by § 42-63.1-11, and thirty-one percent (31%) of that tax shall be given to the
4 Convention Authority of the city of Providence established pursuant to the provisions of chapter
5 84 of the public laws of January, 1980; provided, however, that the receipts attributable to the
6 district as defined in § 42-63.1-5(a)(7) shall be deposited as general revenues, and that the receipts
7 attributable to the district as defined in § 42-63.1-5(a)(8) shall be given to the Rhode Island
8 commerce corporation as established in chapter 64 of title 42.

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

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

15 (b) For returns and tax payments received after December 31, 2015, except as provided in
16 § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from
17 residential units offered for tourist or transient use through a hosting platform, shall be distributed
18 as follows by the division of taxation and the city of Newport:

19 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-
20 63.1-5, forty-two percent (42%) of the tax shall be given to the Aquidneck Island district, twenty-
21 five (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is
22 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick
23 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight percent (28%) of
24 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title
25 42.

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

32 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,
33 twenty-eight percent (28%) of the tax shall be given to the Warwick District, twenty-five percent
34 (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is

1 physically located, twenty-three percent (23%) of the tax shall be given to the Greater Providence-
2 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four (24%) of
3 the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of title
4 42.

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

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

18 (c) The proceeds of the hotel tax collected from residential units offered for tourist or
19 transient use through a hosting platform shall be distributed as follows by the division of taxation
20 and the city of Newport: twenty-five percent (25%) of the tax shall be given to the city or town
21 where the residential unit, which generated the tax, is physically located, and seventy-five percent
22 (75%) of the tax shall be given to the Rhode Island commerce corporation established in chapter
23 64 of title 42.

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

28 (e) Notwithstanding the foregoing provisions of this section, for returns and tax payments
29 received on or after July 1, 2016 and on or before June 30, 2017, except as provided in § 42-63.1-
30 12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from residential
31 units offered for tourist or transient use through a hosting platform, shall be distributed in
32 accordance with the distribution percentages established in § 42-63.1-3(a)(1) through § 42-63.1-
33 3(a)(3) by the division of taxation and the city of Newport.

34 [\(f\) For returns and tax payments received on or after July 1, 2018, except as provided in §](#)

1 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from
2 residential units offered for tourist or transient use through a hosting platform, shall be distributed
3 as follows by the division of taxation and the city of Newport:

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

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

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

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

28 (5) With respect to the tax generated by hotels in districts other than those set forth in
29 subdivisions (b)(1) through (b)(4), forty-five percent (45%) of the tax shall be given to the regional
30 tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five percent (25%)
31 of the tax shall be given to the city or town where the hotel, which generated the tax, is physically
32 located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick Convention
33 and Visitors Bureau established in § 42-63.1-11, and twenty-five (25%) of the tax shall be given to
34 the Rhode Island commerce corporation established in chapter 64 of title 42.

1 **42-63.1-12. Distribution of tax to Rhode Island Convention Center Authority.**

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

9 (b) For returns and tax received after December 31, 2015, the proceeds of the hotel tax
10 generated by any and all hotels physically connected to the Rhode Island Convention Center shall
11 be distributed as follows: twenty-eight percent (28%) shall be given to the convention authority of
12 the city of Providence; twelve percent (12%) shall be given to the greater Providence-Warwick
13 convention and visitor's bureau; and sixty percent (60%) shall be given to the Rhode Island
14 Commerce Corporation established in chapter 64 of title 42.

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

18 (d) For returns and tax received on or after July 1, 2018, the proceeds of the hotel tax
19 generated by any and all hotels physically connected to the Rhode Island Convention Center shall
20 be distributed as follows: thirty percent (30%) shall be given to the convention authority of the city
21 of Providence; twenty percent (20%) shall be given to the greater Providence-Warwick convention
22 and visitor's bureau; and fifty percent (50%) shall be given to the Rhode Island Commerce
23 Corporation established in chapter 64 of title 42.

24 SECTION 17. Severability. -- If any provisions of the article or the application thereof to
25 any person or circumstances is held invalid, such invalidity shall not affect any other provisions or
26 applications of this article, which can be given effect without the invalid provision or application,
27 and to this end the provisions of this article are declared to be severable.

28 SECTION 18. Sections 2 through Section 8 shall take effect upon passage. Section 14 shall
29 take effect for tax years on or after January 1, 2018. Section 12 shall take effect on October 1, 2018.
30 Section 11, as it pertains to vendor-hosted prewritten software, shall take effect as of October 1,
31 2018. The remainder of Section 11 and the remainder of this article shall take effect as of July 1,
32 2018.

1 **ARTICLE 5**

2 RELATING TO CAPITAL DEVELOPMENT PROGRAM

3 SECTION 1. Proposition to be submitted to the people. -- At the general election to be
4 held on the Tuesday next after the first Monday in November 2018, there shall be submitted to the
5 people ("People") of the State of Rhode Island ("State"), for their approval or rejection, the
6 following proposition:

7 "Shall the action of the general assembly, by an act passed at the January 2018 session,
8 authorizing the issuance of bonds, refunding bonds, and/or temporary notes of the State of Rhode
9 Island for the capital projects and in the amount with respect to each such project listed below be
10 approved, and the issuance of bonds, refunding bonds, and/or temporary notes authorized in
11 accordance with the provisions of said act?"

12 **Project**

13 (1) Rhode Island School Buildings \$250,000,000

14 Approval of this question will allow the State of Rhode Island to issue general obligation
15 bonds, refunding bonds, and/or temporary notes in an amount not to exceed two-hundred-fifty
16 million dollars (\$250,000,000) over a five (5) year period, and not to exceed one-hundred million
17 dollars (\$100,000,000) in any one (1) year, to provide direct funding for foundational level school
18 housing aid and the school building authority capital fund.

19 (2) Higher Education Facilities \$70,000,000

20 Approval of this question will allow the State of Rhode Island to issue general obligation
21 bonds, refunding bonds, and/or temporary notes in an amount not to exceed seventy million dollars
22 (\$70,000,000) to higher education facilities, to be allocated as follows:

23 (a) University of Rhode Island Narragansett Bay Campus \$45,000,000

24 Provides forty-five million dollars (\$45,000,000) to fund repairs and construct new
25 facilities on the University of Rhode Island's Narragansett Bay campus in support of the
26 educational and research needs for the marine disciplines.

27 (b) Rhode Island College School of Education and Human Development \$25,000,000

28 Provides twenty-five million dollars (\$25,000,000) to fund the renovation of Horace Mann
29 Hall on the campus of Rhode Island College, which houses the School of Education and Human
30 Development.

1 (3) Green Economy and Clean Water \$47,300,000

2 Approval of this question will allow the State of Rhode Island to issue general obligation
3 bonds, refunding bonds, and/or temporary notes in an amount not to exceed forty-seven million
4 three hundred thousand dollars (\$47,300,000) for environmental and recreational purposes, to be
5 allocated as follows:

6 (a) Coastal Resiliency and Public Access Projects \$5,000,000

7 Provides five million dollars (\$5,000,000) for up to seventy-five percent (75%) matching
8 grants to public and non-profit entities for restoring and/or improving resiliency of vulnerable
9 coastal habitats, and restoring rivers and stream floodplains. These funds are expected to leverage
10 significant matching funds to support local programs to improve community resiliency and public
11 safety in the face of increased flooding, major storm events, and environmental degradation.

12 (b) Capital for Clean Water and Drinking Water \$7,900,000

13 Provides seven million nine hundred thousand dollars (\$7,900,000) for clean water and
14 drinking water infrastructure improvements. Projects range from wastewater treatment upgrades
15 and storm water quality improvements to combine sewer overflow abatement projects.

16 (c) Wastewater Treatment Facility Resilience Improvements \$5,000,000

17 Provides five million dollars (\$5,000,000) for up to fifty percent (50%) matching grants
18 for wastewater treatment facility resiliency improvements for facilities vulnerable to increased
19 flooding, major storm events and environmental degradation.

20 (d) Dam Safety \$4,400,000

21 Provides four million four hundred thousand dollars (\$4,400,000) for repairing and/or
22 removing state-owned dams.

23 (e) Dredging - Downtown Providence Rivers \$7,000,000

24 Provides seven million dollars (\$7,000,000) for the state to obtain additional dredging
25 analysis and the dredging of the Downtown Providence Rivers from: The Woonasquatucket River
26 from I-95 north of Providence Place Mall to its confluence with the Providence River; the
27 Moshassuck River from Smith Street to its confluence with the Providence River; and the
28 Providence River from Steeple Street to Point Street; and dredging a sediment basin upstream of
29 the Providence Place Mall and I-95 for approximately six hundred feet (600').

30 (f) State Bikeway Development Program \$5,000,000

31 Provides five million dollars (\$5,000,000) for the State to design, repair, and construct
32 bikeways, including the East Bay bike path.

33 (g) Brownfield Remediation and Economic Development \$4,000,000

34 Provides four million dollars (\$4,000,000) for up to eighty percent (80%) matching grants

1 to public, private, and/or non-profit entities for brownfield remediation projects.

2 (h) Local Recreation Projects \$5,000,000

3 Provides five million dollars (\$5,000,000) for up to eighty percent (80%) matching grants
4 for municipalities to acquire, develop, or rehabilitate local recreational facilities to meet the
5 growing needs for active recreational facilities.

6 (i) Access to Farmland \$2,000,000

7 Provides two million dollars (\$2,000,000) to protect the State's working farms through the
8 State Farmland Access Program and the purchase of Development Rights by the Agricultural Lands
9 Preservation Commission

10 (j) Local Open Space \$2,000,000

11 Provides two million dollars (\$2,000,000) for up to fifty percent (50%) matching grants to
12 municipalities, local land trusts and nonprofit organizations to acquire fee-simple interest,
13 development rights, or conservation easements on open space and urban parklands.

14 SECTION 2. Ballot labels and applicability of general election laws. -- The Secretary
15 of State shall prepare and deliver to the State Board of Elections ballot labels for each of the projects
16 provided for in Section 1 hereof with the designations "approve" or "reject" provided next to the
17 description of each such project to enable voters to approve or reject each such proposition. The
18 general election laws, so far as consistent herewith, shall apply to this proposition.

19 SECTION 3. Approval of projects by people. -- If a majority of the People voting on the
20 proposition in Section 1 hereof shall vote to approve any project stated therein, said project shall
21 be deemed to be approved by the People. The authority to issue bonds, refunding bonds and/or
22 temporary notes of the State shall be limited to the aggregate amount for all such projects as set
23 forth in the proposition, which has been approved by the People.

24 SECTION 4. Bonds for capital development program. -- The General Treasurer is
25 hereby authorized and empowered, with the approval of the Governor, and in accordance with the
26 provisions of this Act to issue capital development bonds in serial form, in the name of and on
27 behalf of the State of Rhode Island, in amounts as may be specified by the Governor in an aggregate
28 principal amount not to exceed the total amount for all projects approved by the People and
29 designated as "capital development loan of 2018 bonds." Provided, however, that the aggregate
30 principal amount of such capital development bonds and of any temporary notes outstanding at any
31 one time issued in anticipation thereof pursuant to Section 7 hereof shall not exceed the total amount
32 for all such projects approved by the People. All provisions in this Act relating to "bonds" shall
33 also be deemed to apply to "refunding bonds."

34 Capital development bonds issued under this Act shall be in denominations of one thousand

1 dollars (\$1,000) each, or multiples thereof, and shall be payable in any coin or currency of the
2 United States which at the time of payment shall be legal tender for public and private debts. These
3 capital development bonds shall bear such date or dates, mature at specified time or times, but not
4 mature beyond the end of the twentieth (20th) State fiscal year following the fiscal year in which
5 they are issued; bear interest payable semi-annually at a specified rate or different or varying rates:
6 be payable at designated time or times at specified place or places; be subject to express terms of
7 redemption or recall, with or without premium; be in a form, with or without interest coupons
8 attached; carry such registration, conversion, reconversion, transfer, debt retirement, acceleration
9 and other provisions as may be fixed by the General Treasurer, with the approval by the Governor,
10 upon each issue of such capital development bonds at the time of each issue. Whenever the
11 Governor shall approve the issuance of such capital development bonds, the Governor's approval
12 shall be certified to the Secretary of State; the bonds shall be signed by the General Treasurer and
13 countersigned by Secretary of State and shall bear the seal of the State. The signature approval of
14 the Governor shall be endorsed on each bond.

15 SECTION 5. Refunding bonds for 2018 capital development program. -- The General
16 Treasurer is hereby authorized and empowered, with the approval of the Governor, and in
17 accordance with the provisions of this Act, to issue bonds to refund the 2018 capital development
18 program bonds, in the name of and on behalf of the state, in amounts as may be specified by the
19 Governor in an aggregate principal amount not to exceed the total amount approved by the People,
20 to be designated as "capital development program loan of 2018 refunding bonds" (hereinafter
21 "Refunding Bonds").

22 The General Treasurer with the approval of the Governor shall fix the terms and form of
23 any Refunding Bonds issued under this Act in the same manner as the capital development bonds
24 issued under this Act, except that the Refunding Bonds may not mature more than twenty (20) years
25 from the date of original issue of the capital development bonds being refunded.

26 The proceeds of the Refunding Bonds, exclusive of any premium and accrual interest and
27 net the underwriters' cost, and cost of bond insurance, shall, upon their receipt, be paid by the
28 General Treasurer immediately to the paying agent for the capital development bonds which are to
29 be called and prepaid. The paying agent shall hold the Refunding Bond proceeds in trust until they
30 are applied to prepay the capital development bonds. While such proceeds are held in trust, the
31 proceeds may be invested for the benefit of the State in obligations of the United States of America
32 or the State of Rhode Island.

33 If the General Treasurer shall deposit with the paying agent for the capital development
34 bonds the proceeds of the Refunding Bonds, or proceeds from other sources, amounts that, when

1 invested in obligations of the United States or the State of Rhode Island, are sufficient to pay all
2 principal, interest, and premium, if any, on the capital development bonds until these bonds are
3 called for prepayment, then such capital development bonds shall not be considered debts of the
4 State of Rhode Island for any purpose starting from the date of deposit of such moneys with the
5 paying agent. The Refunding Bonds shall continue to be a debt of the State until paid.

6 The term "bond" shall include "note," and the term "refunding bonds" shall include
7 "refunding notes" when used in this Act.

8 SECTION 6. Proceeds of capital development program. -- The General Treasurer is
9 directed to deposit the proceeds from the sale of capital development bonds issued under this Act,
10 exclusive of premiums and accrued interest and net the underwriters' cost, and cost of bond
11 insurance, in one or more of the depositories in which the funds of the State may be lawfully kept
12 in special accounts (hereinafter cumulatively referred to as "such capital development bond fund")
13 appropriately designated for each of the projects set forth in Section 1 hereof which shall have been
14 approved by the People to be used for the purpose of paying the cost of all such projects so
15 approved.

16 All monies in the capital development bond fund shall be expended for the purposes
17 specified in the proposition provided for in Section 1 hereof under the direction and supervision of
18 the Director of Administration (hereinafter referred to as "Director"). The Director or his or her
19 designee shall be vested with all power and authority necessary or incidental to the purposes of this
20 Act, including but not limited to, the following authority: (a) to acquire land or other real property
21 or any interest, estate or right therein as may be necessary or advantageous to accomplish the
22 purposes of this Act; (b) to direct payment for the preparation of any reports, plans and
23 specifications, and relocation expenses and other costs such as for furnishings, equipment
24 designing, inspecting and engineering, required in connection with the implementation of any
25 projects set forth in Section 1 hereof; (c) to direct payment for the costs of construction,
26 rehabilitation, enlargement, provision of service utilities, and razing of facilities, and other
27 improvements to land in connection with the implementation of any projects set forth in Section 1
28 hereof; and (d) to direct payment for the cost of equipment, supplies, devices, materials and labor
29 for repair, renovation or conversion of systems and structures as necessary for the 2018 capital
30 development program bonds or notes hereunder from the proceeds thereof. No funds shall be
31 expended in excess of the amount of the capital development bond fund designated for each project
32 authorized in Section 1 hereof. With respect to the bonds and temporary notes described in Section
33 1, the proceeds shall be used for the following purposes:

34 Question 1, relating to bonds in the amount of two hundred-fifty million dollars

1 (\$250,000,000) to provide funding for the construction, renovation, and rehabilitation of the state's
2 public schools pursuant to § 45-38.2-4 (e).

3 Question 2, relating to bonds in the amount of seventy million dollars (\$70,000,000) to
4 provide funding for higher education facilities to be allocated as follows:

5 (a) University of Rhode Island Narragansett Bay Campus \$45,000,000

6 Provides forty-five million dollars (\$45,000,000) to renovate, build additions, and
7 construct new facilities, including a new Ocean Innovation Center building, to support the ongoing
8 and evolving educational and research needs in marine biology, oceanography, oceanic
9 instrumentation and other marine disciplines at the Narragansett Bay Campus. Constructing new
10 facilities will allow the University to accommodate a new one hundred twenty-five million dollars
11 (\$125,000,000) National Science Foundation federal research vessel and other University-
12 supported research vessels at the University's Narragansett Bay campus facilities.

13 (b) Rhode Island College School of Education and Human Development \$25,000,000

14 Provides twenty-five million dollars (\$25,000,000) to renovate Horace Mann Hall on the
15 campus of Rhode Island College in Providence. Horace Mann Hall houses the Feinstein School of
16 Education and Human Development, the historical leader in producing Rhode Island's public
17 school teachers. The facility has exceeded its useful life with no major renovations since it was
18 constructed in 1969. The renovation will allow the Feinstein School of Education and Human
19 Development to ensure its curriculum and programming are among the best in the nation and create
20 a top learning environment for students.

21 Question 3, relating to bonds in the amount of exceed forty-seven million three hundred
22 thousand dollars (\$47,300,000) for environmental and recreational purposes, to be allocated as
23 follows:

24 (a) Coastal Resiliency and Public Access Projects \$5,000,000

25 Provides five million dollars (\$5,000,000) for up to seventy-five percent (75%) matching
26 grants to public and non-profit entities for restoring and/or improving resiliency of vulnerable
27 coastal habitats, and restoring rivers and stream floodplains.

28 (b) Capital for Clean Water and Drinking Water \$7,900,000

29 Provides seven million nine hundred thousand dollars (\$7,900,000) for clean water and
30 drinking water infrastructure improvements such as from wastewater treatment upgrades and storm
31 water quality improvements to combined sewer overflow abatement projects.

32 (c) Wastewater Treatment Facility Resilience Improvements \$5,000,000

33 Provides five million dollars (\$5,000,000) for up to fifty percent (50%) matching grants
34 for wastewater treatment facility resiliency improvements for facilities vulnerable to increased

1 flooding, major storm events, and environmental degradation.

2 (d) Dam Safety \$4,400,000

3 Provides four million four hundred thousand dollars (\$4,400,000) for repairing and/or
4 removing State-owned dams.

5 (e) Dredging - Downtown Providence Rivers \$7,000,000

6 Provides seven million dollars (\$7,000,000) for the state to obtain additional dredging
7 analysis and the dredging of the Downtown Providence Rivers from: The Woonasquattucket River
8 from I-95 north of Providence Place Mall to its confluence with the Providence River; the
9 Moshassuck River from Smith Street to its confluence with the Providence River; and the
10 Providence River from Steeple Street to Point Street; and dredging a sediment basin upstream of
11 the Providence Place Mall and I-95 for approximately six hundred feet (600').

12 (f) State Bikeway Development Program \$5,000,000

13 Provides five million dollars (\$5,000,000) for the State to design, repair, and construct
14 bikeways, including the East Bay bike path.

15 (g) Brownfield Remediation and Economic Development \$4,000,000

16 Provides four million dollars (\$4,000,000) for up to eighty percent (80%) matching grants
17 to public, private, and/or non-profit entities for brownfield remediation projects.

18 (h) Local Recreation Projects \$5,000,000

19 Provides five million dollars (\$5,000,000) for up to eighty percent (80%) matching grants
20 for municipalities to acquire, develop, or rehabilitate local recreational facilities to meet the
21 growing needs for active recreational facilities.

22 (i) Access to Farmland \$2,000,000

23 Provides two million dollars (\$2,000,000) to protect the State's working farms through the
24 State Farmland Access Program and the purchase of Development Rights by the Agricultural Lands
25 Preservation Commission

26 (j) Local Open Space \$2,000,000

27 Provides two million dollars (\$2,000,000) for up to fifty percent (50%) matching grants to
28 municipalities, local land trusts and nonprofit organizations to acquire fee-simple interest,
29 development rights, or conservation easements on open space and urban parklands.

30 SECTION 7. Sale of bonds and notes. -- Any bonds or notes issued under the authority
31 of this Act shall be sold at not less than the principal amount thereof, in such mode and on such
32 terms and conditions as the General Treasurer, with the approval of the Governor, shall deem to be
33 in the best interests of the State.

34 Any premiums and accrued interest, net of the cost of bond insurance and underwriter's

1 discount, which may be received on the sale of the capital development bonds or notes shall become
2 part of the Municipal Road and Bridge Revolving Fund of the State, unless directed by federal law
3 or regulation to be used for some other purpose.

4 In the event that the amount received from the sale of the capital development bonds or
5 notes exceeds the amount necessary for the purposes stated in Section 6 hereof, the surplus may be
6 used to the extent possible to retire the bonds as the same may become due, to redeem them in
7 accordance with the terms thereof or otherwise to purchase them as the General Treasurer, with the
8 approval of the Governor, shall deem to be in the best interests of the state.

9 Any bonds or notes issued under the provisions of this Act and coupons on any capital
10 development bonds, if properly executed by the manual or electronic signatures of officers of the
11 State in office on the date of execution, shall be valid and binding according to their tenor,
12 notwithstanding that before the delivery thereof and payment therefor, any or all such officers shall
13 for any reason have ceased to hold office.

14 SECTION 8. Bonds and notes to be tax exempt and general obligations of the State. -
15 - All bonds and notes issued under the authority of this Act shall be exempt from taxation in the
16 State and shall be general obligations of the State, and the full faith and credit of the State is hereby
17 pledged for the due payment of the principal and interest on each of such bonds and notes as the
18 same shall become due.

19 SECTION 9. Investment of moneys in fund. -- All moneys in the capital development
20 fund not immediately required for payment pursuant to the provisions of this act may be invested
21 by the investment commission, as established by Chapter 10 of Title 35, entitled "State Investment
22 Commission," pursuant to the provisions of such chapter; provided, however, that the securities in
23 which the capital development fund is invested shall remain a part of the capital development fund
24 until exchanged for other securities; and provided further, that the income from investments of the
25 capital development fund shall become a part of the general fund of the State and shall be applied
26 to the payment of debt service charges of the State, unless directed by federal law or regulation to
27 be used for some other purpose, or to the extent necessary, to rebate to the United States treasury
28 any income from investments (including gains from the disposition of investments) of proceeds of
29 bonds or notes to the extent deemed necessary to exempt (in whole or in part) the interest paid on
30 such bonds or notes from federal income taxation.

31 SECTION 10. Appropriation. -- To the extent the debt service on these bonds is not
32 otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and
33 notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise
34 appropriated.

1 SECTION 11. Advances from general fund. -- The General Treasurer is authorized, with
2 the approval of the Director and the Governor, in anticipation of the issue of notes or bonds under
3 the authority of this Act, to advance to the capital development bond fund for the purposes specified
4 in Section 6 hereof, any funds of the State not specifically held for any particular purpose; provided,
5 however, that all advances made to the capital development bond fund shall be returned to the
6 general fund from the capital development bond fund forthwith upon the receipt by the capital
7 development fund of proceeds resulting from the issue of notes or bonds to the extent of such
8 advances.

9 SECTION 12. Federal assistance and private funds. -- In carrying out this act, the
10 Director, or his or her designee, is authorized on behalf of the State, with the approval of the
11 Governor, to apply for and accept any federal assistance which may become available for the
12 purpose of this Act, whether in the form of loan or grant or otherwise, to accept the provision of
13 any federal legislation therefor, to enter into, act and carry out contracts in connection therewith,
14 to act as agent for the federal government in connection therewith, or to designate a subordinate so
15 to act. Where federal assistance is made available, the project shall be carried out in accordance
16 with applicable federal law, the rules and regulations thereunder and the contract or contracts
17 providing for federal assistance, notwithstanding any contrary provisions of State law. Subject to
18 the foregoing, any federal funds received for the purposes of this Act shall be deposited in the
19 capital development bond fund and expended as a part thereof. The Director or his or her designee
20 may also utilize any private funds that may be made available for the purposes of this Act.

21 SECTION 13. Effective Date. -- Sections 1, 2, 3, 11 and 12 of this article shall take effect
22 upon passage. The remaining sections of this article shall take effect when and if the State Board
23 of Elections shall certify to the Secretary of State that a majority of the qualified electors voting on
24 the proposition contained in Section 1 hereof have indicated their approval of all or any projects
25 thereunder.

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ARTICLE 6

RELATING TO THE RHODE ISLAND PUBLIC RAIL CORPORATION

SECTION 1. *Rhode Island Public Rail Corporation.* Section 4 of Article 6 of Chapter 023 of the 2010 Public Laws is hereby amended to read as follows:

WHEREAS, The State of Rhode Island and Providence Plantations (the "state") has delegated to the Rhode Island department of transportation (the "department") the responsibility for ~~maintaining and constructing highways, roads, freeways, bridges and incidental structures~~ preparing project plans and implementation programs for transportation and for maintaining an adequate level of rail passenger and freight services as established by chapter 8 of title 24, chapter 5 of title 37 and chapter 13 of title 42 of the Rhode Island general laws; and

WHEREAS, The National Railroad Passenger Corporation ("Amtrak") owns the railroad right-of-way along the Northeast Corridor throughout the state; and

WHEREAS, The department seeks to enhance commuter rail service north from the Amtrak Providence Station in Providence, Rhode Island with stops at the proposed Pawtucket/Central Falls Station (the "Pawtucket/Central Falls Station") (together with other commuter rail service in the State, the "Commuter Rail Service"); and

WHEREAS, Amtrak requires the department to provide certain risk-management and financial assurances and indemnification covenants and obligations as a condition precedent to that certain Access Agreement (the "Access Agreement"), entered into by and between the department and Amtrak, that certain Assignment and Assumption Agreement entered into or to be entered into for the benefit of Amtrak by and between the department and the Rhode Island Public Rail Corporation ("Rail Corp"), a public instrumentality of the state established by section 42-64.2 et seq. of the general laws of Rhode Island (the "Act"), that certain Master Force Account Agreement for improvements in the area of the Pawtucket/Central Falls Station entered into or to be entered into by and among Amtrak, the department and Rail Corp, that certain Temporary Easement Agreement entered into or to be entered into by and among Amtrak, the department and Rail Corp, that certain Permanent Easement Agreement entered into or to be entered into by and among Amtrak, the department and Rail Corp and that certain Lease Agreement entered into or to be entered into by and among Amtrak, the department and Rail Corp relating to the Pawtucket/Central Falls Station (collectively, the "Commuter Rail Service Agreements"); and

1 WHEREAS, The above-referenced assurances and indemnification covenants and
2 obligations include, without limitation, that:

3 (1) The department secure and maintain a liability insurance policy covering the liability of
4 the state and Amtrak for property damage, personal injury, bodily injury and death arising out of
5 the Commuter Rail Service, with policy limits of two hundred ninety-five million United States
6 dollars (\$295,000,000), naming the department, Rail Corp, Amtrak and Massachusetts Bay
7 Transportation Authority (the "MBTA") as primary insureds, all subject to a self-insurance
8 retention of up to seven million five hundred thousand United States dollars (\$7,500,000) (the
9 "Retention");

10 (2) The department defend, indemnify and save harmless Amtrak and third parties to the
11 extent that Amtrak is obligated to defend, indemnify or save harmless such third parties,
12 irrespective of negligence or fault of Amtrak or such third parties, for all damage or liability for
13 personal injury or property damage which would not have occurred or would not have been incurred
14 but for the existence of the Commuter Rail Service or the presence on the Northeast Properties (as
15 such term is defined in the Access Agreement) of any trains, passengers, employees, contractors,
16 or invitees of the state or the state's designated operator;

17 (3) Rail Corp defend, indemnify and save harmless Amtrak and third parties to the extent
18 that Amtrak is obligated to defend, indemnify or save harmless such third parties, irrespective of
19 negligence or fault of Amtrak or such third parties, for all damage or liability for personal injury or
20 property damage which would not have occurred but for the improvements undertaken pursuant to
21 the Master Force Account Agreement, the Temporary Easement Agreements and Permanent
22 Easement Agreement with respect to the Pawtucket/Central Falls Station; and

23 (4) The department defend, indemnify and save harmless the MBTA for all damage or
24 liability for personal injury or property damages which would not have occurred or would not have
25 been incurred but for the MBTA's activities as the designated operator under the Access Agreement
26 except for damages or liability attributable directly to the MBTA's own negligence or misconduct;
27 and

28 WHEREAS, In connection with certain existing agreements between the department and
29 Amtrak, the state has agreed from time to time to indemnify Amtrak and third-parties to the extent
30 that Amtrak is required to indemnify third-parties (the "prior indemnities"); and

31 WHEREAS, In connection with future agreements relating to the construction or
32 reconstruction ~~to roads and bridges~~ of the Pawtucket/Central Falls Station described above, the
33 state and the department will be required to provide similar indemnities to Amtrak and third-parties
34 to the extent that Amtrak is required to indemnify third-parties ("future indemnities"); and

1 WHEREAS, The ~~State~~ state and the department may be themselves constitutionally
2 prohibited from providing such prior indemnities and future indemnities, which may negatively
3 impact commuter transit in Rhode Island, and the department therefore has designated the ~~Rhode~~
4 ~~Island Public Rail Corporation ("Rail Corp"), a public instrumentality of the state established by~~
5 ~~chapter 42-64.2 et seq. of the general laws of Rhode Island (the "act")~~ Rail Corp as the responsible
6 party for providing Amtrak with such indemnities; and

7 WHEREAS, Pursuant to the ~~act~~ Act, Rail Corp is authorized, created and established for
8 the purpose of enhancing and preserving the viability of commuter transit and railroad freight
9 operations in Rhode Island and has the power to make contracts and guarantees and incur liabilities,
10 borrow money at any rates of interest that it may determine, and to make and execute any other
11 contracts and instruments necessary or convenient in the exercise of the powers, purposes and
12 functions of the act; and

13 WHEREAS, In connection with ~~the extension of commuter rail service~~ Commuter Rail
14 Service from Providence, Rhode Island to North Kingstown, Rhode Island, as provided in the South
15 County Commuter Rail Service Agreements, described in article 17, section 8 of chapter 68 of the
16 public laws of 2009, and in article 6, section 4 of chapter 23 of the public laws of 2010, Rail Corp
17 has been designated as the entity responsible for securing and maintaining a liability insurance
18 policy to provide funds to pay all or a portion of the liabilities of the state and Amtrak for property
19 damage, personal injury, bodily injury and death arising out of the ~~South County~~ Commuter Rail
20 Service (the "~~South County~~ Commuter Rail Service insurance policy"), with policy limits of two
21 hundred million United States dollars (\$200,000,000), subject to a self-insured retention of seven
22 million five hundred thousand United States dollars (\$7,500,000) (the "retention"); and

23 WHEREAS, Under article 17, section 8 of chapter 68 of the public laws of 2009, under
24 article 6, section 4 of chapter 23 of the public laws of 2010 and pursuant to chapter 18 of title 35
25 of the Rhode Island general laws, the general assembly authorized Rail Corp to secure and maintain
26 a line or evergreen letter of credit in the amount of seven million five hundred thousand United
27 States dollars (\$7,500,000) issued by a bank authorized to do business in Rhode Island with a
28 surplus of not less than one hundred million United States dollars (\$100,000,000) in favor of
29 Amtrak to secure Rail Corp's performance of indemnities under the ~~South County~~ Commuter Rail
30 Service Agreements, and specifically the payment of any amounts arising from time to time under
31 the retention, and for the payment of any costs and fees reasonably incurred in connection with
32 securing and maintaining such line or evergreen letter of credit; and

33 WHEREAS, Amtrak has agreed to accept a liability insurance policy with limits of ~~two~~
34 ~~hundred million~~ two hundred ninety-five million United States dollars ~~(\$200,000,000)~~

1 [\(\\$295,000,000\)](#), towards liabilities and a line or evergreen letter of credit established in the amount
2 of up to seven million five hundred thousand United States dollars (\$7,500,000) issued by a bank
3 authorized to do business in Rhode Island with a surplus of not less than one hundred million United
4 States dollars (\$100,000,000) in favor of Amtrak to secure the prior indemnities and the future
5 indemnities or, in the alternative, to accept expansion of the scope of Rail Corp's ~~South County~~
6 Commuter Rail Service insurance policy and line or evergreen letter of credit to include the prior
7 indemnities and the future indemnities; and

8 WHEREAS, The department further covenants and affirms on behalf of the state to support
9 Rail Corp and to include such financial support in the governor's printed budget submitted to the
10 general assembly each year; and

11 WHEREAS, The requirements undertaken by the department on behalf of the state and
12 Rail Corp as outlined herein to provide the prior indemnities and the future indemnities, and the
13 approval and authority for Rail Corp to obtain and maintain a line or evergreen letter of credit to
14 secure the prior indemnities and the future indemnities or to amend the line or evergreen letter of
15 credit relating to the ~~South County~~ Commuter Rail Service ~~Indemnities~~ [Agreements](#) to secure the
16 prior indemnities and the future indemnities are subject to chapter 18 of title 35 of the Rhode Island
17 general laws; and

18 WHEREAS, Pursuant to sections 35-18-3 and 35-18-4 of the Rhode Island general laws,
19 Rail Corp has requested the approval and authority of the general assembly to provide for the prior
20 indemnities and the future indemnities, which may include securing and maintaining a new
21 insurance policy and line or letter of credit to secure the prior indemnities and future indemnities,
22 or in the alternative, to amend or replace the ~~South County~~ Commuter Rail Service insurance policy
23 and line or letter of credit in order that they may also secure the prior indemnities and the future
24 indemnities; now, therefore be it

25 RESOLVED, That the general assembly hereby approves and authorizes Rail Corp to
26 provide, and hereby approves and authorizes the department's support of Rail Corp and the use by
27 Rail Corp of the department's funding to provide, for the prior indemnities and the future
28 indemnities, which may include securing and maintaining an insurance policy with limits of ~~two~~
29 ~~hundred million~~ [two hundred ninety-five million](#) United States dollars ~~(\$200,000,000)~~
30 [\(\\$295,000,000\)](#), which shall provide funds to pay all or a portion of the liabilities and a line or
31 evergreen letter of credit in the amount of [up to](#) seven million five hundred thousand United States
32 dollars (\$7,500,000) issued by a bank authorized to do business in Rhode Island with a surplus of
33 not less than one hundred million United States dollars (\$100,000,000) to secure all or a portion of
34 the prior indemnities and the future indemnities or, in the alternative, to amend the ~~South County~~

1 Commuter Rail Service insurance policy and line or evergreen letter of credit to secure Rail Corp's
2 performance of the prior indemnities and the future indemnities in favor of ~~the National Railroad~~
3 ~~Passenger Corporation (Amtrak)~~ Amtrak and third-parties to the extent that Amtrak is required to
4 indemnify and defend third-parties for all claims, damages, losses, liabilities and expenses for
5 personal injury, bodily injury, death, or property damage (including, but not limited to,
6 environmental conditions and preexisting environmental conditions) and interference with the use
7 of Amtrak's property, which would not have occurred, would not have been discovered, or would
8 not have been incurred but for the existence of any platform, structure, building, road, ~~or~~ bridge or
9 appurtenance ~~thereto~~ to any of the foregoing, located or to be located on, above, under or within
10 the boundary of any property owned or controlled by Amtrak, or within the boundary of any
11 railroad safety envelope established pursuant to a federal program or safety regulations, and owned
12 or used by the State of Rhode Island, or any municipality, public corporation, or instrumentality of
13 the State of Rhode Island, or but for the activities of any employee, agent, contractor, subcontractor
14 or invitee of the state or any municipality, public corporation, or instrumentality of the state,
15 relating to any platform, structure, building, road, bridge, or appurtenance, ~~thereto located~~ to any
16 of the foregoing located or to be located on, above, under or within the boundary of any property
17 owned or controlled by Amtrak or within the boundary of any railroad safety envelope established
18 pursuant to a federal program or safety regulations, which obligations of the department include,
19 but are not limited to, the payment of any amounts arising from time to time under the retention,
20 the payment of claims, damages, losses, liabilities and expenses, and the payment of any costs and
21 fees reasonably incurred in connection with obtaining such insurance policy and line or evergreen
22 letter of credit or amending or replacing the ~~South County~~ Commuter Rail Service insurance policy
23 and line of evergreen letter of credit and to secure Rail Corp's performance of the prior indemnities
24 and future indemnities as may be authorized under the Act, as the same may be amended from time
25 to time.

26 SECTION 2. This article shall take effect upon passage.
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ARTICLE 7

RELATING TO FEES

SECTION 1. Section 7-11-307 of the General Laws in Chapter 7-11 entitled “Rhode Island Uniform Securities Act” is hereby amended as follows:

7-11-307. Federal covered securities.

(a) The director may require by rule or order the filing of any or all of the following documents with respect to a covered security under § 18(b)(2) of the Securities Act of 1933, 15 U.S.C. § 77r(b)(2):

(1) Prior to the initial offer of a federal covered security in this state, all documents that are part of a current federal registration statement filed with the U.S. Securities and Exchange Commission under the Securities Act of 1933, 15 U.S.C. § 77a et seq., or, in lieu of filing the registration statement, a notice as prescribed by the director by rule or otherwise, together with a consent to service of process signed by the issuer and with a nonrefundable fee of one-tenth of one percent (0.1%) of the maximum aggregate offering price at which the federal covered securities are to be offered in this state, but not less than three hundred dollars (\$300) or more than ~~one thousand dollars (\$1,000)~~ one thousand seven hundred fifty dollars (\$1,750).

(2) An open end management company, a face amount certificate company, or a unit investment trust, as defined in the Investment Company Act of 1940, 15 U.S.C. § 80a-1 et seq., ~~may~~ shall file a notice for an indefinite amount of securities. The issuer, at the time of filing, shall pay a nonrefundable fee of ~~one thousand dollars (\$1,000)~~ one thousand seven hundred fifty dollars (\$1,750).

(3) After the initial offer of the federal covered security in this state, all documents that are part of an amendment to a current federal registration statement filed with the U.S. Securities and Exchange Commission under the Securities Act of 1933, are filed concurrently with the director.

(4) Unless otherwise extended by the director, an initial notice filing under this subsection or subsection (b) is effective for one year commencing upon the date the notice or registration statement, as applicable, is received by the director unless a later date is indicated by the issuer. A notice filing may be renewed by filing a renewal notice as prescribed by the director and paying a renewal fee of ~~one thousand dollars (\$1,000)~~ one thousand seven hundred fifty dollars (\$1,750).

(b) Regarding any security that is a covered security under § 18(b)(3) of the Securities Act

1 of 1933, unless the security is exempted by § 7-11-401 or is sold in an exempt transaction under §
2 7-11-402, the issuer shall file a notice prior to the initial offer of such security in this state. Such
3 notice filing shall include a uniform application adopted by the director, a consent to service of
4 process, and the payment of a nonrefundable fee as prescribed in a subsection (a)(1) of this section.

5 ~~(b)~~(c) Regarding any security that is a covered security under § 18(b)(4)(D) of the
6 Securities Act of 1933, 15 U.S.C. § 77r(b)(4)(D), the director may by rule or otherwise require the
7 issuer to file a notice on SEC Form D and a consent to service of process signed by the issuer no
8 later than fifteen (15) days after the first sale of the federal covered security in this state, together
9 with Form U-2, Form D and a nonrefundable fee of three hundred dollars (\$300).

10 ~~(c)~~(d) The director may by rule or otherwise require the filing of any document filed with
11 the U.S. Securities and Exchange Commission under the Securities Act of 1933, 15 U.S.C. § 77a
12 et seq., with respect to a covered security under § 18(b)(3) or (4) of the Securities Act of 1933, 15
13 U.S.C. § 77r(b)(3) or (4), together with a notice and fees as defined in subparagraph (a)(1).

14 ~~(d)~~(e) The director may issue a stop order suspending the offer and sale of a federal covered
15 security, except a covered security under § 18(b)(1) of the Securities Act of 1933, 15 U.S.C. §
16 77r(b)(1), if the director finds that (1) the order is in the public interest and (2) there is a failure to
17 comply with any condition established under this section.

18 ~~(e) Notwithstanding the provisions of this section, until October 11, 1999, the director may~~
19 ~~require the registration of any federal covered security for which the fees required by this section~~
20 ~~have not been paid promptly following written notification from the director to the issuer of the~~
21 ~~nonpayment or underpayment of the fees. An issuer is considered to have promptly paid the fees if~~
22 ~~they are remitted to the director within fifteen (15) days following the person's receipt of written~~
23 ~~notification from the director.~~

24 (f) The director may by rule or order waive any or all of the provisions of this section.

25 SECTION 2. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled "Licensing
26 of Health-Care Facilities" is hereby amended to read as follows:

27 **23-17-38.1. Hospitals – Licensing fee.**

28 ~~(a) There is also imposed a hospital licensing fee at the rate of five and six hundred fifty-~~
29 ~~two thousandths percent (5.652%) upon the net patient services revenue of every hospital for the~~
30 ~~hospital's first fiscal year ending on or after January 1, 2015, except that the license fee for all~~
31 ~~hospitals located in Washington County, Rhode Island shall be discounted by thirty seven percent~~
32 ~~(37%). The discount for Washington County hospitals is subject to approval by the Secretary of the~~
33 ~~U.S. Department of Health and Human Services of a state plan amendment submitted by the~~
34 ~~executive office of health and human services for the purpose of pursuing a waiver of the uniformity~~

1 ~~requirement for the hospital license fee. This licensing fee shall be administered and collected by~~
2 ~~the tax administrator, division of taxation within the department of revenue, and all the~~
3 ~~administration, collection, and other provisions of chapter 51 of title 44 shall apply. Every hospital~~
4 ~~shall pay the licensing fee to the tax administrator on or before July 10, 2017, and payments shall~~
5 ~~be made by electronic transfer of monies to the general treasurer and deposited to the general fund.~~
6 ~~Every hospital shall, on or before June 14, 2017, make a return to the tax administrator containing~~
7 ~~the correct computation of net patient-services revenue for the hospital fiscal year ending~~
8 ~~September 30, 2015, and the licensing fee due upon that amount. All returns shall be signed by the~~
9 ~~hospital's authorized representative, subject to the pains and penalties of perjury.~~

10 ~~(b)~~(a) There is also imposed a hospital licensing fee at the rate of five and eight hundred
11 fifty-six thousandths percent (5.856%) upon the net patient-services revenue of every hospital for
12 the hospital's first fiscal year ending on or after January 1, 2016, except that the license fee for all
13 hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent
14 (37%). The discount for Washington County hospitals is subject to approval by the Secretary of the
15 U.S. Department of Health and Human Services of a state plan amendment submitted by the
16 executive office of health and human services for the purpose of pursuing a waiver of the uniformity
17 requirement for the hospital license fee. This licensing fee shall be administered and collected by
18 the tax administrator, division of taxation within the department of revenue, and all the
19 administration, collection, and other provisions of chapter 51 of title 44 shall apply. Every hospital
20 shall pay the licensing fee to the tax administrator on or before July 10, 2018, and payments shall
21 be made by electronic transfer of monies to the general treasurer and deposited to the general fund.
22 Every hospital shall, on or before June 14, 2018, make a return to the tax administrator containing
23 the correct computation of net patient-services revenue for the hospital fiscal year ending
24 September 30, 2016, and the licensing fee due upon that amount. All returns shall be signed by the
25 hospital's authorized representative, subject to the pains and penalties of perjury.

26 (b) There is also imposed a hospital licensing fee at the rate of six percent (6%) upon the
27 net patient-services revenue of every hospital for the hospital's first fiscal year ending on or after
28 January 1, 2017, except that the license fee for all hospitals located in Washington County, Rhode
29 Island shall be discounted by thirty-seven percent (37%). The discount for Washington County
30 hospitals is subject to approval by the Secretary of the U.S. Department of Health and Human
31 Services of a state plan amendment submitted by the executive office of health and human services
32 for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This
33 licensing fee shall be administered and collected by the tax administrator, division of taxation
34 within the department of revenue, and all the administration, collection, and other provisions of

1 chapter 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator
2 on or before July 10, 2019, and payments shall be made by electronic transfer of monies to the
3 general treasurer and deposited to the general fund. Every hospital shall, on or before June 14,
4 2019, make a return to the tax administrator containing the correct computation of net patient-
5 services revenue for the hospital fiscal year ending September 30, 2017, and the licensing fee due
6 upon that amount. All returns shall be signed by the hospital's authorized representative, subject to
7 the pains and penalties of perjury.

8 (c) For purposes of this section the following words and phrases have the following
9 meanings:

10 (1) "Hospital" means the actual facilities and buildings in existence in Rhode Island,
11 licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on
12 that license, regardless of changes in licensure status pursuant to chapter 17.14 of title 23 (hospital
13 conversions) and §23-17-6(b) (change in effective control), that provides short-term acute inpatient
14 and/or outpatient care to persons who require definitive diagnosis and treatment for injury, illness,
15 disabilities, or pregnancy. Notwithstanding the preceding language, the negotiated Medicaid
16 managed care payment rates for a court-approved purchaser that acquires a hospital through
17 receivership, special mastership, or other similar state insolvency proceedings (which court-
18 approved purchaser is issued a hospital license after January 1, 2013) shall be based upon the newly
19 negotiated rates between the court-approved purchaser and the health plan, and such rates shall be
20 effective as of the date that the court-approved purchaser and the health plan execute the initial
21 agreement containing the newly negotiated rate. The rate-setting methodology for inpatient hospital
22 payments and outpatient hospital payments set forth in §§ 40-8-13.4(b)(1)(B)(iii) and 40-8-
23 13.4(b)(2), respectively, shall thereafter apply to negotiated increases for each annual twelve-month
24 (12) period as of July 1 following the completion of the first full year of the court-approved
25 purchaser's initial Medicaid managed care contract.

26 (2) "Gross patient-services revenue" means the gross revenue related to patient care
27 services.

28 (3) "Net patient-services revenue" means the charges related to patient care services less
29 (i) charges attributable to charity care; (ii) bad debt expenses; and (iii) contractual allowances.

30 (d) The tax administrator shall make and promulgate any rules, regulations, and procedures
31 not inconsistent with state law and fiscal procedures that he or she deems necessary for the proper
32 administration of this section and to carry out the provisions, policy, and purposes of this section.

33 (e) The licensing fee imposed by this section shall apply to hospitals as defined herein that
34 are duly licensed on July 1, ~~2017~~ 2018, and shall be in addition to the inspection fee imposed by §

1 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-38.1.

2 SECTION 3. Section 27-10-3 of the General Laws in Chapter 27-10 entitled "Claim
3 Adjusters" is hereby amended to read as follows:

4 **27-10-3. Issuance of license.**

5 (a) The insurance commissioner may issue to any person a license to act as either a public
6 adjuster; company adjuster; or independent adjuster once that person files an application in a format
7 prescribed by the department and declares under penalty of suspension, revocation, or refusal of
8 the license that the statements made in the application are true, correct, and complete to the best of
9 the individual's knowledge and belief. Before approving the application, the department shall find
10 that the individual:

11 (1) Is at least eighteen (18) years of age;

12 (2) Is eligible to designate this state as his or her home state;

13 (3) Is trustworthy, reliable, and of good reputation, evidence of which shall be determined
14 by the department;

15 (4) Has not committed any act that is a ground for probation, suspension, revocation, or
16 refusal of a professional license as set forth in § 27-10-12;

17 (5) Has successfully passed the examination for the line(s) of authority for which the person
18 has applied;

19 (6) Has paid a fee of ~~one hundred and fifty dollars (\$150)~~ two hundred fifty dollars (\$250).

20 (b) A Rhode Island resident business entity acting as an insurance adjuster may elect to
21 obtain an insurance adjusters license. Application shall be made using the uniform business entity
22 application. Prior to approving the application, the insurance commissioner shall find both of the
23 following:

24 (1) The business entity has paid the appropriate fees.

25 (2) The business entity has designated a licensed adjuster responsible for the business
26 entity's compliance with the insurance laws and rules of this state.

27 (c) The department may require any documents reasonably necessary to verify the
28 information contained in the application.

29 SECTION 4. Section 23-3-25 of the General Laws in Chapter 23-3 entitled "Vital Records"
30 is hereby amended to read as follows:

31 **23-3-25. Fees for copies and searches.**

32 (a) The state registrar shall charge fees for searches and copies as follows:

33 (1) For a search of two (2) consecutive calendar years under one name and for issuance of
34 a certified copy of a certificate of birth, fetal death, death, or marriage, or a certification of birth, or

1 a certification that the record cannot be found, and each duplicate copy of a certificate or
2 certification issued at the same time, the fee is as set forth in § 23-1-54.

3 (2) For each additional calendar year search, if applied for at the same time or within three
4 (3) months of the original request and if proof of payment for the basic search is submitted, the fee
5 is as set forth in § 23-1-54.

6 (3) For providing expedited service, the additional handling fee is as set forth in § 23-1-54.

7 (4) For processing of adoptions, legitimations, or paternity determinations as specified in
8 §§ 23-3-14 and 23-3-15, there shall be a fee as set forth in § 23-1-54.

9 (5) For making authorized corrections, alterations, and additions, the fee is as set forth in
10 § 23-1-54; provided, no fee shall be collected for making authorized corrections or alterations and
11 additions on records filed before one year of the date on which the event recorded has occurred.

12 (6) For examination of documentary proof and the filing of a delayed record, there is a fee
13 as set forth in § 23-1-54; and there is an additional fee as set forth in § 23-1-54 for the issuance of
14 a certified copy of a delayed record.

15 (b) Fees collected under this section by the state registrar shall be deposited in the general
16 fund of this state, according to the procedures established by the state treasurer.

17 (c) The local registrar shall charge fees for searches and copies of records as follows:

18 (1) For a search of two (2) consecutive calendar years under one name and for issuance of
19 a certified copy of a certificate of birth, fetal death, death, delayed birth, or marriage, or a
20 certification of birth or a certification that the record cannot be found, the fee is twenty dollars
21 (\$20.00). For each duplicate copy of a certificate or certification issued at the same time, the fee is
22 fifteen dollars (\$15.00).

23 (2) For each additional calendar year search, if applied for at the same time or within three
24 (3) months of the original request and if proof of payment for the basic search is submitted, the fee
25 is two dollars (\$2.00).

26 (d) Fees collected under this section by the local registrar shall be deposited in the city or
27 town treasury according to the procedures established by the city or town treasurer except that six
28 dollars (\$6.00) of the certified copy fees shall be submitted to the state registrar for deposit in the
29 general fund of this state.

30 (e) To acquire, maintain and operate an Electronic Statewide Registration System (ESRS),
31 the state registrar shall assess a surcharge of no more than five dollars (\$5.00) for a mail-in certified
32 records request, no more than three dollars (\$3.00) for each duplicate certified record and no more
33 than two dollars (\$2.00) for a walk-in certified records request or a certified copy of a vital record
34 requested for a local registrar. Notwithstanding the provisions of § 23-3-25 (d) of the general laws

1 [of Rhode Island, any such surcharges collected by the local registrar shall be submitted to the state](#)
2 [registrar. Any funds collected from the surcharges listed above shall be deposited into the](#)
3 [Information Technology Investment Fund \(ITIF\).](#)

4 SECTION 5. Section 21-9-3 of the General Laws in Chapter 21-9 entitled "Frozen
5 Desserts" is hereby amended to read as follows:

6 **21-9-3. License fee.**

7 [\(a\)](#) The annual fees for the following licenses shall be as set forth in § 23-1-54:

- 8 (1) Instate wholesale frozen dessert processors;
- 9 (2) Out of state wholesale frozen dessert processors; and
- 10 (3) Retail frozen dessert processors.

11 [\(b\) Where a retail frozen dessert processor is also registered as a food service establishment](#)
12 [under § 21-27-10 within a single location, the business shall not be required to pay more than one](#)
13 [single fee for the highest classified activity listed in § 21-27-10\(e\) or subsection \(a\) of this section.](#)

14 SECTION 6. Section 21-27-11.5 of the General Laws in Chapter 21-27 entitled "Sanitation
15 in Food Establishments" is hereby amended to read as follows:

16 **21-27-11.5. Recertification -- Renewal.**

17 Every holder of a certificate issued pursuant to these sections shall ~~triennially,~~ [every five](#)
18 [\(5\) years](#), present evidence to the division of continued eligibility as established by regulations. All
19 certificates issued pursuant to these sections shall expire ~~triennially~~ [every five \(5\) years](#) on a date
20 as established in the rules and regulations unless sooner suspended or revoked. Application for
21 certification renewal shall be made as described in the rules and regulations. A ~~triennial~~-renewal
22 fee shall be required [every five \(5\) years](#). Managers of municipal or state food establishments shall
23 be exempt from payment of the fee set forth in this section.

24 SECTION 7. Section 23-1-54 of the General Laws in Chapter 23-1 entitled "Department
25 of Health" is hereby amended to read as follows:

26 **23-1-54. Fees payable to the department of health.**

27 Fees payable to the department shall be as follows:

PROFESSION	RIGL Section	Description of Fee	FEE
Barbers/hairdressers	5-10-10(a)	Renewal application	\$25.00
Barbers/hairdressers	5-10-10(a)	Renewal application:	
Manicuring		Instructors and manicurists	\$25.00
Barbers/hairdressers	5-10-10(b)	Minimum late renewal fee	\$25.00
Barbers/hairdressers	5-10-10(b)	Maximum late renewal fee	\$100.00
Barbers/hairdressers	5-10-11[c]	Application fee	\$25.00

1	Barbers/hairdressers	5-10-11[c]	Application fee: manicuring	
2			Instructors and manicurists	\$25.00
3	Barbers/hairdressers	5-10-13	Demonstrator's permit	\$90.00
4	Barbers/hairdressers	5-10-15	Shop license: initial	\$170.00
5	Barbers/hairdressers	5-10-15	Shop license: renewal	\$170.00
6	Barbers/hairdressers	5-10-15(b)	Initial: per licensed chair/station	\$50.00
7	Veterinarians	5-25-10	Application fee	\$40.00
8	Veterinarians	5-25-11	Examination fee	\$540.00
9	Veterinarians	5-25-12(a)	Renewal fee	\$580.00
10	Veterinarians	5-25-12[c]	Late renewal fee	\$120.00
11	Podiatrists	5-29-7	Application fee	\$240.00
12	Podiatrists	5-29-11	Renewal fee: minimum	\$240.00
13	Podiatrists	5-29-11	Renewal fee: maximum	\$540.00
14	Podiatrists	5-29-13	Limited registration	\$65.00
15	Podiatrists	5-29-14	Limited registration:	
16			Academic faculty	\$240.00
17	Podiatrists	5-29-14	Application fee:	
18			Renewal minimum	\$240.00
19	Podiatrists	5-29-14	Application fee:	
20			Renewal maximum	\$440.00
21	Chiropractors	5-30-6	Examination fee:	\$210.00
22	Chiropractors	5-30-7	Examination exemption fee:	\$210.00
23	Chiropractors	5-30-8(b)	Exam Physiotherapy	\$210.00
24	Chiropractors	5-30-8(b)	Exam chiro and physiotherapy	\$210.00
25	Chiropractors	5-30-12	Renewal fee	\$210.00
26	Dentists/dental hygienists	5-31.1-6(d)	Dentist: application fee	\$965.00
27	Dentists/dental hygienists	5-31.1-6(d)	Dental hygienist: application fee	\$65.00
28	Dentists/dental hygienists	5-31.1-6(d)	Reexamination: dentist	\$965.00
29	Dentists/dental hygienists	5-31.1-6(d)	Reexamination: hygienist	\$65.00
30	Dentists/dental hygienists	5-31.1-21(b)	Reinstatement fee dentist	\$90.00
31	Dentists/dental hygienists	5-31.1-21(b)	Reinstatement fee hygienist	\$90.00
32	Dentists/dental hygienists	5-31.1-21(c)	Inactive status: dentist	\$220.00
33	Dentists/dental hygienists	5-31.1-21(c)	Inactive status: hygienist	\$40.00
34	Dentists/dental hygienists	5-31.1-22	Limited registration	\$65.00

1	Dentists/dental hygienists	5-31.1-23[c]	Limited reg:	
2			Academic faculty	\$965.00
3	Dentists/dental hygienists	5-31.1-23[c]	Limited reg:	
4			Academic faculty renewal	\$500.00
5	Electrolysis	5-32-3	Application fee	\$25.00
6	Electrolysis	5-32-6(b)	Renewal fee	\$25.00
7	Electrolysis	5-32-7	Reciprocal license fee	\$25.00
8	Electrolysis	5-32-17	Teaching license	\$25.00
9	Funeral directors/embalmers	5-33.2-12	Funeral establishment license	\$120.00
10	Funeral services establishments			
11	Funeral directors/embalmers	5-33.2-15	Renewal: funeral/director	\$90.00
12	funeral services establishments embalmer			\$30.00
13	Funeral directors/embalmers	5-33.2-12	Funeral branch ofc license	\$90.00
14	Funeral directors/embalmers	5-33.2-13.1	Crematories: application fee	\$120.00
15	Funeral services establishments			
16	Funeral directors/embalmers	5-33.2-15	Renewal: funeral/director	\$120.00
17	Funeral Svcs establishments establishment			
18	Funeral directors/embalmers	5-33.2-15	Additional branch office	
19	Funeral services Establishments licenses			\$120.00
20	Funeral directors/embalmers	5-33.2-15	Crematory renewal fee	
21	Funeral svcs establishments			\$120.00
22	Funeral directors/embalmers	5-33.2-15	Late renewal fee	
23	Funeral svcs establishments (All license types)			\$25.00
24	Funeral directors/embalmers	5-33.2-16(a)	Intern registration fee	
25	Funeral Services establishments			\$25.00
26	Nurses	5-34-12	RN Application fee	\$135.00
27	Nurses	5-34-16	LPN Application fee	\$45.00
28	Nurses	5-34-19	Renewal fee: RN	\$135.00
29	Nurses	5-34-19	Renewal fee: LPN	\$45.00
30	Nurses	5-34-37	RNP application fee	\$80.00
31	Nurses	5-34-37	RNP renewal fee	\$80.00
32	Nurses	5-34-37	RNP prescriptive privileges	\$65.00
33	Nurses	5-34-40.3	Clin nurse spec application	\$80.00
34	Nurses	5-34-40.3	Clin nurse spec renewal	\$80.00

1	Nurses	5-34-40.3	Clin nurse spec Rx privilege	\$65.00
2	Nurse anesthetists	5-34.2-4(a)	CRNA application fee	\$80.00
3	Nurse anesthetists	5-34.2-4(b)	CRNA renewal fee	\$80.00
4	Optometrists	5-35.1-4	Application fee	\$280.00
5	Optometrists	5-35.1-7	Renewal fee	\$280.00
6	Optometrists	5-35.1-7	Late fee	\$90.00
7	Optometrists	5-35.1-7	Reactivation of license fee	\$65.00
8	Optometrists	5-35.1-19(b)	Violations of section	\$650.00
9	Optometrists	5-35.1-20	Violations of chapter	\$260.00
10	Opticians	5-35.2-3	Application fee	\$30.00
11	Physicians	5-37-2	Application fee	\$1,090.00
12	Physicians	5-37-2	Re-examination fee	\$1,090.00
13	Physicians	5-37-10(b)	Late renewal fee	\$170.00
14	Physicians	5-37-16	Limited registration fee	\$65.00
15	Physicians	5-37-16.1	Ltd reg: academic faculty	\$600.00
16	Physicians	5-37-16.1	Ltd reg: academic Faculty renewal	\$170.00
17	Acupuncture	5-37.2-10	Application fee	\$310.00
18	Acupuncture	5-37.2-13(4)	Acupuncture assistant	\$310.00
19			Licensure fee	\$170.00
20	Social workers	5-39.1-9	Application fee	\$70.00
21	Social workers	5-39.1-9	Renewal fee	\$70.00
22	Physical therapists	5-40-8	Application fee	\$155.00
23	Physical therapists	5-40-8.1	Application: physical therapy	
24			assistants	\$50.00
25	Physical therapists	5-40-10(a)	Renewal fee: Physical therapists	\$155.00
26	Physical therapists	5-40-10(a)	Renewal fee: Physical therapy	
27			assistants	\$50.00
28	Physical therapists	5-40-10[c]	Late renewals	\$50.00
29	Occupational therapists	5-40.1-12(2)	Renewal fee	\$140.00
30	Occupational therapists	5-40.1-12(5)	Late renewal fee	\$50.00
31	Occupational therapists	5-40.1-12(b)	Reactivation fee	\$140.00
32	Occupational therapists	5-40.1-13	Application fee	\$140.00
33	Psychologists	5-44-12	Application fee	\$230.00
34	Psychologists	5-44-13	Temporary permit	\$120.00

1	Psychologists	5-44-15[c]	Renewal fee	\$230.00
2	Psychologists	5-44-15(e)	Late renewal fee	\$50.00
3	Nursing home administrators	5-45-10	Renewal fee	\$160.00
4	Speech pathologist/audiologists	5-48-1(14)	Speech lang support personnel:	
5			late filing	\$90.00
6	Speech pathologist/audiologists	5-48-9(a)	Application fee: Audiologist	\$65.00
7	Speech pathologist/audiologists	5-48-9(a)	Application fee:	
8			speech Pathologist	\$145.00
9	Speech pathologist/audiologists	5-48-9(a)	Renewal fee: Audiologist	\$65.00
10	Speech pathologist/audiologists	5-48-9(a)	Renewal fee: Speech Pathologist	\$145.00
11	Speech pathologist/audiologists	5-48-9(a)	Provisional license: renewal fee	\$65.00
12	Speech pathologist/audiologists	5-48-9(b)	Late renewal fee	\$50.00
13	Speech pathologist/audiologists	5-48-9(d)(1)	Reinstatement fee: audiologist	\$65.00
14	Speech pathologist/audiologists	5-48-9(d)(1)	Reinstatement fee: audiologist	\$65.00
15			speech pathologists	\$145.00
16			personnel: late filing	\$65.00
17	Hearing aid dealers/fitters	5-49-6(a)	License endorsement Examination fee	\$25.00
18	Hearing aid dealers/fitters	5-49-8(b)	Temporary permit fee	\$25.00
19	Hearing aid dealers/fitters	5-49-8(d)	Temporary permit renewal fee	\$35.00
20	Hearing aid dealers/fitters	5-49-11(1)	License fee	\$25.00
21	Hearing aid dealers/fitters	5-49-11(b)	License renewal fee	\$25.00
22	Hearing aid dealers/fitters	5-49-11[c]	License renewal late fee	\$25.00
23	Physician assistants	5-54-9(4)	Application fee	\$110.00
24	Physician assistants	5-54-11(b)	Renewal fee	\$110.00
25	Orthotics/prosthetic practice	5-59.1-5	Application fee	\$120.00
26	Orthotics/prosthetic practice	5-59.1-12	Renewal fee	\$120.00
27	Athletic trainers	5-60-11	Application fee	\$60.00
28	Athletic trainers	5-60-11	Renewal fee	\$60.00
29	Athletic trainers	5-60-11	Late renewal fee	\$25.00
30	Mental health counselors	5-63.2-16	Application fee: marriage	
31	Marriage and family therapists		Family therapist	\$130.00
32	Mental health counselors	5-63.2-16	Application fee: mental	
33	Marriage and family therapists		Health counselors	\$70.00
34	Mental health counselors	5-63.2-16	Reexamination fee:	

1	Marriage and family therapists		Marriage/family therapist	\$130.00
2	Mental health counselors	5-63.2-16	Reexamination fee:	
3	Marriage and family therapists		Mental health counselors	\$70.00
4	Mental health counselors	5-63.2-17(a)	Renewal fee: marriage	
5	Marriage and Family therapists		Family therapist	\$130.00
6	Mental health counselors	5-63.2-17(a)	Renewal fee:	
7	Marriage and Family therapist		Mental health counselor	\$50.00
8	Mental health counselors	5-63.2-17(b)	Late renewal fee	
9	Marriage and Family therapist		Marriage and family therapist	\$90.00
10	Dieticians	5-64-6(b)	Application fee	\$75.00
11	Dieticians	5-64-7	Graduate status: Application fee:	\$75.00
12	Dieticians	5-64-8	Renewal fee	\$75.00
13	Dieticians	5-64-8	Reinstatement fee	\$75.00
14	Radiologic technologists	5-68.1-10	Application fee maximum	\$190.00
15	Licensed chemical dependency	5-69-9	Application fee	\$75.00
16	professionals			
17	Licensed chemical dependency	5-69-9	Renewal fee	\$75.00
18	professionals			
19	Licensed chemical	5-69-9	Application fee	\$75.00
20	Licensed chemical dependency	5-69-9	Application fee	\$75.00
21	clinical supervisor			
22	Licensed chemical dependency	5-69-9	Renewal fee	\$75.00
23	clinical supervisor			
24	Deaf interpreters	5-71-8(3)	License fee maximum	\$25.00
25	Deaf interpreters	5-71-8(3)	License renewal fee	\$25.00
26	Milk producers	21-2-7(g)(1)	In-state milk processor	\$160.00
27	Milk producers	21-2-7(g)(2)	Out-of-state milk processor	\$160.00
28	Milk producers	21-2-7(g)(3)	Milk distributors	\$160.00
29	Frozen desserts	21-9-3(1)	In-state wholesale	\$550.00
30	Frozen desserts	21-9-3(2)	Out-of-state wholesale	\$160.00
31	Frozen desserts	21-9-3(3)	Retail frozen dess processors	\$160.00
32	Meats	21-11-4	Wholesale	\$160.00
33	Meats	21-11-4	Retail	\$40.00
34	Shellfish packing houses	21-14-2	License fee: Shipper/reshipper	\$320.00

1	Shellfish packing houses	21-14-2	License fee: Shucker packer/repacker	\$390.00
2	Non-alcoholic bottled Beverages,			
3	Drinks & juices	21-23-2	Bottler permit	\$550.00
4	Non-alcoholic bottled beverages,			
5	drinks and juices	21-23-2	Bottle apple cider fee	\$60.00
6	Farm home food manufacturers	21-27-6.1(4)	Registration fee	\$65.00
7	Food businesses	21-27-10(e)(1)	Food processors wholesale	\$500.00 <u>\$300.00</u>
8	Food businesses	21-27-10(e)(2)	Food processors retail	\$120.00
9	Food businesses	21-27-10(e)(3)	Food service establishments	
10			>50 seats <u>50 seats or less</u>	\$160.00
11	Food businesses	21-27-10(e)(3)	Food service establishments	
12			>50 seats <u>more than 50 seats</u>	\$240.00
13	Food businesses	21-27-10(e)(3)	Mobile food service units	\$100.00
14	Food businesses	21-27-10(e)(3)	Industrial caterer or food vending	
15			Machine commissary	\$280.00
16	Food businesses	21-27-10(e)(3)	Cultural heritage educational Facility	\$80.00
17	Food businesses	21-27-10(e)(4)	Vending Machine Location >3 units	\$50.00
18	Food businesses	21-27-10(e)(4)	Vending Machine Location	
19			4-10 units	\$100.00
20	Food businesses	21-27-10(e)(4)	Vending Machine Location =	
21			11 units	\$120.00
22	Food businesses	21-27-10(e)(5)	Retail Mkt 1-2 cash registers	\$120.00
23	Food businesses	21-27-10(e)(5)	Retail Market 3-5 cash registers	\$240.00
24	Food businesses	21-27-10(e)(5)	Retail Market = 6 Cash registers	\$510.00
25	Food businesses	21-27-10(e)(6)	Retail food peddler	\$100.00
26	Food businesses	21-27-10(e)(7)	Food warehouses	\$190.00
27	Food businesses	21-27-11.2	Certified food safety mgr	\$50.00
28	License verification fee	23-1-16.1	All license types	\$50.00
29	Tattoo and body piercing	23-1-39	Annual registration fee: Person	\$90.00
30	Tattoo and body piercing	23-1-39	Annual registration fee: establishment	\$90.00
31	Vital records	23-3-25(a)(1)	Certificate of birth, fetal death,	
32			Death, marriage, birth, or	
33			Certification that such record	
34			Cannot be found	\$20.00

1	Vital records	23-3-25(a)(1)	Each duplicate of certificate of	
2			birth, fetal death, death,	
3			marriage, Birth, or certification	
4			that such record cannot be found	\$15.00
5	Vital records	23-3-25(a)(2)	Each additional calendar year	
6			Search, if within 3 months of	
7			original search and if receipt of	
8			original search presented	\$2.00
9	Vital records	23-3-25(a)(3)	Expedited service	\$7.00
10	Vital records	23-3-25(a)(4)	Adoptions, legitimations, or	
11			Paternity determinations	\$15.00
12	Vital records	23-3-25(a)(5)	Authorized corrections,	
13			Alterations, and additions	\$10.00
14	Vital records	23-3-25(a)(6)	Filing of delayed record and	
15			Examination of documentary Proof	\$20.00
16	Vital records	23-3-25(a)(6)	Issuance of certified copy of a	
17			delayed record	\$20.00
18	Medical Examiner	23-4-13	Autopsy reports	\$40.00
19	Medical Examiner	23-4-13	Cremation certificates and statistics	\$30.00
20	Medical Examiner	23-4-13	Testimony in civil suits:	
21			Minimum/day	\$650.00
22	Medical Examiner	23-4-13	Testimony in civil suits:	
23			Maximum/day	\$3,250.00
24	Emergency medical technicians	23-4.1-10[c]	Annual fee: ambulance	
25			Service maximum	\$540.00
26	Emergency medical technicians	23-4.1-10[c]	Annual fee: vehicle license	
27			maximum	\$275.00
28	Emergency medical technicians	23-4.1-10[c]	Triennial fee: EMT license	
29			maximum	\$120.00
30	Emergency medical technicians	23-4.1-10(2)	Exam fee maximum: EMT	\$120.00
31	Emergency medical technicians	23-4.1-10(2)	Vehicle inspection Maximum	\$190.00
32	Clinical laboratories	23-16.2-4(a)	Clinical laboratory license per	
33			specialty	\$650.00
34	Clinical laboratories	23-16.2-4(a)	Laboratory station license	\$650.00

1	Clinical laboratories	23-16.2-4(b)	Permit fee	\$70.00
2	Health care facilities	23-17-38	Hospital: base fee annual	\$16,900.00
3	Health care facilities	23-17-38	Hospital: annual per bed fee	\$120.00
4	Health care facilities	23-17-38	ESRD: annual fee	\$3,900.00
5	Health care facilities	23-17-38	Home nursing care/home	
6			Care providers	\$650.00
7	Health care facilities	23-17-38	OACF: annual fee	\$650.00
8	Assisted living residences/ administrators	23-17.4-15.2(d)	License application fee:	\$220.00
9	Assisted living residences/ administrators	23-17.4-15.2(d)	License renewal fee:	\$220.00
10	Assisted living residences	23-17.4-31	Annual facility fee: base	\$330.00
11	Assisted living residences	23-17.4-31	Annual facility per bed	\$70.00
12	Nursing assistant registration	23-17.9-3	Application: competency evaluation training program maximum	\$325.00
13	Nursing assistant registration	23-17.9-5	Application fee	\$35.00
14	Nursing assistant registration	23-17.9-5	Exam fee: skills proficiency	\$170.00
15	Nursing assistant registration	23-17.9-6	Registration fee	\$35.00
16	Nursing assistant registration	23-17.9-7	Renewal fee	\$35.00
17	Sanitarians	23-19.3-5(a)	Registration fee	\$25.00
18	Sanitarians	23-19.3-5(b)	Registration renewal	\$25.00
19	Massage therapy	23-20.8-3(e)	Massage therapist appl fee	\$65.00
20	Massage therapy	23-20.8-3(e)	Massage therapist renewal fee	\$65.00
21	Recreational facilities	23-21-2	Application fee	\$160.00
22	Swimming pools	23-22-6	Application license: first pool	\$250.00
23	Swimming pools	23-22-6	Additional pool fee at same location	\$75.00
24	Swimming pools	23-22-6	Seasonal application license: first pool	\$150.00
25	Swimming pools	23-22-6	Seasonal additional pool fee at same location	\$75.00
26	Swimming pools	23-22-6	Year-round license for non-profit	\$25.00
27	Swimming pools	23-22-10	Duplicate license	\$2.00
28	Swimming pools	23-22-12	Penalty for violations	\$50.00

1	Respiratory care practitioners	23-39-11	Application fee	\$60.00
2	Respiratory care practitioners	23-39-11	Renewal fee	\$60.00

3 SECTION 8. Section 39-1-62 of the General Laws in Chapter 39-1 entitled "Public Utilities
4 Commission" is hereby amended to read as follows:

5 ~~39-1-62. E-911 Geographic Information System (GIS) and Technology Fund.~~
6 **Geographic Information System (GIS) and Technology Fund.**

7 (a) Preamble. To allow ~~the~~ Rhode Island ~~E-911 Emergency Telephone System agency~~
8 [emergency and first response agencies](#) to associate latitude and longitude coordinates provided by
9 wireless carriers with physical locations throughout the state, the agency must establish and
10 maintain a GIS database of street addresses and landmarks. The database will allow local
11 emergency response personnel to dispatch police, fire and rescue personnel to a specific address or
12 landmark of a cellular caller in the event the caller is unaware of his or her location, or is physically
13 unable to communicate it. Because more than half of the 530,000 9-1-1 phone calls received in
14 2003 came from cellular phones, it is critical that the GIS database be developed and maintained in
15 order to improve caller location identification and reduce emergency personnel response times.

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

17 (1) "System" means Emergency 911 Uniform Telephone System.

18 (2) "Agency" means Rhode Island 911 Emergency Telephone System.

19 (3) "Division" means the Division of Public Utilities and Carriers.

20 (4) "GIS and Technology Fund" means the programs and funding made available to the
21 Emergency 911 Uniform Telephone System to assist in paying the costs of the GIS database
22 development project and GIS systems maintenance, which will enable the system to locate cellular
23 phone callers by geocoding all addresses and landmarks in cities and towns throughout the state.
24 GIS and Technology Fund also includes programs and funding to create system redundancy, fund
25 the construction of a new E-911 facility, and operate and maintain other state-of-the-art equipment
26 in public safety agencies.

27 (5) "Prepaid wireless ~~E911~~ telecommunications service" means a wireless
28 telecommunications service that allows a caller to dial 911 to access the 911 system, which service
29 must be paid for in advance and is sold in predetermined units or dollars of which the number
30 declines with use in a known amount.

31 (c) Purpose. The purpose of the GIS and Technology Fund shall be to:

32 (1) Implement and maintain a geographic information system database to assist in locating
33 wireless phone callers for emergency purposes in a manner consistent and in coordination with the
34 Rhode Island geographic information system administered by the Division of Planning as provided

1 for in § 42-11-10(g)(3); and

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

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

4 (4) Fund the construction of a new E-911 facility.

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

8 (1) The general assembly shall determine the amount of a monthly surcharge to be levied
9 upon each wireless instrument, device or means including cellular, telephony, Internet, Voice Over
10 Internet Protocol (VoIP), satellite, computer, radio, communication, data, or any other wireless
11 instrument, device or means that has access to, connects with, interfaces with or is capable of
12 delivering two-way interactive communications services to the Rhode Island ~~E-911~~ Uniform
13 Emergency Telephone System. Prepaid wireless E911 telecommunications services shall not be
14 included in this act, but shall be governed by chapter 21.2 of title 39. The agency will provide the
15 general assembly with information and recommendations regarding the necessary level of funding
16 to effectuate the purposes of this article. The surcharge shall be billed monthly by each wireless
17 telecommunications services provider as defined in § 39-21.1-3, which shall not include prepaid
18 wireless ~~E911~~ telecommunications service, and shall be payable to the wireless
19 telecommunications services provider by the subscriber of the telecommunications services. Each
20 telecommunication services provider shall establish a special (escrow) account to which it shall
21 deposit on a monthly basis the amounts collected as a surcharge under this section. The money
22 collected by each wireless telecommunication services provider shall be transferred within sixty
23 (60) days after its inception of wireless, cellular, telephony, Voice Over Internet Protocol (VoIP),
24 satellite, computer, Internet, or communications, information or data services in this state and every
25 month thereafter. Any money not transferred in accordance with this paragraph shall be assessed
26 interest at the rate set forth in § 44-1-7 from the date the money should have been transferred. State,
27 local and quasi-governmental agencies shall be exempt from the surcharge. The surcharge shall be
28 deposited in restricted receipt account, hereby created within the agency and known as the GIS and
29 Technology Fund, to pay any and all costs associated with the provisions of subsection (c).
30 Beginning July 1, 2007, the surcharge shall be deposited in the general fund as general revenues to
31 pay any and all costs associated with the provisions of subsection (c). The GIS and Technology
32 Fund restricted receipt account shall be terminated June 30, 2008. The amount of the surcharge
33 under this section shall not exceed thirty-five cents (\$.35) per wireless phone.

34 (2) The surcharge is hereby determined to be twenty-six cents (\$.26) per wireless phone,

1 cellular, telephony, Voice Over Internet Protocol (VoIP), satellite, computer, data or data only
2 wireless lines or Internet communication or data instrument, device or means which has access to,
3 connects with, activates or interfaces with or any combination of the above with the Rhode Island
4 E-911 Uniform Emergency Telephone System per month and shall be in addition to the wireless
5 surcharge charged under § 39-21.1-14. The twenty-six cents (\$.26) is to be billed to all wireless
6 telecommunication service providers, subscribers upon the inception of services.

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

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

12 (e) Administration. The division of taxation shall collect monthly from the wireless
13 telecommunications service providers as defined in § 39-21.1-3, and which shall not include
14 prepaid wireless ~~E911~~ telecommunications service, the amounts of the surcharge collected from
15 their subscribers. The division of taxation shall deposit such collections in the general fund as
16 general revenues for use in developing and maintaining the geographic information system
17 database, creating system redundancy, funding the construction of a new E-911 facility and
18 operating and maintaining other state-of-the-art equipment for public safety agencies. The agency
19 is further authorized and encouraged to seek matching funds from all local, state, and federal public
20 or private entities and shall coordinate its activities and share all information with the state Division
21 of Planning.

22 (f) Effective date. The effective date of assessment for the GIS and Technology Fund shall
23 be July 1, 2004.

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

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

29 (i) The attorney general shall, at the request of the E-911 uniform emergency telephone
30 system division, or any other agency that may replace it, or on its own initiative, commence judicial
31 proceedings in the superior court against any telecommunication services provider as defined in §
32 39-21.1-3(12) providing communication services to enforce the provisions of this chapter.

33 SECTION 9. Section 39-21.1-14 of the General Laws in Chapter 39-21.1 entitled "911
34 Emergency Telephone Number Act" is hereby amended to read as follows:

1 **39-21.1-14. Funding: Emergency services and first response surcharge.**

2 (a) A monthly surcharge of one dollar (\$1.00) is hereby levied upon each residence and
3 business telephone line or trunk or path and data, telephony, Internet, Voice Over Internet Protocol
4 (VoIP) wireline, line, trunk or path in the state including PBX trunks and centrex equivalent trunks
5 and each line or trunk serving, and upon each user interface number or extension number or
6 similarly identifiable line, trunk, or path to or from a digital network (such as, but not exclusive of,
7 integrated services digital network (ISDN), Flexpath or comparable digital private branch
8 exchange, or connecting to or from a customer-based or dedicated telephone switch site (such as,
9 but not exclusive of, a private branch exchange (PBX)), or connecting to or from a customer-based
10 or dedicated central office (such as, but not exclusive of, a centrex system but exclusive of trunks
11 and lines provided to wireless communication companies) that can access to, connect with or
12 interface with the Rhode Island E-911 Uniform Emergency Telephone System (RI E-911). The
13 surcharge shall be billed by each telecommunication services provider at the inception of services
14 and shall be payable to the telecommunication services provider by the subscriber of the services.

15 A monthly surcharge of one dollar (\$1.00) is hereby levied effective July 1, 2002, on each wireless
16 instrument, device or means including prepaid, cellular, telephony, Internet, Voice Over Internet
17 Protocol (VoIP), satellite, computer, radio, communication, data or data only wireless lines or any
18 other wireless instrument, device or means which has access to, connects with, or activates or
19 interfaces or any combination thereof with the E 9-1-1 Uniform Emergency Telephone System.
20 The surcharge shall be in addition to the surcharge collected under § 39-1-62 and shall be billed by
21 each telecommunication services provider and shall be payable to the telecommunication services
22 provider by the subscriber. Prepaid wireless telecommunications services shall not be included in
23 this act, but shall be governed by chapter 21.2 of title 39. The E-911 Uniform Emergency Telephone
24 System shall establish, by rule or regulation an appropriate funding mechanism to recover from the
25 general body of ratepayers this surcharge.

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

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

32 (d) The money collected by each telecommunication services provider shall be transferred
33 within sixty (60) days after its inception of wireline, wireless, prepaid, cellular, telephony, Voice
34 Over Internet Protocol (VoIP), satellite, computer, Internet, or communications services in this state

1 and every month thereafter, to the division of taxation, together with the accrued interest and shall
2 be deposited in the general fund as general revenue; provided, however, that beginning July 1,
3 2015, ten (10) percent of such money collected shall be deposited in the Information Technology
4 Investment Fund established pursuant to § 42-11-2.5. Any money not transferred in accordance
5 with this paragraph shall be assessed interest at the rate set forth in § 44-1-7 from the date the
6 money should have been transferred.

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

12 (f) Each telephone common carrier and telecommunication services provider shall annually
13 provide the E 9-1-1 uniform emergency telephone system division or any other agency that may
14 replace it, with a list of amounts uncollected together with the names and addresses of its
15 subscriber-users who can be determined by the telephone common carrier or telecommunication
16 services provider to have not paid the surcharge.

17 (g) Included within, but not limited to, the purposes for which the money collected may be
18 used are rent, lease, purchase, improve, construct, maintenance, repair, and utilities for the
19 equipment and site or sites occupied by the ~~E 9-1-1 uniform emergency telephone system~~ [state's](#)
20 [first responder and emergency services agencies](#); salaries, benefits, and other associated personnel
21 costs; acquisition, upgrade or modification of PSAP equipment to be capable of receiving E 9-1-1
22 information, including necessary computer hardware, software, and data base provisioning,
23 addressing, and non-recurring costs of establishing emergency services; network development,
24 operation and maintenance; data-base development, operation, and maintenance; on-premise
25 equipment maintenance and operation; training emergency service personnel regarding use of E 9-
26 1-1; educating consumers regarding the operations, limitations, role and responsible use of E 9-1-
27 1; reimbursement to telephone common carriers or telecommunication services providers of rates
28 or recurring costs associated with any services, operation, administration or maintenance of E 9-1-
29 1 services as approved by the division; reimbursement to telecommunication services providers or
30 telephone common carriers of other costs associated with providing E 9-1-1 services, including the
31 cost of the design, development, and implementation of equipment or software necessary to provide
32 E 9-1-1 service information to PSAP's, as approved by the division.

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

34 (i) Nothing in this section shall be construed to constitute rate regulation of wireless

1 communication services carriers, nor shall this section be construed to prohibit wireless
2 communication services carriers from charging subscribers for any wireless service or feature.

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

4 SECTION 10. Sections 39-21.2-1, 39-21.2-2, 39-21.2-3, 39-21.2-4, and 39-21.2-7 of the
5 General Laws in Chapter 39-21.2 entitled "Prepaid Wireless E911 Charge Act" are hereby amended
6 to read as follows:

7 **39-21.2-1. Short title.**

8 This act may be cited as the "Prepaid Wireless ~~E911~~ Charge Act of 2010."

9 **39-21.2-2. Findings.**

10 The legislature finds that:

11 (1) Maintaining effective and efficient ~~911 systems~~ [emergency services and first responder](#)
12 [agencies](#) across the state benefits all citizens;

13 (2) 911 fees imposed upon the consumers of telecommunications services that have the
14 ability to dial 911 are an important funding mechanism to assist state and local governments with
15 the deployment of ~~enhanced 911~~ [emergency](#) services to the citizens of this state;

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

19 (4) Unlike traditional telecommunications services, prepaid wireless telecommunications
20 services are not sold or used pursuant to term contracts or subscriptions, and monthly bill are not
21 sent to consumers by prepaid wireless telecommunication services providers or retail vendors;

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

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

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

28 and

29 (8) To ensure equitable contributions to the funding ~~911~~ [of emergencies](#) systems from
30 consumers of prepaid wireless telecommunication services, the collection and payment obligation
31 of charges to support ~~E911~~ [the state's first responder and emergency services](#) should be imposed
32 upon the consumer's retail purchase of the prepaid wireless telecommunication service and should
33 be in the form of single, statewide charge that is collected once at the time of purchase directly
34 from the consumer, remitted to the state, and distributed to E911 authorities pursuant to state law.

1 **39-21.2-3. Definitions.**

2 For purposes of this act, the following terms shall have the following meanings:

3 (1) "Consumer" means a person who purchase prepaid wireless telecommunications
4 service in a retail transaction.

5 (2) "Division" means the division of taxation.

6 (3) "Prepaid wireless ~~E911~~ charge" means the charge that is required to be collected by a
7 seller from a consumer in the amount established under section 4 of this act.

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

12 (5) "Provider" means a person that provides prepaid wireless telecommunications service
13 pursuant to a license issued by the Federal Communications Commission.

14 (6) "Retail transaction" means the purchase of prepaid wireless telecommunications service
15 from a seller for any purpose other than resale.

16 (7) "Seller" means a person who sells prepaid wireless telecommunications service to
17 another person.

18 (8) "Wireless telecommunications service" means commercial mobile radio service as
19 defined by section 20.3 of title 47 of the code of Federal Regulations, as amended.

20 **~~39-21.2-4. Collection and remittance of E911 charge. Collection and remittance of~~**
21 **~~charge. The emergency services and first response surcharge.~~**

22 (a) Amount of charge. The prepaid wireless ~~E911~~ charge is hereby levied at the rate of two
23 and one-half percent (2.5%) per retail transaction or, on and after the effective date of an adjusted
24 amount per retail transaction that is established under subsection (f) of this section, such adjusted
25 amount.

26 (b) Collection of charge. The prepaid wireless ~~E911~~ charge shall be collected by the seller
27 from the consumer with respect to each retail transaction occurring in this state. The amount of the
28 prepaid wireless ~~E911~~ charge shall be either separately stated on an invoice, receipt, or other similar
29 document that is provided to the consumer by the seller, or otherwise disclosed to the consumer.

30 (c) Application of charge. For purposes of subsection (b) of this section, a retail transaction
31 that is effected in person by a consumer at a business location of the seller shall be treated as
32 occurring in this state if that business location is in this state, and any other retail transaction shall
33 be treated as occurring in this state if the retail transaction is treated as occurring in this state for
34 purposes of chapter 18 of title 44 of the general laws.

1 (d) Liability for charge. The prepaid wireless ~~E911~~ charge is the liability of the consumer
2 and not of the seller or of any provider, except that the seller shall be liable to remit all prepaid
3 wireless ~~E911~~ charges that the seller collects from consumers as provided in § 39-21.2-5, including
4 all such charges that the seller is deemed to collect where the amount of the charge has not been
5 separately stated on an invoice, receipt, or other similar document provided to the consumer by the
6 seller.

7 (e) Exclusion of ~~E911~~ charge from base of other taxes and fees. The amount of the prepaid
8 wireless ~~E911~~ charge that is collected by a seller from a consumer, if such amount is separately
9 stated on an invoice, receipt, or other similar document provided to the consumer by the seller, shall
10 not be included in the base for measuring any tax, fee, surcharge, or other charge that is imposed
11 by this state, any political subdivision of this state, or any intergovernmental agency, including, but
12 not limited to, the tax imposed under chapter 18 of title 44 nor be included within the telephone
13 common carrier's gross earnings for the purpose of computing the tax under chapter 13 of title 44.

14 (f) Re-setting of charge. The prepaid wireless ~~E911~~ charge shall be proportionately
15 increased or reduced, as applicable, upon any change to the state ~~E911~~ charge on postpaid wireless
16 telecommunications service under § 39-21.1-14 or subdivision 39-1-62(d)(2). The adjusted amount
17 shall be determined by dividing the sum of the surcharges imposed under § 39-21.1-14 and
18 subdivision 39-1-62(d)(2) by fifty dollars (\$50.00). Such increase or reduction shall be effective on
19 the effective date of the change to the postpaid charge or, if later, the first day of the first calendar
20 month to occur at least sixty (60) days after the enactment of the change to the postpaid charge.
21 The division shall provide not less than thirty (30) days of advance notice of such increase or
22 reduction on the division's website.

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

32 However, if a minimal amount of prepaid wireless telecommunications service is sold with
33 a prepaid wireless device for a single, non-itemized price, then the seller may elect not to apply the
34 percentage specified in subsection (a) of this section to such transaction. For purposes of this

1 paragraph, an amount of service denominated as ten (10) minutes or less, or five dollars (\$5.00) or
2 less, is minimal.

3 **39-21.2-7. Exclusivity of prepaid wireless E911 charge. Exclusivity of prepaid wireless**
4 **charge.**

5 The prepaid wireless ~~E911~~ charge imposed by this act shall be the only E911 funding
6 obligation imposed with respect to prepaid wireless telecommunications service in this state, and
7 no tax, fee, surcharge, or other charge shall be imposed by this state, any political subdivision of
8 this state, or any intergovernmental agency, for E911 funding purposes, upon any provider, sellers,
9 or consumer with respect to the sale, purchase, use, or provision of prepaid wireless
10 telecommunications service.

11 SECTION 11. Sections 42-11-2.5 and 42-11-2.6 of the General Laws in Chapter 42-11
12 entitled "Department of Administration" are hereby amended to read as follows:

13 **42-11-2.5. Information technology investment fund.**

14 (a) All sums from the sale of any land and the buildings and improvements thereon, and
15 other real property, title to which is vested in the state, except as provided in §§ 37-7-15(b) and 37-
16 7-15(c), shall be transferred to an information technology investment fund restricted-receipt
17 account that is hereby established. This fund shall consist of such sums from the sale of any land
18 and the buildings and improvements thereon, and other real property, title to which is vested in the
19 state, except as provided in §§ 37-7-15(b) and 37-7-15(c), as well as a share of ~~E-911-Uniform~~
20 ~~Emergency Telephone System surcharge~~ emergency services and first response surcharge revenues
21 collected under the provisions of § 39-21.1-14. This fund may also consist of such sums as the state
22 may from time to time appropriate; as well as money received from the disposal of information
23 technology equipment, loan, interest, and service charge payments from benefiting state agencies;
24 as well as interest earnings, money received from the federal government, gifts, bequest, donations,
25 or otherwise from any public or private source. Any such funds shall be exempt from the indirect
26 cost recovery provisions of § 35-4-27.

27 (b) This fund shall be used for the purpose of acquiring information technology
28 improvements, including, but not limited to: hardware, software, consulting services, and ongoing
29 maintenance and upgrade contracts for state departments and agencies.

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

34 (d) For all requests for proposals that are issued for information technology projects, a

1 corresponding information technology project manager shall be assigned.

2 **42-11-2.6. Office of Digital Excellence established.**

3 (a) Within the department, division of enterprise technology strategy and services, there
4 shall be established the Office of Digital Excellence. The purposes of the office shall be to move
5 Rhode Island state government into the 21st century through the incorporation of innovation and
6 modern digital capabilities throughout state government and to leverage technology to expand and
7 improve the quality of services provided to Rhode Island citizens; to promote greater access to
8 government and the internet throughout cities and towns; and to position Rhode Island as a national
9 leader in e-government.

10 (b) Within the office, there shall be a chief digital officer who shall be appointed by the
11 director of administration with the approval of the governor and who shall be in the unclassified
12 service. The chief digital officer shall report to the director of administration and be required to:

13 (1) Manage the implementation of all new and mission-critical technology infrastructure
14 projects and upgrades for state agencies. The division of enterprise technology strategy and
15 services, established pursuant to § 42-11-2.8, shall continue to manage and support all day-to-day
16 operations of the state's technology infrastructure, telecommunications, and associated
17 applications;

18 (2) Increase the number of government services that can be provided online in order to
19 allow residents and businesses to complete transactions in a more efficient and transparent manner;

20 (3) Improve the state's websites to provide timely information to online users and as many
21 government services as possible online; and

22 (4) Establish, improve, and enhance the state's use of social media and mobile technological
23 applications.

24 (c) The office shall coordinate its efforts with the division of enterprise technology strategy
25 and services in order to plan, allocate, and implement projects supported by the information
26 technology investment fund established pursuant to § 42-11-2.5.

27 (d) All intellectual property created as a result of work undertaken by employees of the
28 office shall remain the property of the state of Rhode Island and Providence Plantations. Any
29 patents applied for shall be in the name of the state.

30 (e) The director of administration may promulgate rules and regulations recommended by
31 the chief digital officer in order to effectuate the purposes and requirements of this act.

32 (f) The chief digital officer shall report no later than January 31, 2013, and every January
33 31 thereafter, to the governor, the speaker of the house of representatives, and the senate president
34 regarding the implementation status of all technology infrastructure projects; website

1 improvements; number of e-government transactions and revenues generated; projects supported
2 by the information technology investment fund; and all other activities undertaken by the office.
3 [The report shall also include planned use for projects related to public safety communications and](#)
4 [emergency services.](#) The annual report shall be posted on the office's website.

5 SECTION 12. This article shall take effect July 1, 2018.

6

1 **ARTICLE 8**

2 RELATING TO MOTOR VEHICLES

3 SECTION 1. Section 31-3-33 of the General Laws in Chapter 31-3 entitled "Registration
4 of Vehicles" is hereby amended to read as follows:

5 **31-3-33. Renewal of registration.**

6 (a) Application for renewal of a vehicle registration shall be made by the owner on a proper
7 application form and by payment of the registration fee for the vehicle as provided by law.

8 (b) The division of motor vehicles may receive applications for renewal of registration, and
9 may grant the renewal and issue new registration cards and plates at any time prior to expiration of
10 registration.

11 (c) Upon renewal, owners will be issued a renewal sticker for each registration plate that
12 shall be placed at the bottom, right-hand corner of the plate. Owners shall be issued a new, fully
13 reflective plate beginning January 1, ~~2019~~2020, at the time of initial registration or at the renewal
14 of an existing registration and reissuance will be conducted no less than every ten (10) years.

15 SECTION 2. Section 31-10-31 of the General Laws in Chapter 31-10 entitled "Operators'
16 and Chauffeurs' Licenses" is hereby amended to read as follows:

17 **31-10-31. Fees.**

18 The following fees shall be paid to the division of motor vehicles:

19 (1) For every operator's first license to operate a motor vehicle, twenty-five dollars
20 (\$25.00);

21 (2) For every chauffeur's first license, twenty-five dollars (\$25.00); provided, that when a
22 Rhode Island licensed operator transfers to a chauffeur's license, the fee for the transfer shall be
23 two dollars (\$2.00);

24 (3) For every learner's permit to operate a motorcycle, twenty-five dollars (\$25.00);

25 (4) For every operator's first license to operate a motorcycle, twenty-five dollars (\$25.00);

26 (5) For every renewal of an operator's or chauffeur's license, thirty dollars (\$30.00); with
27 the exception of any person seventy-five (75) years of age or older for whom the renewal fee will
28 be eight dollars (\$8.00);

29 (6) For every duplicate operator's or chauffeur's license, twenty-five dollars (\$25.00);

30 (7) For every certified copy of any license, permit, or application issued under this chapter,

1 ten dollars (\$10.00);

2 (8) For every duplicate instruction permit, ten dollars (\$10.00);

3 (9) For every first license examination, five dollars (\$5.00);

4 (10) For every routine information update, i.e., name change or address change, ~~five dollars~~
5 ~~(\$5.00)~~ fifteen dollars (\$15.00);

6 (11) For surrender of an out-of-state license, in addition to the above fees, five dollars
7 (\$5.00).

8 SECTION 3. Section 39-18.1-4 of the General Laws in Chapter 39-18.1 entitled
9 "Transportation Investment and Debt Reduction Act of 2011" is hereby amended to read as follows:

10 **39-18.1-4. Rhode Island highway maintenance account created.**

11 (a) There is hereby created a special account in the intermodal surface transportation fund
12 as established in § 31-36-20 that is to be known as the Rhode Island highway maintenance account.

13 (b) The fund shall consist of all those moneys that the state may from time to time direct
14 to the fund, including, but not necessarily limited to, moneys derived from the following sources:

15 (1) There is imposed a surcharge of thirty dollars (\$30.00) per vehicle or truck, other than
16 those with specific registrations set forth below in subsection (b)(1)(i). Such surcharge shall be paid
17 by each vehicle or truck owner in order to register that owner's vehicle or truck and upon each
18 subsequent biennial registration. This surcharge shall be phased in at the rate of ten dollars (\$10.00)
19 each year. The total surcharge will be ten dollars (\$10.00) from July 1, 2013, through June 30,
20 2014, twenty dollars (\$20.00) from July 1, 2014, through June 30, 2015, and thirty dollars (\$30.00)
21 from July 1, 2015, through June 30, 2016, and each year thereafter.

22 (i) For owners of vehicles or trucks with the following plate types, the surcharge shall be
23 as set forth below and shall be paid in full in order to register the vehicle or truck and upon each
24 subsequent renewal:

25 Plate Type	Surcharge
26 Antique	\$5.00
27 Farm	\$10.00
28 Motorcycle	\$13.00

29 (ii) For owners of trailers, the surcharge shall be one-half (1/2) of the biennial registration
30 amount and shall be paid in full in order to register the trailer and upon each subsequent renewal.

31 (2) There is imposed a surcharge of fifteen dollars (\$15.00) per vehicle or truck, other than
32 those with specific registrations set forth in subsection (b)(2)(i) below, for those vehicles or trucks
33 subject to annual registration, to be paid annually by each vehicle or truck owner in order to register
34 that owner's vehicle, trailer or truck and upon each subsequent annual registration. This surcharge

1 will be phased in at the rate of five dollars (\$5.00) each year. The total surcharge will be five dollars
2 (\$5.00) from July 1, 2013, through June 30, 2014, ten dollars (\$10.00) from July 1, 2014, through
3 June 30, 2015, and fifteen dollars (\$15.00) from July 1, 2015, through June 30, 2016, and each year
4 thereafter.

5 (i) For registrations of the following plate types, the surcharge shall be as set forth below
6 and shall be paid in full in order to register the plate, and upon each subsequent renewal:

7 Plate Type	Surcharge
8 Boat Dealer	\$6.25
9 Cycle Dealer	\$6.25
10 In-transit	\$5.00
11 Manufacturer	\$5.00
12 New Car Dealer	\$5.00
13 Used Car Dealer	\$5.00
14 Racer Tow	\$5.00
15 Transporter	\$5.00
16 Bailee	\$5.00

17 (ii) For owners of trailers, the surcharge shall be one-half (1/2) of the annual registration
18 amount and shall be paid in full in order to register the trailer and upon each subsequent renewal.

19 (iii) For owners of school buses, the surcharge will be phased in at the rate of six dollars
20 and twenty-five cents (\$6.25) each year. The total surcharge will be six dollars and twenty-five
21 cents (\$6.25) from July 1, 2013, through June 30, 2014, and twelve dollars and fifty cents (\$12.50)
22 from July 1, 2014, through June 30, 2015, and each year thereafter.

23 (3) There is imposed a surcharge of thirty dollars (\$30.00) per license to operate a motor
24 vehicle to be paid every five (5) years by each licensed operator of a motor vehicle. This surcharge
25 will be phased in at the rate of ten dollars (\$10.00) each year. The total surcharge will be ten dollars
26 (\$10.00) from July 1, 2013, through June 30, 2014, twenty dollars (\$20.00) from July 1, 2014,
27 through June 30, 2015, and thirty dollars (\$30.00) from July 1, 2015, through June 30, 2016, and
28 each year thereafter. In the event that a license is issued or renewed for a period of less than five
29 (5) years, the surcharge will be prorated according to the period of time the license will be valid.

30 (c) All funds collected pursuant to this section shall be deposited in the Rhode Island
31 highway maintenance account and shall be used only for the purposes set forth in this chapter.

32 (d) Unexpended balances and any earnings thereon shall not revert to the general fund but
33 shall remain in the Rhode Island highway maintenance account. There shall be no requirement that
34 monies received into the Rhode Island highway maintenance account during any given calendar

1 year or fiscal year be expended during the same calendar year or fiscal year.

2 (e) The Rhode Island highway maintenance account shall be administered by the director,
3 who shall allocate and spend monies from the fund only in accordance with the purposes and
4 procedures set forth in this chapter.

5 (4) All fees assessed pursuant to § 31-47.1-11, and chapters 3, 6, 10, and 10.1 of title 31,
6 except for fees assessed pursuant to §§ 31-10-31(6) and (31)(8), shall be deposited into the Rhode
7 Island highway maintenance account, provided that for fiscal years 2016, 2017, and 2018 these fees
8 be transferred as follows:

9 (i) From July 1, 2015, through June 30, 2016, twenty-five percent (25%) will be deposited;

10 (ii) From July 1, 2016, through June 30, 2017, fifty percent (50%) will be deposited; and

11 (iii) From July 1, 2017, through June 30, 2018 ~~eighty percent (80%)~~ sixty percent (60%)
12 will be deposited;

13 (iv) From July 1, 2018, and each year thereafter, one hundred percent (100%) will be
14 deposited;

15 (5) All remaining funds from previous general obligation bond issues that have not
16 otherwise been allocated.

17 SECTION 4. This article shall take effect upon passage.

1

ARTICLE 9

2

RELATING TO SCHOOL CONSTRUCTION AND EDUCATION

3

SECTION 1. Sections 16-7-23, 16-7-36, 16-7-39, 16-7-40, 16-7-41, 16-7-41.1, 16-7-44 of the General Laws in Chapter 16-7 entitled "Foundation Level School Support [See Title 16 Chapter 97 – The Rhode Island Board of Education Act]" are hereby amended to read as follows:

6

16-7-23. Community requirements -- Adequate minimum budget provision.

7

(a) The school committee's budget provisions of each community for current expenditures in each budget year shall provide for an amount from all sources sufficient to support the basic program and all other approved programs shared by the state. Each community shall contribute local funds to its school committee in an amount not less than its local contribution for schools in the previous fiscal year except to the extent permitted by §§ 16-7-23.1 and 16-7-23.2. Provided, that for the fiscal years 2010 and 2011 each community shall contribute to its school committee in an amount not less than ninety-five percent (95.0%) of its local contribution for schools for the fiscal year 2009. Calculation of the annual local contribution shall not include Medicaid revenues received by the municipality or district pursuant to chapter 8 of title 40. A community which has a decrease in enrollment may compute maintenance of effort on a per pupil rather than on an aggregate basis when determining its local contribution; furthermore, a community which experiences a nonrecurring expenditure for its schools may deduct the nonrecurring expenditure in computing its maintenance of effort. The deduction of nonrecurring expenditures shall be with the approval of the commissioner. Provided, however, that notwithstanding any provision of this title to the contrary, debt service that is no longer carried on the books of any school district shall not be included in any school ~~districts'~~ district's annual budget, nor shall non-recurring debt service be included in maintenance of effort as set forth in this chapter, nor shall any non-recruiting debt service be included in the operating budget of any school district. For the purposes set forth above non-recurring capital lease payments shall be considered non-recurring debt service. The courts of this state shall enforce this section by means of injunctive relief.

27

(b) Districts' annual maintenance expenditures must meet the requirements of subsection

28

(b)(1), (b)(2), or (b)(3) of this section.

29

(1) A minimum of three percent (3%) of the operating budget shall be dedicated exclusively

30

for maintenance expenditures as defined in § 16-7-36(11) provided that for FY 2019, that amount

1 shall be one and one-half percent (1.5%), for FY 2020 that amount shall be two percent (2%), and
2 for FY 2021 that amount shall be two and one-half percent (2.5%).

3 (2) A minimum of three percent (3%) of the replacement value shall be dedicated
4 exclusively for maintenance expenditures as defined in § 16-7-36(11) provided that for FY 2019,
5 that amount shall be one percent (1%), for FY 2020 that amount shall be one and one-half percent
6 (1.5%), for FY 2021 that amount shall be two percent (2%), and for FY 2022 that amount shall be
7 two and one-half percent (2.5%).

8 (3) A minimum of three dollars (\$3.00), subject to inflation, per square foot of building
9 space shall be dedicated exclusively for maintenance expenditures as defined in § 16-7-36(11).

10 (c) The department of elementary and secondary education shall be responsible for
11 establishing a reporting mechanism to ensure the intent of this section is being met. In the event
12 that a district does not meet its minimum expenditure requirement in a given year, the state shall
13 direct state housing aid paid pursuant to § 16-4-41-or § 16-105-5, in an amount equal to the
14 shortfall, to a restricted fund created by the district and dedicated solely to meeting maintenance
15 requirements.

16 ~~(b)~~(d) Whenever any state funds are appropriated for educational purposes, the funds shall
17 be used for educational purposes only and all state funds appropriated for educational purposes
18 must be used to supplement any and all money allocated by a city or town for educational purposes
19 and, in no event, shall state funds be used to supplant, directly or indirectly, any money allocated
20 by a city or town for educational purposes. All state funds shall be appropriated by the municipality
21 to the school committee for educational purposes in the same fiscal year in which they are
22 appropriated at the state level even if the municipality has already adopted a school budget. All
23 state and local funds unexpended by the end of the fiscal year of appropriation shall remain a
24 surplus of the school committee and shall not revert to the municipality. Any surplus of state or
25 local funds appropriated for educational purposes shall not in any respect affect the requirement
26 that each community contribute local funds in an amount not less than its local contribution for
27 schools in the previous fiscal year, subject to subsection (a) of this section, and shall not in any
28 event be deducted from the amount of the local appropriation required to meet the maintenance of
29 effort provision in any given year.

30 **16-7-36. Definitions.**

31 The following words and phrases used in §§ 16-7-35 to 16-7-47 have the following
32 meanings:

33 (1) "Adjusted equalized weighted assessed valuation" means the equalized weighted
34 assessed valuation for a community as determined by the division of property valuation within the

1 department of revenue in accordance with § 16-7-21; provided, however, that in the case of a
2 regional school district the commissioner of elementary and secondary education shall apportion
3 the adjusted equalized weighted assessed valuation of the member cities or towns among the
4 regional school district and the member cities or towns according to the proportion that the number
5 of pupils of the regional school district bears to the number of pupils of the member cities or towns.

6 (2) "Approved project" means a project which has complied with the administrative
7 regulations governing §§ 16-7-35 through 16-7-47, and which has been authorized to receive state
8 school housing reimbursement by the commissioner of elementary and secondary education.

9 (3) "Commissioning Agent" means a person or entity who ensures that systems are
10 designed, installed, functionally tested, and capable of being operated and maintained to perform
11 in conformity with the design intent of a project.

12 ~~(3)~~(4) "Community" means any city, town, or regional school district established pursuant
13 to law; provided, however, that the member towns of the Chariho regional high school district,
14 created by P.L. 1958, ch. 55, as amended, shall constitute separate and individual communities for
15 the purposes of distributing the foundation level school support for school housing for all grades
16 financed in whole or in part by the towns irrespective of any regionalization.

17 (5) "Facilities Condition Index" means the cost to fully repair the building divided by the
18 cost to replace the building as determined by the school building authority.

19 (6) "Functional Utilization" means the ratio of the student population within a school
20 facility to the capacity of the school facility to adequately serve students as defined by the school
21 building authority.

22 (7) "Owners Program Manager" means owner's program manager as defined in § 37-2-7.

23 (8) "Prime contractor" means the construction contractor who is responsible for the
24 completion of a project.

25 ~~(4)~~(9) "Reference year" means the year next prior to the school year immediately preceding
26 that in which aid is to be paid.

27 (10) "Subject to inflation" means the base amount multiplied by the percentage of increase
28 in the Producer Price Index (PPI) Data for Nonresidential Building Construction (NAICS 236222)
29 as published by the United States Department of Labor, Bureau of Labor Statistics determined as
30 of September 30 of the prior calendar year.

31 (11) "Maintenance expenditures" means amounts spent for repairs or replacements for the
32 purpose of keeping a school facility open and safe for use, including repairs, maintenance, and
33 replacements to a school facility's heating, lighting, ventilation, security and other fixtures to keep
34 the facility or fixtures in effective working condition. Maintenance shall not include contracted or

1 [direct custodial or janitorial services, expenditures for the cleaning of a school facility or its](#)
2 [fixtures, the care and upkeep of grounds, recreational facilities, or parking lots, or the cleaning of](#)
3 [or repairs and replacements to movable furnishings or equipment.](#)

4 **16-7-39. Computation of school housing aid ratio.**

5 For each community, the percent of state aid for school housing costs shall be computed in
6 the following manner:

7 (1) The adjusted equalized weighted assessed valuation for the district is divided by the
8 resident average daily membership for the district (grades twelve (12) and below); (2) the adjusted
9 equalized weighted assessed valuation for the state is divided by the resident average daily
10 membership for the state (grades twelve (12) and below); (1) is then divided by (2) and the resultant
11 ratio is multiplied by a factor currently set at sixty-two percent (62%) which represents the
12 approximate average district share of school support; the resulting product is then subtracted from
13 one hundred percent (100%) to yield the housing aid share ratio, provided that in no case shall the
14 ratio be less than thirty percent (30%). Provided, that effective July 1, 2010, and annually at the
15 start of each fiscal year thereafter, the thirty percent (30%) floor on said housing aid share shall be
16 increased by five percent (5%) increments each year until said floor on the housing aid share ratio
17 reaches a minimum of not less than forty percent (40%). This provision shall apply only to school
18 housing projects completed after June 30, 2010 that received approval from the board of regents
19 prior to June 30, 2012. Provided further, for the fiscal year beginning July 1, 2012 and for
20 subsequent fiscal years, the minimum housing aid share shall be thirty-five percent (35%) for all
21 projects receiving ~~board of regents~~ [council on elementary and secondary education](#) approval after
22 June 30, 2012. The resident average daily membership shall be determined in accordance with §
23 16-7-22(1).

24 [\(2\) No district shall receive a combined total of more than twenty \(20\) incentive percentage](#)
25 [points for projects that commence construction by December 30, 2023, and five \(5\) incentive points](#)
26 [for projects that commence construction thereafter. Furthermore, a district's share shall not be](#)
27 [decreased by more than half of its regular share irrespective of the number of incentive points](#)
28 [received nor shall a district's state share increase by more than half of its regular share irrespective](#)
29 [of the number of incentive points received.](#)

30 ~~**16-7-40 Increased school housing ratio for regional schools—Energy conservation—**~~
31 ~~**Access for people with disabilities—Asbestos removal projects**~~ **Increased school housing**
32 **ratio.**

33 (a)(1) In the case of regional school districts, the school housing aid ratio shall be increased
34 by two percent (2%) for each grade so consolidated.

1 (2) Regional school districts undertaking renovation project(s) shall receive an increased
2 share ratio of four percent (4%) for those specific project(s) only, in addition to the combined share
3 ratio calculated in § 16-7-39 and this subsection.

4 ~~(b) In the case of projects undertaken by regionalized and/or non-regionalized school~~
5 ~~districts specifically for the purposes of energy conservation, access for people with disabilities,~~
6 ~~and/or asbestos removal, the school housing aid share ratio shall be increased by four percent (4%)~~
7 ~~for these specific projects only, in the calculation of school housing aid. The increased share ratio~~
8 ~~shall continue to be applied for as long as the project(s) receive state housing aid. In order to qualify~~
9 ~~for the increased share ratio, seventy-five percent (75%) of the project costs must be specifically~~
10 ~~directed to either energy conservation, access for people with disabilities, and/or asbestos removal~~
11 ~~or any combination of these projects. The board of regents for elementary and secondary education~~
12 ~~shall promulgate rules and regulations for the administration and operation of this section. In the~~
13 ~~case of projects undertaken by districts specifically for the purposes of school safety and security,~~
14 ~~the school housing aid share ratio shall be increased by five percent (5%) for these specific projects~~
15 ~~only, in the calculation of school housing aid. The increased share ratio shall continue to be applied~~
16 ~~for as long as the project(s) receives state housing aid. In order to qualify for the increased share~~
17 ~~ratio, seventy-five percent (75%) of the project costs must be specifically directed to school safety~~
18 ~~and security measures. The council on elementary and secondary education shall promulgate rules~~
19 ~~and regulations for the administration and operation of this section.~~

20 (c) ~~Upon the transfer of ownership from the state to the respective cities and towns of the~~
21 ~~regional career and technical center buildings located in Cranston, East Providence, Newport,~~
22 ~~Providence, Warwick, Woonsocket and the Chariho regional school district, the school housing aid~~
23 ~~share ratio shall be increased by four percent (4%) for the renovation and/or repair of these~~
24 ~~buildings. To qualify for the increased share ratio, as defined in § 16-7-39, renovation and repair~~
25 ~~projects must be submitted for approval through the necessity of school construction process prior~~
26 ~~to the end of the second full fiscal year following the transfer of ownership and assumption of local~~
27 ~~care and control of the building. Only projects at regional career and technical centers that have~~
28 ~~full program approval from the department of elementary and secondary education shall be eligible~~
29 ~~for the increased share ratio. The increased share ratio shall continue to be applied for as long as~~
30 ~~the renovation and/or repair project receives school housing aid. For purposes of addressing health~~
31 ~~and safety deficiencies as defined by the school building authority, including the remediation of~~
32 ~~hazardous materials, the school housing aid ratio shall be increased by five percent (5%) so long as~~
33 ~~the construction of the project commences by December 30, 2022, is completed by December 30,~~
34 ~~2027, and a two hundred fifty million dollar (\$250,000,000) general obligation bond is approved~~

1 on the November 2018 ballot. In order to qualify for the increased share ratio, twenty-five percent
2 (25%) of the project costs or a minimum of five hundred thousand dollars (\$500,000) must be
3 specifically directed to this purpose.

4 (d) For purposes of educational enhancement, including projects devoted to the
5 enhancement of early childhood education and career and technical education, the school housing
6 aid ratio shall be increased by five percent (5%) so long as construction of the project commences
7 by December 30, 2022, is completed by December 30, 2027, and a two hundred fifty million dollar
8 (\$250,000,000) general obligation bond is approved on the November 2018 ballot. In order to
9 qualify for the increased share ratio, twenty-five percent (25%) of the project costs or a minimum
10 of five hundred thousand dollars (\$500,000) must be specifically directed to these purposes.

11 (e) For replacement of a facility that has a Facilities Condition Index of sixty-five percent
12 (65%) or higher, the school housing ratio shall be increased by five percent (5%) so long as
13 construction of the project commences by December 30, 2023, is completed by December 30, 2028,
14 does not receive a bonus pursuant to § 16-7-40(f) or § 16-7-40(g), and a two hundred fifty million
15 dollar (\$250,000,000) general obligation bond is approved on the November 2018 ballot. In order
16 to qualify for the increased share ratio, twenty-five percent (25%) of the project costs or a minimum
17 of five hundred thousand dollars (\$500,000) must be specifically directed to this purpose.

18 (f) For any new construction or renovation that increases the functional utilization of any
19 facility from less than sixty percent (60%) to more than eight percent (80%), including the
20 consolidation of buildings within or across districts, the school housing aid ratio shall be increased
21 by five percent (5%) so long as construction of the project commences by December 30, 2023, is
22 completed by December 30, 2028, and a two hundred fifty million dollar (\$250,000,000) general
23 obligation bond is approved on the November 2018 ballot. In order to qualify for the increased
24 share ratio, twenty-five percent (25%) of the project costs or a minimum of five hundred thousand
25 dollars (\$500,000) must be specifically directed to this purpose.

26 (g) For any new construction or renovation that decreases the functional utilization of any
27 facility from more than one hundred twenty percent (120%) to between eighty-five percent (85%)
28 to one hundred five percent (105%), the school housing ratio shall be increased by five percent
29 (5%) so long as construction of the project commences by December 30, 2023, is completed by
30 December 30, 2028, and a two hundred fifty million dollar (\$250,000,000) general obligation bond
31 is approved on the November 2018 ballot. In order to qualify for the increased share ratio, twenty-
32 five percent (25%) of the project costs or a minimum of five hundred thousand dollars (\$500,000)
33 must be specifically directed to this purpose.

34 (h) For consolidation of two (2) or more school buildings, within or across districts into

1 one school building, the school housing aid ratio shall be increased by five percent (5%) so long as
2 construction of the project commences by December 30, 2023, is completed by December 30, 2028,
3 a two hundred fifty million dollar (\$250,000,000) general obligation bond is approved on the
4 November 2018 ballot, and does not receive a bonus pursuant to § 16-7-40(f) or § 16-7-40(g). In
5 order to qualify for the increased share ratio, twenty-five percent (25%) of the project costs or a
6 minimum of five hundred thousand dollars (\$500,000) must be specifically directed to this purpose.

7 **16-7-41 Computation of school housing aid.**

8 (a) In each fiscal year the state shall pay to each community a grant to be applied to the
9 cost of school housing equal to the following:

10 The cost of each new school housing project certified to the commissioner of elementary
11 and secondary education not later than July 15 of the fiscal year shall be divided by the actual
12 number of years of the bond issued by the local community or the Rhode Island Health and
13 Educational Building Corporation in support of the specific project, times the school housing aid
14 ratio; and provided, further, with respect to costs of new school projects financed with proceeds of
15 bonds issued by the local community or the Rhode Island Health and Educational Building
16 Corporation in support of the specific project, the amount of the school housing aid payable in each
17 fiscal year shall not exceed the amount arrived at by multiplying the principal and interest of the
18 bonds payable in each fiscal year by the school housing aid ratio and which principal and interest
19 amount over the life of the bonds, shall, in no event, exceed the costs of each new school housing
20 project certified to the commissioner of elementary and secondary education. If a community fails
21 to specify or identify the appropriate reimbursement schedule, the commissioner of elementary and
22 secondary education may at his or her discretion set up to a five (5) year reimbursement cycle for
23 projects under five hundred thousand dollars (\$500,000); up to ten (10) years for projects up to
24 three million dollars (\$3,000,000); and up to twenty (20) years for projects over three million
25 dollars (\$3,000,000).

26 (b) Aid shall be provided for the same period as the life of the bonds issued in support of
27 the project and at the school housing aid ratio applicable to the local community as set forth in §
28 16-7-39 at the time ~~of the bonds issued in support of the project as set forth in § 16-7-39~~ the project
29 is approved by the council on elementary and secondary education.

30 (c) Aid shall be paid either to the community or in the case of projects financed through
31 the Rhode Island Health and Educational Building, to the Rhode Island Health and Educational
32 Building Corporation or its designee including, but not limited to, a trustee under a bond indenture
33 or loan and trust agreement, in support of bonds issued for specific projects of the local community
34 in accordance with this section, § 16-7-40 and § 16-7-44. Notwithstanding the preceding, in case

1 of failure of any city, town or district to pay the amount due in support of bonds issued on behalf
2 of a city, town, school or district project financed by the Rhode Island Health and Educational
3 Building Corporation, upon notification by the Rhode Island Health and Educational Building
4 Corporation, the general treasurer shall deduct the amount from aid provided under this section, §
5 16-7-40, § 16-7-44 and § 16-7-15 through § 16-7-34.3 due the city, town or district and direct said
6 funding to the Rhode Island Health and Educational Building Corporation or its designee.

7 (d) Notwithstanding any provisions of law to the contrary, in connection with the issuance
8 of refunding bonds benefiting any local community, any net interest savings resulting from the
9 refunding bonds issued by such community or a municipal public buildings authority for the benefit
10 of the community or by the Rhode Island health and educational building corporation for the benefit
11 of the community, in each case in support of school housing projects for the community, shall be
12 allocated between the community and the state of Rhode Island, by applying the applicable school
13 housing aid ratio at the time of issuance of the refunding bonds, calculated pursuant to § 16-7-39,
14 that would otherwise apply in connection with school housing projects of the community; provided
15 however, that for any refundings that occur between July 1, 2013 and December 31, 2015, the
16 community shall receive eighty percent (80%) of the total savings and the state shall receive twenty
17 percent (20%). In connection with any such refunding of bonds, the finance director or the chief
18 financial officer of the community shall certify such net interest savings to the commissioner of
19 elementary and secondary education. Notwithstanding § 16-7-44 or any other provision of law to
20 the contrary, school housing projects costs in connection with any such refunding bond issue shall
21 include bond issuance costs incurred by the community, the municipal public buildings authority
22 or the Rhode Island health and educational building corporation, as the case may be, in connection
23 therewith. In connection with any refunding bond issue, school housing project costs shall include
24 the cost of interest payments on such refunding bonds, if the cost of interest payments was included
25 as a school housing cost for the bonds being refunded. A local community or municipal public
26 buildings authority shall not be entitled to the benefits of this subsection (d) unless the net present
27 value savings resulting from the refunding is at least three percent (3%) of the refunded bond issue.

28 (e) Any provision of law to the contrary notwithstanding, the commissioner of elementary
29 and secondary education shall cause to be monitored the potential for refunding outstanding bonds
30 of local communities or municipal public building authorities or of the Rhode Island Health and
31 Educational Building Corporation issued for the benefit of local communities or municipal public
32 building authorities and benefiting from any aid referenced in this section. In the event it is
33 determined by said monitoring that the net present value savings which could be achieved by
34 refunding such bonds of the type referenced in the prior sentence including any direct costs

1 normally associated with such refundings is equal to (i) at least one hundred thousand dollars
2 (\$100,000) and (ii) for the state and the communities or public building authorities at least three
3 percent (3%) of the bond issue to be refunded including associated costs then, in such event, the
4 commissioner (or his or her designee) may direct the local community or municipal public building
5 authority for the benefit of which the bonds were issued, to refund such bonds. Failure of the local
6 community or municipal public buildings authority to timely refund such bonds, except due to
7 causes beyond the reasonable control of such local community or municipal public building
8 authority, shall result in the reduction by the state of the aid referenced in this § 16-7-4.1 associated
9 with the bonds directed to be refunded in an amount equal to ninety percent (90%) of the net present
10 value savings reasonably estimated by the commissioner of elementary and secondary education
11 (or his or her designee) which would have been achieved had the bonds directed to be refunded
12 been refunded by the ninetieth (90th) day (or if such day is not a business day in the state of Rhode
13 Island, the next succeeding business day) following the date of issuance of the directive of the
14 commissioner (or his or her designee) to refund such bonds. Such reduction in the aid shall begin
15 in the fiscal year following the fiscal year in which the commissioner issued such directive for the
16 remaining term of the bond.

17 (f) Payments shall be made in accordance with § 16-7-40 and this section.

18 (g) For purposes of financing or refinancing school facilities in the city of Central Falls
19 through the issuance bonds through the Rhode Island Health and Educational Building Corporation,
20 the city of Central Falls shall be considered an "educational institution" within the meaning of
21 subdivision 45-38.1-3(13) of the general laws.

22 **16-7-41.1 Eligibility for reimbursement.**

23 (a) School districts, not municipalities, may apply for and obtain approval for a project
24 under the necessity of school construction process set forth in the regulations of the ~~board of regents~~
25 ~~for~~ council on elementary and secondary education, provided, however, in the case of municipality
26 which issues bonds through the Rhode Island Health and Educational Building Corporation to
27 finance or refinance school facilities for a school district which is not part of the municipality, the
28 municipality may apply for and obtain approval for a project. Such approval will remain valid until
29 June 30 of the third fiscal year following the fiscal year in which the ~~board of regents for~~ council
30 on elementary and secondary education's approval is granted. Only those projects undertaken at
31 school facilities under the care and control of the school committee and located on school property
32 may qualify for reimbursement under §§ 16-7-35 – 16-7-47. Facilities with combined school and
33 municipal uses or facilities that are operated jointly with any other profit or non-profit agency do
34 not qualify for reimbursement under §§ 16-7-35 – 16-7-47. Projects completed by June 30 of a

1 fiscal year are eligible for reimbursement in the following fiscal year. A project for new school
2 housing or additional housing shall be deemed to be completed when the work has been officially
3 accepted by the school committee or when the housing is occupied for its intended use by the school
4 committee, whichever is earlier.

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

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

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

20 (e) Beginning July 1, 2019, no state funding shall be provided for projects in excess of ten
21 million dollars (\$10,000,000) unless the prime contractor for the project has received certification
22 from the school building authority.

23 (f) Beginning July 1, 2019, the necessity of school construction process set forth in the
24 regulations of the council on elementary and secondary education shall include a single statewide
25 process, developed with the consultation of the department of environmental management, that will
26 ensure community involvement throughout the investigation and remediation of contaminated
27 building sites for possible reuse as the location of a school. That process will fulfill all provisions
28 of § 23-19.14-5 related to the investigation of reuse of such sites for schools.

29 (g) Beginning July 1, 2019, school housing projects exceeding one million five hundred
30 thousand dollars (\$1,500,000) subject to inflation shall include an owners program manager and a
31 commissioning agent. The cost of the program manager and commissioning agent shall be
32 considered a project cost eligible for aid pursuant to §§ 16-7-41 and 16-105-5.

33 (h) Temporary housing, or swing space, for students shall be a reimbursable expense so
34 long as a district can demonstrate that no other viable option to temporarily house students exists

1 and provided that use of the temporary space is time limited for a period not to exceed twenty-four
2 (24) months and tied to a specific construction project.

3 (i) Environmental site remediation, as defined by the school building authority, shall be a
4 reimbursable expense up to one million dollars (\$1,000,000) per project.

5 (j) If, within thirty (30) years of construction, a newly constructed school is sold to a private
6 entity, the state shall receive a portion of the sale proceeds equal to that project's housing aid
7 reimbursement rate at the time of project completion.

8 (k) All projects must comply with § 37-13-6, ensuring that prevailing wage laws are being
9 followed, and § 37-14.1-6, ensuring that minority business enterprises reach a minimum of ten
10 percent (10%) of the dollar value of the bid.

11 **16-7-44 School housing project costs.**

12 School housing project costs, the date of completion of school housing projects, and the
13 applicable amount of school housing project cost commitments shall be in accordance with the
14 regulations of the commissioner of elementary and secondary education and the provisions of §§
15 16-7-35 – 16-7-47; provided, however, that school housing project costs shall include the purchase
16 of sites, buildings, and equipment, the construction of buildings, and additions or renovations of
17 existing buildings and/or facilities. School housing project costs shall include the cost of interest
18 payment on any bond issued after July 1, 1988, provided that such bond is approved by the voters
19 on or before June 30, 2003, or issued by a municipal public building authority or by the appropriate
20 approving authority on or before June 30, 2003. Except as provided in § 16-7-41(d), those projects
21 approved after June 30, 2003, interest payments may only be included in project costs provided
22 that the bonds for these projects are issued through the Rhode Island Health and Educational
23 Building Corporation. School housing project costs shall exclude: (1) any bond issuance costs
24 incurred by the municipality or regional school district; (2) demolition costs for buildings, facilities,
25 or sites deemed surplus by the school committee; and (3) restrictions pursuant to § 16-7-44.1 below.
26 A building, facility, or site is declared surplus by a school committee when the committee no longer
27 has such building, facility, or site under its direct care and control and transfers control to the
28 municipality, § 16-2-15. The ~~board of regents for~~ council on elementary and secondary education
29 will promulgate rules and regulations for the administration of this section. These rules and
30 regulations may provide for the use of lease revenue bonds, capital leases, or capital reserve
31 funding, to finance school housing provided that the term of any bond, or capital lease shall not be
32 longer than the useful life of the project and these instruments are subject to the public review and
33 voter approval otherwise required by law for the issuance of bonds or capital leases. Cities or towns
34 issuing bonds, or leases issued by municipal public buildings authority for the benefit of a local

1 community pursuant to chapter 50 of title 45 shall not require voter approval. Effective January 1,
2 2008, and except for interim finance mechanisms, refunding bonds, borrowing from the school
3 building authority capital fund, and bonds issued by the Rhode Island Health and Educational
4 Building Corporation to finance school housing projects for towns, cities, or regional school
5 districts borrowing for which has previously been authorized by an enabling act of the general
6 assembly, all bonds, notes and other forms of indebtedness issued in support of school housing
7 projects shall require passage of an enabling act by the general assembly.

8 SECTION 2. Sections 16-7.2-3 and 16-7.2-6 of the General Laws in Chapter 16-7.2 entitled
9 "The Education Equity and Property Tax Relief Act" are hereby amended to read as follows:

10 **16-7.2-3. Permanent foundation education aid established.**

11 (a) Beginning in the 2012 fiscal year, the following foundation education-aid formula shall
12 take effect. The foundation education aid for each district shall be the sum of the core instruction
13 amount in subdivision (a)(1) and the amount to support high-need students in subdivision (a)(2),
14 which shall be multiplied by the district state-share ratio calculated pursuant to § 16-7.2-4 to
15 determine the foundation aid.

16 (1) The core-instruction amount shall be an amount equal to a statewide, per-pupil core-
17 instruction amount as established by the department of elementary and secondary education,
18 derived from the average of northeast regional expenditure data for the states of Rhode Island,
19 Massachusetts, Connecticut, and New Hampshire from the National Center for Education Statistics
20 (NCES) that will adequately fund the student instructional needs as described in the basic education
21 program and multiplied by the district average daily membership as defined in § 16-7-22.
22 Expenditure data in the following categories: instruction and support services for students,
23 instruction, general administration, school administration, and other support services from the
24 National Public Education Financial Survey, as published by NCES, and enrollment data from the
25 Common Core of Data, also published by NCES, will be used when determining the core-
26 instruction amount. The core-instruction amount will be updated annually. For the purpose of
27 calculating this formula, school districts' resident average daily membership shall exclude charter
28 school and state-operated school students.

29 (b) The department of elementary and secondary education shall provide an estimate of the
30 foundation education aid cost as part of its budget submission pursuant to § 35-3-4. The estimate
31 shall include the most recent data available as well as an adjustment for average daily membership
32 growth or decline based on the prior year experience.

33 (c) In addition, the department shall report updated figures based on the average daily
34 membership as of October 1 by December 1.

1 (2) The amount to support high-need students beyond the core-instruction amount shall be
2 determined by multiplying a student success factor of forty percent (40%) by the core instruction
3 per-pupil amount described in subdivision (a)(1) and applying that amount for each resident child
4 whose family income is at or below one hundred eighty-five percent (185%) of federal poverty
5 guidelines, hereinafter referred to as "poverty status."

6 ~~(b)~~(d) Local education agencies (LEA) may set aside a portion of funds received under
7 subsection (a) to expand learning opportunities such as after school and summer programs, full-
8 day kindergarten and/or multiple pathway programs, provided that the basic education program and
9 all other approved programs required in law are funded.

10 ~~(c)~~(e) The department of elementary and secondary education shall promulgate such
11 regulations as are necessary to implement fully the purposes of this chapter.

12 **16-7.2-6. Categorical programs, state funded expenses.**

13 In addition to the foundation education aid provided pursuant to § 16-7.2-3, the permanent
14 foundation education-aid program shall provide direct state funding for:

15 (a) Excess costs associated with special education students. Excess costs are defined when
16 an individual special education student's cost shall be deemed to be "extraordinary". Extraordinary
17 costs are those educational costs that exceed the state-approved threshold based on an amount
18 above five times the core foundation amount (total of core-instruction amount plus student success
19 amount). The department of elementary and secondary education shall prorate the funds available
20 for distribution among those eligible school districts if the total approved costs for which school
21 districts are seeking reimbursement exceed the amount of funding appropriated in any fiscal year;
22 and the department of elementary and secondary education shall also collect data on those
23 educational costs that exceed the state-approved threshold based on an amount above two (2), three
24 (3), and four (4) times the core-foundation amount;

25 (b) Career and technical education costs to help meet initial investment requirements
26 needed to transform existing, or create new, comprehensive, career and technical education
27 programs and career pathways in critical and emerging industries and to help offset the higher-
28 than-average costs associated with facilities, equipment maintenance and repair, and supplies
29 necessary for maintaining the quality of highly specialized programs that are a priority for the state.
30 The department shall develop criteria for the purpose of allocating any and all career and technical
31 education funds as may be determined by the general assembly on an annual basis. The department
32 of elementary and secondary education shall prorate the funds available for distribution among
33 those eligible school districts if the total approved costs for which school districts are seeking
34 reimbursement exceed the amount of funding available in any fiscal year;

1 (c) Programs to increase access to voluntary, free, high-quality pre-kindergarten programs.
2 The department shall recommend criteria for the purpose of allocating any and all early childhood
3 program funds as may be determined by the general assembly;

4 (d) Central Falls, Davies, and the Met Center Stabilization Fund is established to ensure
5 that appropriate funding is available to support their students. Additional support for Central Falls
6 is needed due to concerns regarding the city's capacity to meet the local share of education costs.
7 This fund requires that education aid calculated pursuant to § 16-7.2-3 and funding for costs outside
8 the permanent foundation education-aid formula, including, but not limited to, transportation,
9 facility maintenance, and retiree health benefits shall be shared between the state and the city of
10 Central Falls. The fund shall be annually reviewed to determine the amount of the state and city
11 appropriation. The state's share of this fund may be supported through a reallocation of current state
12 appropriations to the Central Falls school district. At the end of the transition period defined in §
13 16-7.2-7, the municipality will continue its contribution pursuant to § 16-7-24. Additional support
14 for the Davies and the Met Center is needed due to the costs associated with running a stand-alone
15 high school offering both academic and career and technical coursework. The department shall
16 recommend criteria for the purpose of allocating any and all stabilization funds as may be
17 determined by the general assembly;

18 (e) Excess costs associated with transporting students to out-of-district non-public schools.
19 This fund will provide state funding for the costs associated with transporting students to out-of-
20 district non-public schools, pursuant to chapter 21.1 of title 16. The state will assume the costs of
21 non-public out-of-district transportation for those districts participating in the statewide system.
22 The department of elementary and secondary education shall prorate the funds available for
23 distribution among those eligible school districts if the total approved costs for which school
24 districts are seeking reimbursement exceed the amount of funding available in any fiscal year;

25 (f) Excess costs associated with transporting students within regional school districts. This
26 fund will provide direct state funding for the excess costs associated with transporting students
27 within regional school districts, established pursuant to chapter 3 of title 16. This fund requires that
28 the state and regional school district share equally the student transportation costs net any federal
29 sources of revenue for these expenditures. The department of elementary and secondary education
30 shall prorate the funds available for distribution among those eligible school districts if the total
31 approved costs for which school districts are seeking reimbursement exceed the amount of funding
32 available in any fiscal year;

33 (g) Public school districts that are regionalized shall be eligible for a regionalization bonus
34 as set forth below:

1 (1) As used herein, the term "regionalized" shall be deemed to refer to a regional school
2 district established under the provisions of chapter 3 of title 16, including the Chariho Regional
3 School district;

4 (2) For those districts that are regionalized as of July 1, 2010, the regionalization bonus
5 shall commence in FY 2012. For those districts that regionalize after July 1, 2010, the
6 regionalization bonus shall commence in the first fiscal year following the establishment of a
7 regionalized school district as set forth in chapter 3 of title 16, including the Chariho Regional
8 School District;

9 (3) The regionalization bonus in the first fiscal year shall be two percent (2.0%) of the
10 state's share of the foundation education aid for the regionalized district as calculated pursuant to
11 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year;

12 (4) The regionalization bonus in the second fiscal year shall be one percent (1.0%) of the
13 state's share of the foundation education aid for the regionalized district as calculated pursuant to
14 §§ 16-7.2-3 and 16-7.2-4 in that fiscal year;

15 (5) The regionalization bonus shall cease in the third fiscal year;

16 (6) The regionalization bonus for the Chariho regional school district shall be applied to
17 the state share of the permanent foundation education aid for the member towns; and

18 (7) The department of elementary and secondary education shall prorate the funds available
19 for distribution among those eligible regionalized school districts if the total, approved costs for
20 which regionalized school districts are seeking a regionalization bonus exceed the amount of
21 funding appropriated in any fiscal year.

22 (h) Additional state support for English learners (EL). The amount to support EL students
23 shall be determined by multiplying an EL factor of ten percent (10%) by the core-instruction per-
24 pupil amount defined in § 16-7.2-3(a)(1) and applying that amount of additional state support to
25 EL students identified using widely adopted, independent standards and assessments identified by
26 the commissioner. All categorical funds distributed pursuant to this subsection must be used to
27 provide high-quality, research-based services to EL students and managed in accordance with
28 requirements set forth by the commissioner of elementary and secondary education. The
29 department of elementary and secondary education shall collect performance reports from districts
30 and approve the use of funds prior to expenditure. The department of elementary and secondary
31 education shall ensure the funds are aligned to activities that are innovative and expansive and not
32 utilized for activities the district is currently funding. The department of elementary and secondary
33 education shall prorate the funds available for distribution among eligible recipients if the total
34 calculated costs exceed the amount of funding available in any fiscal year; and

1 (i) State support for school resource officers. Beginning in FY 2019, for a period of three
2 (3) years, school districts or municipalities that choose to employ school resource officers shall
3 receive direct state support for costs associated with employing such officers at public middle and
4 high schools. Districts or municipalities shall be reimbursed an amount equal to one-half (1/2) of
5 the cost of salaries and benefits for the qualifying positions. Funding will be provided to school
6 resource officer positions established on or after July 1, 2018, provided that:

7 (1) Each school resource officer shall be assigned to one school:

8 (i) Schools with enrollments below one thousand twelve hundred (1,200) students shall
9 require one school resource officer;

10 (ii) Schools with enrollments of one thousand twelve hundred (1,200) or more students
11 shall require two school resource officers;

12 (2) School resource officers hired in excess of the requirement noted above shall not be
13 eligible for reimbursement; and

14 (3) Schools that eliminate existing school resource officer positions and create new
15 positions under this provision shall not be eligible for reimbursement.

16 ~~(j)~~ (j) Categorical programs defined in (a) through (g) shall be funded pursuant to the
17 transition plan in § 16-7.2-7.

18 SECTION 3. Sections 16-105-3, 16-105-7, and 16-105-8 of the General Laws in Chapter
19 16-105 entitled "School Building Authority" are hereby amended to read as follows:

20 **16-105-3 Roles and responsibilities.**

21 The school building authority roles and responsibilities shall include:

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

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

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

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

31 (5) ~~Promulgating, managing~~ Managing and maintaining school construction regulations,
32 standards, and guidelines applicable to the school housing program, based on the recommendations
33 of the school building authority advisory board, created in § 16-105-8. Said regulations shall require
34 conformance with the minority business enterprise requirements set forth in § 37-14.1-6;

1 (6) Developing a prequalification and review process for prime contractors, architects and
2 engineers seeking to bid on projects in excess of ten million dollars (\$10,000,000) in total costs
3 subject to inflation. Notwithstanding any general laws to the contrary, a prequalification shall be
4 valid for a maximum of two (2) years from the date of issuance. Factors to be considered by the
5 school building authority in granting a prequalification to prime contractors shall include, but not
6 be limited to, the contractor's history of completing complex projects on time and on budget, track
7 record of compliance with applicable environmental and safety regulations, evidence that
8 completed prior projects prioritized the facility's future maintainability, and compliance with
9 applicable requirements for the use of women and minority owned subcontractors;

10 (i) At least annually, a list of prequalified contractors, architects, and engineers shall be
11 publically posted with all other program information.

12 (7) Providing technical assistance and guidance to school districts on the necessity of
13 school construction application process;

14 ~~(6)~~(8) Providing technical advice and assistance, training, and education to cities, towns,
15 and/or LEAs and to general contractors, subcontractors, construction or project managers,
16 designers and others in planning, maintenance, and establishment of school facility space;

17 ~~(7)~~(9) Developing a project priority system, based on the recommendations of the school
18 building authority advisory board, in accordance with school construction regulations for ~~the state~~
19 ~~school housing aid set forth in §§ 16-7-35 to 16-7-47 and~~ the school building authority capital fund,
20 subject to review and, if necessary, to be revised on intervals not to exceed five (5) years. Project
21 priorities shall ~~be in accordance with~~ include, but not be limited to, the following order of priorities:

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

24 (ii) Projects needed to prevent loss of accreditation;

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

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

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

31 ~~(8)~~(10) Maintaining a current list of requested school projects and the priority given them;

32 ~~(9)~~(11) Collecting and maintaining readily available data on all the public school facilities
33 in the state;

34 (12) Collecting, maintaining, and making publicly available quarterly progress reports of

1 all ongoing school construction projects that shall include, at a minimum, the costs of the project
2 and the time schedule of the project;

3 ~~(10)~~(13) Recommending policies and procedures designed to reduce borrowing for school
4 construction programs at both state and local levels;

5 ~~(11)~~(14) At least every five (5) years, conducting a needs survey to ascertain the capital
6 construction, reconstruction, maintenance, and other capital needs for schools in each district of the
7 state, including public charter schools;

8 ~~(12)~~(15) Developing a formal enrollment projection model or using projection models
9 already available;

10 ~~(13)~~(16) Encouraging local education agencies to investigate opportunities for the
11 maximum utilization of space in and around the district;

12 ~~(14)~~(17) Collecting and maintaining a clearinghouse of prototypical school plans that may
13 be consulted by eligible applicants;

14 (18) Retaining the services of consultants, as necessary, to effectuate the roles and
15 responsibilities listed within this section;

16 ~~(15)(19) By regulation, offering additional incentive points to the school housing aid ratio~~
17 ~~calculation set forth in § 16-7-39, as the authority, based upon the recommendation of the advisory~~
18 ~~board, determines will promote the purposes of this chapter. Said regulations may delineate the~~
19 ~~type and amounts of any such incentive percentage points; provided, however, that no individual~~
20 ~~category of incentive points shall exceed two (2) additional points; and provided further, that no~~

21 No district shall receive a combined total of more than ~~five (5)~~ twenty (20) incentive percentage
22 points as set forth in § 16-7-39 for projects that commence construction by December 30, 2023,
23 and five (5) incentive points for projects that commence construction thereafter. Such incentive

24 points may be awarded for a district's use of highly efficient construction delivery methods;
25 remediation of hazardous substances; regionalization with other districts; superior maintenance
26 practices of a district; energy efficient and sustainable design and construction; the use of model
27 schools as adopted by the authority; and other incentives as recommended by the advisory board
28 and determined by the authority to encourage the most cost-effective and quality construction.

29 Notwithstanding any provision of the general laws to the contrary, the reimbursement or aid
30 received under this chapter or chapter 38.2 of title 45 shall not exceed one hundred percent (100%)
31 of the sum of the total project costs plus interest costs nor shall a district's share be decreased by
32 more than half of its regular share irrespective of the number of incentive points received nor shall
33 a district's state share increase by more than half of its regular share irrespective of the number of
34 incentive points received.

1 Projects approved between May 1, 2015 and January 1, 2018 are eligible to receive five
2 (5) additional incentive points (above and beyond what the project was awarded at the time of
3 approval.) Any project approved between May 1, 2015 and January 1, 2018 that is withdrawn
4 and/or resubmitted for approval shall not be eligible for any incentive points.

5 **16-105-7 ~~Expenses incurred by the department school building authority~~ Expenses**
6 **incurred by the school building authority.**

7 In order to provide for one-time or limited expenses of the ~~department of elementary and~~
8 ~~secondary education~~ school building authority under this chapter, the Rhode Island health and
9 educational building corporation shall provide funding from the school building authority capital
10 fund, fees generated from the origination of municipal bonds and other financing vehicles used for
11 school construction, and its own reserves. The school building authority shall, by October 1 of each
12 year, report to the governor and the chairs of the senate and house finance committees, the senate
13 fiscal advisor, and the house fiscal advisor the amount sought for expenses for the next fiscal year.

14 There is also hereby established a restricted receipt account within the budget of the
15 department of elementary and secondary education entitled "school construction services", to be
16 financed by the Rhode Island health and educational building corporation's sub-allotments of fees
17 generated from the origination of municipal bonds and other financing vehicles used for school
18 construction and its own reserves. Effective July 1, 2018, this account shall be utilized for the
19 express purpose of supporting personnel expenditures directly related to the administration of the
20 school construction aid program.

21 **16-105-8. School building authority advisory board established.**

22 (a) There is hereby established a school building authority advisory board that shall advise
23 the school building authority regarding the best use of the school building authority capital fund,
24 including the setting of statewide priorities, criteria for project approval, and recommendations for
25 project approval and prioritization.

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

28 (1) The general treasurer, or designee;

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

30 (3) ~~A member of the governor's staff, as designated by the governor~~ The chair of the Rhode
31 Island health and educational building corporation; and

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

1 [and at least one of these four \(4\) members shall be an educator.](#)

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

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

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

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

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

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

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

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

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

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

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

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

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

29 SECTION 4. Sections 45-38.2-2, 45-38.2-3 and 45-38.2-4 of the General Laws in Chapter
30 45-38.2 entitled "School Building Authority Capital Fund" are hereby amended to read as follows:

31 **45-38.2-2. School building authority capital fund.**

32 (a) There is hereby established a school building authority capital fund. The corporation
33 shall establish and set up on its books the fund, to be held in trust and to be administered by the
34 corporation as provided in this chapter. This fund shall be in addition to the annual appropriation

1 for committed expenses related to the repayment of housing aid commitments. The corporation
2 shall deposit the following monies into the fund:

3 (1) The difference between the annual housing aid appropriation and housing aid
4 commitment amounts appropriated or designated to the corporation by the state for the purposes of
5 the foundation program for school housing; provided that for FY 2019 and FY 2020 that amount
6 shall be used for technical assistance to districts pursuant to § 16-105-3(7);

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

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

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

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

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

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

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

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

28 **45-38.2-3. Administration.**

29 (a) The corporation shall have all the powers necessary or incidental to carry out and
30 effectuate the purposes and provisions of this chapter including:

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

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

- 1 (3) To enter into binding commitments to provide subsidy assistance for loans and city,
2 town, and LEA obligations from amounts on deposit in the fund;
- 3 (4) To levy administrative fees on cities, towns, and LEAs as necessary to effectuate the
4 provisions of this chapter; ~~provided the fees have been previously authorized by an agreement~~
5 ~~between the corporation and the city, town, or LEA;~~ provided that the fee does not exceed one tenth
6 of one percent (0.001) of the principal amount;
- 7 (5) To engage the services of third-party vendors to provide professional services;
- 8 (6) To establish one or more accounts within the fund; and
- 9 (7) Such other authority as granted to the corporation under chapter 38.1 of title 45.
- 10 (b) Subject to the provisions of this chapter, and to any agreements with the holders of any
11 bonds of the corporation or any trustee therefor, amounts held by the corporation for the account
12 of the fund shall be applied by the corporation, either by direct expenditure, disbursement, or
13 transfer to one or more other funds and accounts held by the corporation or a trustee under a trust
14 agreement or trust indenture entered into by the corporation with respect to bonds or notes issued
15 by the corporation under this chapter or by a holder of bonds or notes issued by the corporation
16 under this chapter, either alone or with other funds of the corporation, to the following purposes:
- 17 (1) To provide financial assistance to cities, towns and LEAs to finance costs of approved
18 projects, and to refinance the costs of the projects, subject to such terms and conditions, if any, as
19 are determined by the department and/or the corporation;
- 20 (2) To fund reserves for bonds of the corporation and to purchase insurance and pay the
21 premiums therefor, and pay fees and expenses of letters or lines of credit and costs of
22 reimbursement to the issuers thereof for any payments made thereon or on any insurance, and to
23 otherwise provide security for, and a source of payment for obligations of the corporation, by
24 pledge, lien, assignment, or otherwise as provided in chapter 38.1 of title 45;
- 25 (3) To pay or provide for subsidy assistance as determined by the school building authority;
- 26 (4) To provide a reserve for, or to otherwise secure, amounts payable by cities, towns, and
27 LEAs on loans and city, town, and LEA obligations outstanding in the event of default thereof;
28 amounts in any account in the fund may be applied to defaults on loans outstanding to the city,
29 town, or LEA for which the account was established and, on a parity basis with all other accounts,
30 to defaults on any loans or city, town, or LEA obligations outstanding; and
- 31 (5) To provide a reserve for, or to otherwise secure, by pledge, lien, assignment, or
32 otherwise as provided in chapter 38.1 of title 45, any bonds or notes of the corporation issued under
33 this chapter.
- 34 (c) The repayment obligations of the city, town, or LEA for loans shall be in accordance

1 with its eligibility for state aid for school housing as set forth in §§ 16-7-39, 16-77.1-5, and 105-
2 3(15).

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

8 **45-38.2-4 Payment of state funds.**

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

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

19 (c) The corporation, per order of the school building authority capital fund, is authorized
20 to grant a district or municipality its state share of an approved project cost, pursuant to §§ 16-7-39
21 and 16-77.1-5. Construction pay-as-you-go grants received from the school building authority
22 capital fund shall not be considered a form of indebtedness subject to the provisions of § 16-7-44.

23 (d)(1) Notwithstanding the provisions of §§ 45-12-19 and 45-12-20, and notwithstanding
24 city or town charter provisions to the contrary, prior to July 1, 2016, no voter approval shall be
25 required for loans in any amount made to a city or town for the local education agency's share of
26 total project costs.

27 (2) Notwithstanding the provisions of §§ 45-12-19 and 45-12-20, and notwithstanding city
28 or town charter provisions to the contrary, on or after July 1, 2016, up to five hundred thousand
29 dollars (\$500,000) may be loaned to a city or town for the local education agency 's share of total
30 project costs without the requirement of voter approval.

31 (e)(1) Funds from the two hundred fifty million (\$250,000,000) in general obligation
32 bonds, if approved on the November 2018 ballot, shall first be used to support the state share of
33 foundational housing aid and shall be offered to LEAs on a pay-as-you-go basis and not as a
34 reimbursement of debt service for previously completed projects.

1 (2) Funds to support the state share of foundational housing aid in a given year on a pay-
2 as-you-go basis shall be offered proportionately to LEAs based on the total state share of
3 foundational housing aid awarded to projects in that year.

4 (3) Any excess funds may be transferred to the school building authority capital fund in an
5 amount not to exceed five percent (5%) of any amount of bonds issued in a given year.

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

8 (g) In accordance with §§ 45-10-5.1 and 45-10-6, the auditor general shall give guidance
9 to municipalities and school districts on the uniform financial reporting of construction debt
10 authorized and issued, and on funding received from the state within ninety (90) days of the passage
11 of this article.

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

13

ARTICLE 10

RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT FY 2018

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, 2018. The amounts identified for federal funds and restricted receipts shall be made available pursuant to section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For the purposes and functions hereinafter mentioned, the state controller is hereby authorized and directed to draw his or her orders upon the general treasurer for the payment of such sums or such portions thereof as may be required from time to time upon receipt by him or her of properly authenticated vouchers.

	FY 2018	FY 2018	FY 2018
	<u>Enacted</u>	<u>Change</u>	<u>Final</u>
Administration			
<i>Central Management</i>			
General Revenues	3,048,657	(204,166)	2,844,491
<i>Legal Services</i>			
General Revenues	2,170,956	(195,458)	1,975,498
<i>Accounts and Control</i>			
General Revenues	4,130,796	708,034	4,838,830
Restricted Receipts – OPEB Board			
Administration	225,000	(257)	224,743
Total - Accounts and Control	4,355,796	707,777	5,063,573
<i>Office of Management and Budget</i>			
General Revenues	8,882,351	(469,143)	8,413,208
Restricted Receipts	300,000	109,356	409,356
Other Funds	1,719,494	(722,905)	996,589
Total – Office of Management and Budget	10,901,845	(1,082,692)	9,819,153
<i>Purchasing</i>			
General Revenues	2,630,843	430,362	3,061,205

1	Restricted Receipts	540,000	(540,000)	0
2	Other Funds	233,525	101,936	335,461
3	Total – Purchasing	3,404,368	(7,702)	3,396,666
4	<i>Human Resources</i>			
5	General Revenues	8,057,188	(6,907,761)	1,149,427
6	Federal Funds	1,014,410	(1,014,410)	0
7	Restricted Receipts	610,995	(610,995)	0
8	Other Funds	1,591,954	(1,591,954)	0
9	Total - Human Resources	11,274,547	(10,125,120)	1,149,427
10	<i>Personnel Appeal Board</i>			
11	General Revenues	145,130	2,235	147,365
12	<i>Information Technology</i>			
13	General Revenues	22,146,644	(20,972,630)	1,174,014
14	Federal Funds	6,655,755	(6,473,755)	182,000
15	Restricted Receipts	10,777,319	(794,089)	9,983,230
16	Other Funds	2,699,001	(2,609,827)	89,174
17	Total – Information Technology	42,278,719	(30,850,301)	11,428,418
18	<i>Library and Information Services</i>			
19	General Revenues	1,479,475	(129,555)	1,349,920
20	Federal Funds	1,157,870	101,754	1,259,624
21	Restricted Receipts	5,500	0	5,500
22	Total - Library and Information Services	2,642,845	(27,801)	2,615,044
23	<i>Planning</i>			
24	General Revenues	1,271,483	(458,590)	812,893
25	Federal Funds	1,000	14,291	15,291
26	Other Funds			
27	Air Quality Modeling	24,000	0	24,000
28	Federal Highway – PL Systems Planning	3,172,497	318,487	3,490,984
29	FTA – Metro Planning Grant	1,033,131	(1,301)	1,031,830
30	Total - Planning	5,502,111	(127,113)	5,374,998
31	<i>General</i>			
32	General Revenues	100,000	0	100,000

33 Provided that this amount be allocated to City Year for the Whole School Whole Child Program,
34 which provides individualized support to at-risk students.

1	Torts - Courts/Awards	400,000	0	400,000
2	State Employees/Teachers Retiree Health Subsidy	2,321,057	0	2,321,057
3	Resource Sharing and State Library Aid	9,362,072	0	9,362,072
4	Library Construction Aid	2,161,628	0	2,161,628
5	Restricted Receipts	700,000	0	700,000
6	Other Funds			
7	Rhode Island Capital Plan Funds			
8	Security Measures State Buildings	500,000	0	500,000
9	Energy Efficiency Improvements	1,000,000	(500,000)	500,000
10	Cranston Street Armory	850,000	225,000	1,075,000
11	Zambarano Building Rehabilitation	6,085,000	700,000	6,785,000
12	Big River Management Area	100,000	(72,693)	27,307
13	Veterans Memorial Auditorium	205,000	58,000	263,000
14	RI Convention Center Authority	1,250,000	615,000	1,865,000
15	Dunkin Donuts Center	2,350,000	(1,715,000)	635,000
16	Pastore Center Power Plant Rehab.	800,000	(750,000)	50,000
17	Virks Building Renovations	5,236,000	521,511	5,757,511
18	Accessibility – Facility Renovations	1,000,000	110,000	1,110,000
19	Cannon Building	700,000	(6,834)	693,166
20	Chapin Health Laboratory	3,550,000	(2,550,000)	1,000,000
21	Environmental Compliance	200,000	(100,000)	100,000
22	DoIT Operations Center	770,000	(670,000)	100,000
23	Old Colony House	100,000	(75,000)	25,000
24	Old State House	1,000,000	(860,000)	140,000
25	Pastore Center Buildings Demolition	175,000	(175,000)	0
26	Pastore Center Parking	1,300,000	(250,000)	1,050,000
27	Pastore Center Rehab DOA Portion	3,900,000	3,600,000	7,500,000
28	Pastore Center Strategic Plan	600,000	200,092	800,092
29	Pastore Center Utilities Upgrade	2,000,000	1,377,500	3,377,500
30	Pastore Center Water Tanks & Pipes	280,000	465,118	745,118
31	Replacement of Fueling Tanks	450,000	(381,040)	68,960
32	Shepard Building	395,000	(395,000)	0
33	State House Energy Mgt Improvement	2,000,000	(2,000,000)	0
34	State House Renovations	1,250,000	637,000	1,887,000

1	State Office Building	700,000	710,577	1,410,577
2	Washington County Government Center	1,400,000	(1,225,000)	175,000
3	William Powers Administration Bldg.	1,000,000	35,000	1,035,000
4	Hospital Consolidation	0	7,850,000	7,850,000
5	Board of Elections (Medical Examiner)	0	510,000	510,000
6	McCoy Stadium Repairs	0	300,000	300,000
7	Total - General	56,190,757	6,189,231	62,379,988
8	<i>Debt Service Payments</i>			
9	General Revenues	138,403,065	(1,232,290)	137,170,775
10	Out of the general revenue appropriations for debt service, the General Treasurer is			
11	authorized to make payments for the I-195 Redevelopment District Commission loan up to the			
12	maximum debt service due in accordance with the loan agreement.			
13	Federal Funds	1,870,830	0	1,870,830
14	Other Funds			
15	Transportation Debt Service	40,958,106	(118,865)	40,839,241
16	Investment Receipts – Bond Funds	100,000	0	100,000
17	Total - Debt Service Payments	181,332,001	(1,351,155)	179,980,846
18	<i>Energy Resources</i>			
19	Federal Funds	723,171	42,534	765,705
20	Restricted Receipts	11,410,652	(1,621,791)	9,788,861
21	Total – Energy Resources	12,133,823	(1,579,257)	10,554,566
22	<i>Rhode Island Health Benefits Exchange</i>			
23	General Revenues	2,625,841	0	2,625,841
24	Federal Funds	135,136	4,123,529	4,258,665
25	Restricted Receipts	6,807,845	(768,351)	6,039,494
26	Total - Rhode Island Health Benefits			
27	Exchange	9,568,822	3,355,178	12,924,000
28	<i>Construction Permitting, Approvals and Licensing</i>			
29	General Revenues	1,790,975	319,412	2,110,387
30	Restricted Receipts	1,187,870	353,524	1,541,394
31	Total – Construction Permitting,			
32	Approvals and Licensing	2,978,845	672,936	3,651,781
33	<i>Office of Diversity, Equity, and Opportunity</i>			
34	General Revenues	1,282,250	(191,894)	1,090,356

1	Other Funds	86,623	(1,558)	85,065
2	Total – Office of Diversity, Equity and			
3	Opportunity	1,368,873	(193,452)	1,175,421
4	<i>Capital Asset Management and Maintenance</i>			
5	General Revenues	33,868,627	(24,114,462)	9,754,165
6	Federal Funds	1,603,917	(1,603,917)	0
7	Restricted Receipts	660,725	(660,725)	0
8	Other Funds	3,874,844	(3,874,844)	0
9	Total – Capital Asset Management and			
10	Maintenance	40,008,113	(30,253,948)	9,754,165
11	<i>Undistributed Savings</i>			
12	General Revenues	(30,080,124)	30,080,124	0
13	Grand Total – Administration	359,226,084	(34,990,684)	324,235,400
14	Business Regulation			
15	<i>Central Management</i>			
16	General Revenues	1,296,420	960,848	2,257,268
17	<i>Banking Regulation</i>			
18	General Revenues	1,743,062	(261,260)	1,481,802
19	Restricted Receipts	50,000	25,000	75,000
20	Total – Banking Regulation	1,793,062	(236,260)	1,556,802
21	<i>Securities Regulation</i>			
22	General Revenues	974,364	(13,617)	960,747
23	Restricted Receipts	15,000	0	15,000
24	Total - Securities Regulation	989,364	(13,617)	975,747
25	<i>Insurance Regulation</i>			
26	General Revenues	3,925,436	(104,884)	3,820,552
27	Restricted Receipts	1,826,495	102,552	1,929,047
28	Total - Insurance Regulation	5,751,931	(2,332)	5,749,599
29	<i>Office of the Health Insurance Commissioner</i>			
30	General Revenues	1,614,318	(144,474)	1,469,844
31	Federal Funds	892,213	157,056	1,049,269
32	Restricted Receipts	228,768	(103,917)	124,851
33	Total – Office of the Health Insurance			
34	Commissioner	2,735,299	(91,335)	2,643,964

1	<i>Board of Accountancy</i>			
2	General Revenues	6,000	0	6,000
3	<i>Commercial Licensing, Racing & Athletics</i>			
4	General Revenues	893,038	(58,021)	835,017
5	Restricted Receipts	1,778,614	(39,463)	1,739,151
6	Total - Commercial Licensing, Racing &			
7	Athletics	2,671,652	(97,484)	2,574,168
8	<i>Boards for Design Professionals</i>			
9	General Revenues	362,455	(362,455)	0
10	Restricted Receipts	0	323,703	323,703
11	Total – Boards for Design Professionals	362,455	(38,752)	323,703
12	Grand Total - Business Regulation	15,606,183	481,068	16,087,251
13	Executive Office of Commerce			
14	<i>Central Management</i>			
15	General Revenues	1,138,714	(306,831)	831,883
16	<i>Housing and Community Development</i>			
17	General Revenues	642,391	252,562	894,953
18	Federal Funds	17,890,642	980,743	18,871,385
19	Restricted Receipts	4,749,911	1,500,000	6,249,911
20	Total – Housing and Community			
21	Development	23,282,944	2,733,305	26,016,249
22	<i>Quasi-Public Appropriations</i>			
23	General Revenues			
24	Rhode Island Commerce Corporation	7,474,514	(250,000)	7,224,514
25	Airport Impact Aid	1,025,000	0	1,025,000

26 Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be
27 distributed to each airport serving more than 1,000,000 passengers based upon its percentage of the
28 total passengers served by all airports serving more than 1,000,000 passengers. Forty percent (40%)
29 of the first \$1,000,000 shall be distributed based on the share of landings during the calendar year
30 2017 at North Central Airport, Newport-Middletown Airport, Block Island Airport, Quonset
31 Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island Commerce
32 Corporation shall make an impact payment to the towns or cities in which the airport is located
33 based on this calculation. Each community upon which any parts of the above airports are located
34 shall receive at least \$25,000.

1	STAC Research Alliance	1,150,000	(350,000)	800,000
2	Innovative Matching Grants/Internships	1,000,000	0	1,000,000
3	I-195 Redevelopment District Commission	761,000	0	761,000
4	Chafee Center at Bryant	376,200	0	376,200
5	Urban Ventures	140,000	0	140,000
6	Polaris Manufacturing Grant	250,000	0	250,000
7	Other Funds			
8	Rhode Island Capital Plan Funds			
9	I-195 Commission	300,000	146,053	446,053
10	Quonset Piers	2,600,000	(1,632,659)	967,341
11	Total- Quasi-Public Appropriations	15,076,714	(2,086,606)	12,990,108
12	<i>Economic Development Initiatives Fund</i>			
13	General Revenues			
14	Innovation Initiative	1,000,000	0	1,000,000
15	I-195 Redevelopment Fund	2,000,000	0	2,000,000
16	Main Street RI Streetscape Improvements	500,000	0	500,000
17	Rebuild RI Tax Credit Fund	12,500,000	0	12,500,000
18	First Wave Closing Fund	1,800,000	0	1,800,000
19	Total- Economic Development			
20	Initiatives Fund	17,800,000	0	17,800,000
21	<i>Commerce Programs</i>			
22	General Revenues			
23	Wavemaker Fellowship	800,000	0	800,000
24	Air Service Development	500,000	0	500,000
25	Total - Commerce Programs	1,300,000	0	1,300,000
26	Grand Total - Executive Office of			
27	Commerce	58,598,372	339,868	58,938,240
28	Labor and Training			
29	<i>Central Management</i>			
30	General Revenues	134,315	535,729	670,044
31	Restricted Receipts	687,604	(499,907)	187,697
32	Other Funds			
33	Rhode Island Capital Plan Funds			
34	Center General Asset Protection	1,630,000	(1,000,000)	630,000

1	Total - Central Management	2,451,919	(964,178)	1,487,741
2	<i>Workforce Development Services</i>			
3	General Revenues	704,517	66,325	770,842
4	Federal Funds	22,792,153	7,377,967	30,170,120
5	Restricted Receipts	12,434,856	8,237,982	20,672,838
6	Other Funds	101,601	205,399	307,000
7	Total - Workforce Development			
8	Services	36,033,127	15,887,673	51,920,800
9	<i>Workforce Regulation and Safety</i>			
10	General Revenues	2,811,148	87,030	2,898,178
11	<i>Income Support</i>			
12	General Revenues	4,046,748	191,448	4,238,196
13	Federal Funds	14,138,705	6,253,439	20,392,144
14	Restricted Receipts	2,500,020	(546,765)	1,953,255
15	Other Funds			
16	Temporary Disability Insurance Fund	197,566,522	804,965	198,371,487
17	Employment Security Fund	161,220,000	(4,110,000)	157,110,000
18	Other Funds	40,418	(40,418)	0
19	Total - Income Support	379,512,413	2,552,669	382,065,082
20	<i>Injured Workers Services</i>			
21	Restricted Receipts	8,701,434	(981,398)	7,720,036
22	<i>Labor Relations Board</i>			
23	General Revenues	397,335	18,472	415,807
24	Grand Total - Labor and Training	429,907,376	16,600,268	446,507,644
25	Department of Revenue			
26	<i>Director of Revenue</i>			
27	General Revenues	1,244,266	764,625	2,008,891
28	<i>Office of Revenue Analysis</i>			
29	General Revenues	788,009	(57,727)	730,282
30	<i>Lottery Division</i>			
31	Other Funds	375,039,436	(5,483,959)	369,555,477
32	<i>Municipal Finance</i>			
33	General Revenues	3,111,025	(168,494)	2,942,531
34	<i>Taxation</i>			

1	General Revenues	22,775,987	1,663,729	24,439,716
2	Federal Funds	1,361,360	(88,354)	1,273,006
3	Restricted Receipts	945,239	(61,850)	883,389
4	Other Funds			
5	Motor Fuel Tax Evasion	176,148	(21,182)	154,966
6	Temporary Disability Insurance Fund	1,004,487	(64,520)	939,967
7	Total – Taxation	26,263,221	1,427,823	27,691,044
8	<i>Registry of Motor Vehicles</i>			
9	General Revenues	21,175,553	4,062,510	25,238,063
10	Federal Funds	206,140	8,147	214,287
11	Restricted Receipts	2,094,763	0	2,094,763
12	Total - Registry of Motor Vehicles	23,476,456	4,070,657	27,547,113
13	<i>State Aid</i>			
14	General Revenues			
15	Distressed Communities Relief Fund	12,384,458	0	12,384,458
16	Payment in Lieu of Tax Exempt Properties	45,205,606	0	45,205,606
17	Motor Vehicle Excise Tax Payments	36,000,000	(1,455,809)	34,544,191
18	Property Revaluation Program	937,228	0	937,228
19	Restricted Receipts	922,013	0	922,013
20	Total – State Aid	95,449,305	(1,455,809)	93,993,496
21	Grand Total – Revenue	525,371,718	(902,884)	524,468,834
22	Legislature			
23	General Revenues	40,522,507	5,162,274	45,684,781
24	Restricted Receipts	1,729,957	(85,200)	1,644,757
25	Grand Total – Legislature	42,252,464	5,077,074	47,329,538
26	Lieutenant Governor			
27	General Revenues	1,084,217	(28,230)	1,055,987
28	Secretary of State			
29	<i>Administration</i>			
30	General Revenues	3,382,625	13,344	3,395,969
31	<i>Corporations</i>			
32	General Revenues	2,224,127	10,731	2,234,858
33	<i>State Archives</i>			
34	General Revenues	87,150	9,427	96,577

1	Restricted Receipts	414,478	(2,812)	411,666
2	Other Funds			
3	Rhode Island Capital Plan Funds			
4	State Archives	0	107,546	107,546
5	Total - State Archives	501,628	114,161	615,789
6	<i>Elections & Civics</i>			
7	General Revenues	1,906,470	83,397	1,989,867
8	Federal Funds	0	22,859	22,859
9	Total – Elections & Civics	1,906,470	106,256	2,012,726
10	<i>State Library</i>			
11	General Revenues	723,385	(125,223)	598,162
12	Provided that \$125,000 be allocated to support the Rhode Island Historical Society			
13	pursuant to Rhode Island General Law, Section 29-2-1 and \$18,000 be allocated to support the			
14	Newport Historical Society, pursuant to Rhode Island General Law, Section 29-2-2.			
15	<i>Office of Public Information</i>			
16	General Revenues	587,562	(43,579)	543,983
17	Restricted Receipts	25,000	0	25,000
18	Total – Office of Public Information	612,562	(43,579)	568,983
19	Grand Total – Secretary of State	9,350,797	75,690	9,426,487
20	General Treasurer			
21	<i>Treasury</i>			
22	General Revenues	2,456,017	165,553	2,621,570
23	Federal Funds	290,987	16,356	307,343
24	Other Funds			
25	Temporary Disability Insurance Fund	226,879	45,100	271,979
26	Tuition Savings Program - Administration	323,363	48,008	371,371
27	Total – Treasury	3,297,246	275,017	3,572,263
28	<i>State Retirement System</i>			
29	Restricted Receipts			
30	Admin Expenses - State Retirement System	9,244,408	303,749	9,548,157
31	Retirement - Treasury Investment Operations	1,545,880	115,770	1,661,650
32	Defined Contribution – Administration	178,238	(78,308)	99,930
33	Total - State Retirement System	10,968,526	341,211	11,309,737
34	<i>Unclaimed Property</i>			

1	Restricted Receipts	26,324,334	1,015,589	27,339,923
2	<i>Crime Victim Compensation Program</i>			
3	General Revenues	242,675	31,152	273,827
4	Federal Funds	799,350	(72,682)	726,668
5	Restricted Receipts	1,132,319	(192,350)	939,969
6	Total - Crime Victim Compensation			
7	Program	2,174,344	(233,880)	1,940,464
8	Grand Total – General Treasurer	42,764,450	1,397,937	44,162,387
9	Board of Elections			
10	General Revenues	1,548,735	55,875	1,604,610
11	Rhode Island Ethics Commission			
12	General Revenues	1,665,873	41,946	1,707,819
13	Office of Governor			
14	General Revenues			
15	General Revenues	5,147,554	120,544	5,268,098
16	Contingency Fund	250,000	(32,911)	217,089
17	Grand Total – Office of Governor	5,397,554	87,633	5,485,187
18	Commission for Human Rights			
19	General Revenues	1,258,074	15,313	1,273,387
20	Federal Funds	432,028	13,379	445,407
21	Grand Total - Commission for Human			
22	Rights	1,690,102	28,692	1,718,794
23	Public Utilities Commission			
24	Federal Funds	129,225	36,368	165,593
25	Restricted Receipts	9,007,118	248,549	9,255,667
26	Grand Total - Public Utilities			
27	Commission	9,136,343	284,917	9,421,260
28	Office of Health and Human Services			
29	<i>Central Management</i>			
30	General Revenues	26,992,150	(325,583)	26,666,567
31	Federal Funds	97,940,878	32,619,161	130,560,039
32	Restricted Receipts	7,942,269	6,593,843	14,536,112
33	Total – Central Management	132,875,297	38,887,421	171,762,718
34	<i>Medical Assistance</i>			

1	General Revenues			
2	Managed Care	305,669,199	8,466,920	314,136,119
3	Hospitals	97,204,474	(2,534,030)	94,670,444
4	Nursing Facilities	87,025,458	9,641,462	96,666,920
5	Home and Community Based Services	29,133,178	(4,431,528)	24,701,650
6	Of this amount, \$250,000 will be for home modification and accessibility enhancements to			
7	construct, retrofit and/or renovate residences to allow individuals to remain in community settings.			
8	This will be in consultation with the Governor's Commission on Disabilities.			
9	Other Services	66,474,753	(138,216)	66,336,537
10	Pharmacy	63,129,216	814,652	63,943,868
11	Rhody Health	288,671,528	3,666,071	292,337,599
12	Federal Funds			
13	Managed Care	384,843,395	18,220,486	403,063,881
14	Hospitals	100,778,630	(2,745,493)	98,033,137
15	Nursing Facilities	91,818,475	4,514,605	96,333,080
16	Home and Community Based Services	30,737,717	(4,939,367)	25,798,350
17	Other Services	507,836,076	(7,346,881)	500,489,195
18	Pharmacy	(1,060,683)	377,265	(683,418)
19	Rhody Health	302,930,915	5,866,046	308,796,961
20	Other Programs	42,500,000	0	42,500,000
21	Restricted Receipts	11,274,268	0	11,274,268
22	Total - Medical Assistance	2,408,966,599	29,431,992	2,438,398,591
23	Grand Total – Office of Health and			
24	Human Services	2,541,841,896	68,319,413	2,610,161,309
25	Children, Youth, and Families			
26	<i>Central Management</i>			
27	General Revenues	7,157,480	1,942,177	9,099,657
28	Federal Funds	2,831,574	1,761,597	4,593,171
29	Total - Central Management	9,989,054	3,703,774	13,692,828
30	<i>Children's Behavioral Health Services</i>			
31	General Revenues	5,099,171	1,563,886	6,663,057
32	Federal Funds	5,447,794	199,111	5,646,905
33	Other Funds			
34	Rhode Island Capital Plan Funds			

1	Training School Repairs/Improvements	550,000	(550,000)	0
2	Total - Children's Behavioral Health			
3	Services	11,096,965	1,212,997	12,309,962
4	<i>Juvenile Correctional Services</i>			
5	General Revenues	22,824,456	338,818	23,163,274
6	Federal Funds	280,282	5,006	285,288
7	Restricted Receipts	0	64,304	64,304
8	Other Funds			
9	Rhode Island Capital Plan Funds			
10	Training School Maintenance	0	550,000	550,000
11	Generators – Rhode Island Training			
12	School	500,000	150,000	650,000
13	Total - Juvenile Correctional			
14	Services	23,604,738	1,108,128	24,712,866
15	<i>Child Welfare</i>			
16	General Revenues	96,928,649	17,862,315	114,790,964
17	18 to 21 Year Olds	13,646,106	(1,046,490)	12,599,616
18	Federal Funds	43,160,424	5,529,388	48,689,812
19	18 to 21 Year Olds	7,295,085	(5,100,068)	2,195,017
20	Restricted Receipts	3,128,707	(307,798)	2,820,909
21	Total - Child Welfare	164,158,971	16,937,347	181,096,318
22	<i>Higher Education Incentive Grants</i>			
23	General Revenues	200,000	0	200,000
24	Grand Total - Children, Youth, and			
25	Families	209,049,728	22,962,246	232,011,974
26	Health			
27	<i>Central Management</i>			
28	General Revenues	789,523	1,214,895	2,004,418
29	Federal Funds	3,646,373	383,016	4,029,389
30	Restricted Receipts	4,976,359	1,751,222	6,727,581
31	Total - Central Management	9,412,255	3,349,133	12,761,388
32	<i>Community Health and Equity</i>			
33	General Revenues	691,032	(16,866)	674,166
34	Federal Funds	71,790,291	(4,809,603)	66,980,688

1	Restricted Receipts	32,202,603	1,845,336	34,047,939
2	Total – Community Health and Equity	104,683,926	(2,981,133)	101,702,793
3	<i>Environmental Health</i>			
4	General Revenues	5,100,209	101,822	5,202,031
5	Federal Funds	7,325,459	(97,725)	7,227,734
6	Restricted Receipts	239,613	98,117	337,730
7	Total - Environmental Health	12,665,281	102,214	12,767,495
8	<i>Health Laboratories and Medical Examiner</i>			
9	General Revenues	9,531,063	627,700	10,158,763
10	Federal Funds	2,034,544	(120,179)	1,914,365
11	Total - Health Laboratories &			
12	Medical Examiner	11,565,607	507,521	12,073,128
13	<i>Customer Services</i>			
14	General Revenues	6,324,375	(266,702)	6,057,673
15	Federal Funds	4,193,231	(166,613)	4,026,618
16	Restricted Receipts	1,087,647	199,768	1,287,415
17	Total – Customer Service	11,605,253	(233,547)	11,371,706
18	<i>Policy, Information and Communications</i>			
19	General Revenues	837,790	100,677	938,467
20	Federal Funds	2,354,457	380,576	2,735,033
21	Restricted Receipts	872,764	638,185	1,510,949
22	Total – Policy, Information			
23	and Communications	4,065,011	1,119,438	5,184,449
24	<i>Preparedness, Response, Infectious Disease & Emergency Services</i>			
25	General Revenues	1,619,131	(67,532)	1,551,599
26	Federal Funds	14,028,957	(629,068)	13,399,889
27	Total – Preparedness, Response, Infectious			
28	Disease & Emergency Services	15,648,088	(696,600)	14,951,488
29	Grand Total – Health	169,645,421	1,167,026	170,812,447

30 **Human Services**

31 *Central Management*

32	General Revenues	3,410,108	448,036	3,858,144
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33 Of this amount, \$300,000 is to support the Domestic Violence Prevention Fund to provide
34 direct services through the Coalition Against Domestic Violence, \$250,000 is to support Project

1 Reach activities provided by the RI Alliance of Boys and Girls Club, \$217,000 is for outreach and
 2 supportive services through Day One, \$175,000 is for food collection and distribution through the
 3 Rhode Island Community Food Bank, \$300,000 for services provided to the homeless at Crossroads
 4 Rhode Island, and \$520,000 for the Community Action Fund and \$200,000 for the Institute for the
 5 Study and Practice of Nonviolence's Reduction Strategy.

6	Federal Funds	3,973,906	797,459	4,771,365
7	Restricted Receipts	507,991	(413,808)	94,183
8	Total - Central Management	7,892,005	831,687	8,723,692

9 *Child Support Enforcement*

10	General Revenues	3,081,319	245,422	3,326,741
11	Federal Funds	7,868,794	49,172	7,917,966
12	Total – Child Support Enforcement	10,950,113	294,594	11,244,707

13 *Individual and Family Support*

14	General Revenues	20,663,169	4,477,061	25,140,230
15	Federal Funds	99,042,651	2,875,172	101,917,823
16	Restricted Receipts	386,650	44,901	431,551
17	Other Funds			
18	Food Stamp Bonus Funding	0	170,000	170,000
19	Intermodal Surface Transportation Fund	4,428,478	0	4,428,478
20	Rhode Island Capital Plan Funds			
21	Blind Vending Facilities	165,000	73,000	238,000
22	Total - Individual and Family Support	124,685,948	7,640,134	132,326,082

23 *Office of Veterans' Affairs*

24	General Revenues	20,601,826	2,327,010	22,928,836
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25 Of this amount, \$200,000 to provide support services through Veterans' Organizations.

26	Federal Funds	19,211,211	1,427,111	20,638,322
27	Restricted Receipts	2,241,167	(531,414)	1,709,753
28	Total – Office Veterans' Affairs	42,054,204	3,222,707	45,276,911

29 *Health Care Eligibility*

30	General Revenues	6,045,119	1,238,202	7,283,321
31	Federal Funds	8,001,670	1,971,989	9,973,659
32	Total - Health Care Eligibility	14,046,789	3,210,191	17,256,980

33 *Supplemental Security Income Program*

34	General Revenues	18,548,119	1,413,881	19,962,000
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1	<i>Rhode Island Works</i>			
2	General Revenues	10,612,819	(723,186)	9,889,633
3	Federal Funds	82,662,141	(987,843)	81,674,298
4	Total – Rhode Island Works	93,274,960	(1,711,029)	91,563,931
5	<i>Other Programs</i>			
6	General Revenues	1,558,951	(345,071)	1,213,880
7	Of this appropriation, \$180,000 <u>\$90,000</u> shall be used for hardship contingency			
8	payments.			
9	Federal Funds	282,060,431	(1,430,675)	280,629,756
10	Total - Other Programs	283,619,382	(1,775,746)	281,843,636
11	<i>Elderly Affairs</i>			
12	General Revenues	6,592,188	663,713	7,255,901
13	Of this amount, \$140,000 is to provide elder services, including respite, through the Diocese			
14	of Providence, \$40,000 for ombudsman services provided by the Alliance for Long Term Care in			
15	accordance with Rhode Island General Law, Chapter 42-66.7, \$85,000 for security for housing for			
16	the elderly in accordance with Rhode Island General Law, Section 42-66.1-3, \$400,000 for Senior			
17	Services Support and \$580,000 for elderly nutrition, of which \$530,000 is for Meals on Wheels.			
18	Federal Funds	12,763,393	629,253	13,392,646
19	Restricted Receipts	134,428	12,507	146,935
20	RIPAE	120,693	(87,693)	33,000
21	Total – Elderly Affairs	19,610,702	1,217,780	20,828,482
22	Grand Total - Human Services	614,682,222	14,344,199	629,026,421
23	Behavioral Healthcare, Developmental Disabilities, and Hospitals			
24	<i>Central Management</i>			
25	General Revenues	1,655,306	279,743	1,935,049
26	Federal Funds	0	725,000	725,000
27	Total - Central Management	1,655,306	1,004,743	2,660,049
28	<i>Hospital and Community System Support</i>			
29	General Revenues	2,067,954	664,717	2,732,671
30	Other Funds			
31	Rhode Island Capital Plan Funds			
32	Medical Center Rehabilitation	250,000	24,784	274,784
33	Community Facilities Fire Code	400,000	(400,000)	0
34	Total - Hospital and Community System			

1	Support	2,717,954	289,501	3,007,455
2	<i>Services for the Developmentally Disabled</i>			
3	General Revenues	123,584,106	6,863,188	130,447,294
4	Of this general revenue funding, \$3.0 million shall be expended on private provider direct			
5	support staff raises and associated payroll costs as authorized by the Department of Behavioral			
6	Healthcare, Developmental Disabilities and Hospitals. Any increases for direct support staff in			
7	residential or other community based settings must first receive the approval of the Office of			
8	Management and Budget and the Executive Office of Health and Human Services.			
9	Federal Funds	130,151,094	9,217,503	139,368,597
10	Restricted Receipts	1,872,560	(340,310)	1,532,250
11	Other Funds			
12	Rhode Island Capital Plan Funds			
13	Community Facilities Fire Code	0	50,000	50,000
14	DD Private Waiver	100,000	0	100,000
15	Regional Center Repair/Rehab	300,000	(159,725)	140,275
16	MR Community Facilities/Access to Ind.	500,000	0	500,000
17	Total - Services for the Developmentally			
18	Disabled	256,507,760	15,630,656	272,138,416
19	<i>Behavioral Healthcare Services</i>			
20	General Revenues	2,543,780	323,178	2,866,958
21	Federal Funds	24,368,659	210,214	24,578,873
22	Of this federal funding, \$900,000 shall be expended on the Municipal Substance Abuse			
23	Task Forces, \$250,000 for the Oasis Wellness and Recovery Center and \$128,000 shall be			
24	expended on NAMI of RI.			
25	Restricted Receipts	100,000	0	100,000
26	Other Funds			
27	Rhode Island Capital Plan Funds			
28	MH Community Facilities Repair	200,000	0	200,000
29	MH Housing Development Thresholds	800,000	0	800,000
30	Substance Abuse Asset Protection	150,000	9,037	159,037
31	Total – Behavioral Healthcare Services	28,162,439	542,429	28,704,868
32	<i>Hospital and Community Rehabilitative Services</i>			
33	General Revenues	46,597,476	6,577,366	53,174,842
34	Federal Funds	49,747,706	10,421,817	60,169,523

1	Restricted Receipts	6,536,595	(1,824,347)	4,712,248
2	Other Funds			
3	Rhode Island Capital Plan Funds			
4	Zambarano Buildings and Utilities	280,000	100,640	380,640
5	Hospital Consolidation	3,310,000	(3,310,000)	0
6	Eleanor Slater HVAC/Elevators	250,000	2,134,265	2,384,265
7	MR Community Facilities	1,025,000	(275,000)	750,000
8	Hospital Equipment	300,000	(4,908)	295,092
9	Total - Hospital and Community			
10	Rehabilitative Services	108,046,777	13,819,833	121,866,610
11	Grand Total – Behavioral Healthcare,			
12	Developmental Disabilities, and Hospitals	397,090,236	31,287,162	428,377,398
13	Office of the Child Advocate			
14	General Revenues	781,499	(52,941)	728,558
15	Federal Funds	144,621	89,357	233,978
16	Grand Total – Office of the Child Advocate	926,120	36,416	962,536
17	Commission on the Deaf and Hard of Hearing			
18	General Revenues	498,710	(43,977)	454,733
19	Restricted Receipts	129,200	0	129,200
20	Grand Total – Comm. on Deaf and Hard of			
21	Hearing	627,910	(43,977)	583,933
22	Governor's Commission on Disabilities			
23	General Revenues	454,938	27,378	482,316
24	Federal Funds	343,542	(8,375)	335,167
25	Restricted Receipts	43,710	9,888	53,598
26	Grand Total - Governor's Commission on			
27	Disabilities	842,190	28,891	871,081
28	Office of the Mental Health Advocate			
29	General Revenues	549,563	83,910	633,473
30	Elementary and Secondary Education			
31	<i>Administration of the Comprehensive Education Strategy</i>			
32	General Revenues	20,106,907	306,614	20,413,521
33	Provided that \$90,000 be allocated to support the hospital school at Hasbro Children's			
34	Hospital pursuant to Rhode Island General Law, Section 16-7-20 and that \$245,000 be allocated to			

1 support child opportunity zones through agreements with the Department of Elementary and
 2 Secondary Education to strengthen education, health and social services for students and their
 3 families as a strategy to accelerate student achievement.

4	Federal Funds	201,868,995	5,466,888	207,335,883
5	Restricted Receipts			
6	Restricted Receipts	2,241,390	(151,259)	2,090,131
7	HRIC Adult Education Grants	3,500,000	0	3,500,000
8	Total – Administration of the			
9	Comprehensive Education Strategy	227,717,292	5,622,243	233,339,535

10 *Davies Career and Technical School*

11	General Revenues	13,358,058	40,885	13,398,943
12	Federal Funds	1,376,685	54,770	1,431,455
13	Restricted Receipts	3,716,922	(21,004)	3,695,918
14	Other Funds			
15	Rhode Island Capital Plan Funds			
16	Davies HVAC	1,000,000	(675,845)	324,155
17	Davies Asset Protection	150,000	224,041	374,041
18	Davies Advanced Manufacturing	3,650,000	(3,250,000)	400,000
19	Total - Davies Career and Technical			
20	School	23,251,665	(3,627,153)	19,624,512

21 *RI School for the Deaf*

22	General Revenues	6,269,979	28,890	6,298,869
23	Federal Funds	254,320	299,504	553,824
24	Restricted Receipts	777,791	55,972	833,763
25	Other Funds			
26	School for the Deaf –Transformation Grants	59,000	0	59,000
27	Total - RI School for the Deaf	7,361,090	384,366	7,745,456

28 *Metropolitan Career and Technical School*

29	General Revenues	9,342,007	0	9,342,007
30	Other Funds			
31	Rhode Island Capital Plan Funds			
32	MET School Asset Protection	250,000	0	250,000
33	Met School HVAC	2,173,000	428,619	2,601,619
34	Total – Metropolitan Career and			

1	Technical School	11,765,007	428,619	12,193,626
2	<i>Education Aid</i>			
3	General Revenues	890,282,092	(66,040)	890,216,052
4	Restricted Receipts	20,184,044	2,754,585	22,938,629
5	Other Funds			
6	Permanent School Fund	300,000	0	300,000
7	Total – Education Aid	910,766,136	2,688,545	913,454,681
8	<i>Central Falls School District</i>			
9	General Revenues	39,878,367	0	39,878,367
10	<i>School Construction Aid</i>			
11	General Revenues			
12	School Housing Aid	70,907,110	(1,827,554)	69,079,556
13	School Building Authority Fund	9,092,890	1,827,554	10,920,444
14	Total – School Construction Aid	80,000,000	0	80,000,000
15	<i>Teachers' Retirement</i>			
16	General Revenues	101,833,986	(60,058)	101,773,928
17	Grand Total - Elementary and Secondary			
18	Education	1,402,573,543	5,436,562	1,408,010,105
19	Public Higher Education			
20	<i>Office of Postsecondary Commissioner</i>			
21	General Revenues	14,578,459	(629,861)	13,948,598
22	Provided that \$355,000 shall be allocated to Rhode Island College Crusade pursuant to Rhode			
23	Island General Law, Section 16-70-5 and that \$30,000 shall be allocated to Best Buddies Rhode			
24	Island to support its programs for children with developmental and intellectual disabilities. It is			
25	also provided that \$2,750,000 <u>\$2,981,086</u> shall be allocated to the Rhode Island Promise			
26	Scholarship program.			
27	Federal Funds			
28	Federal Funds	3,707,287	394,000	4,101,287
29	Guaranty Agency Administration	5,576,382	(5,264)	5,571,118
30	WaytogoRI Portal	650,000	(175,000)	475,000
31	Guaranty Agency Operating Fund–			
32	Scholarships & Grants	4,000,000	0	4,000,000
33	Restricted Receipts	1,490,341	492,852	1,983,193
34	Other Funds			

1	Tuition Savings Program – Dual Enrollment	1,300,000	1,340,000	2,640,000
2	Tuition Savings Program – Scholarship/			
3	Grants	6,095,000	0	6,095,000
4	Nursing Education Center - Operating	5,052,544	(2,545,418)	2,507,126
5	Rhode Island Capital Plan Funds			
6	Westerly Campus	0	98,729	98,729
7	Total – Office of the			
8	Postsecondary Commissioner	42,450,013	(1,029,962)	41,420,051
9	<i>University of Rhode Island</i>			
10	General Revenues			
11	General Revenues	77,371,073	(241,561)	77,129,512
12	Provided that in order to leverage federal funding and support economic development,			
13	\$350,000 shall be allocated to the Small Business Development Center and that \$50,000 shall be			
14	allocated to Special Olympics Rhode Island to support its mission of providing athletic			
15	opportunities for individuals with intellectual and developmental disabilities.			
16	The University shall not decrease internal student financial aid in the 2017 – 2018 academic			
17	year below the level of the 2016 – 2017 academic year. The President of the institution shall report,			
18	prior to the commencement of the 2017-2018 academic year, to the chair of the Council of			
19	Postsecondary Education that such tuition charges and student aid levels have been achieved at the			
20	start of the FY 2018 as prescribed above.			
21	Debt Service	22,657,568	107,338	22,764,906
22	RI State Forensics Laboratory	1,201,087	(784)	1,200,303
23	Other Funds			
24	University and College Funds	645,715,072	(170,646)	645,544,426
25	Debt – Dining Services	1,007,421	(8,280)	999,141
26	Debt – Education and General	3,491,909	(11,370)	3,480,539
27	Debt – Health Services	136,271	0	136,271
28	Debt – Housing Loan Funds	9,984,968	(233,320)	9,751,648
29	Debt – Memorial Union	320,961	0	320,961
30	Debt – Ryan Center	2,423,089	(29,322)	2,393,767
31	Debt – Alton Jones Services	102,964	0	102,964
32	Debt - Parking Authority	1,126,190	(179,673)	946,517
33	Debt – Sponsored Research	84,913	15,409	100,322
34	Debt – Restricted Energy Conservation	810,170	(341,744)	468,426

1	Debt – URI Energy Conservation	1,831,837	(50,551)	1,781,286
2	Rhode Island Capital Plan Funds			
3	Asset Protection	8,030,000	522,287	8,552,287
4	Fine Arts Center Advanced Planning	1,000,000	0	1,000,000
5	White Hall Renovations	0	228,969	228,969
6	Electrical Substation	0	581,000	581,000
7	Fire Safety	0	373,348	373,348
8	Biological Resources Lab	0	1,204,831	1,204,831
9	Total – University of Rhode Island	777,295,493	1,765,931	779,061,424

10 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
11 unencumbered balances as of June 30, 2018 relating to the University of Rhode Island are hereby
12 reappropriated to fiscal year 2019.

13 *Rhode Island College*

14 General Revenues

15	General Revenues	48,188,791	(285,767)	47,903,024
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16 Rhode Island College shall not decrease internal student financial aid in the 2017 – 2018
17 academic year below the level of the 2016 – 2017 academic year. The President of the institution
18 shall report, prior to the commencement of the 2017 – 2018 academic year, to the chair of the
19 Council of Postsecondary Education that such tuition charges and student aid levels have been
20 achieved at the start of the FY 2018 as prescribed above.

21	Debt Service	4,867,060	1,325,568	6,192,628
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22 Other Funds

23	University and College Funds	127,503,637	(870,851)	126,632,786
24	Debt – Education and General	1,473,919	(592,875)	881,044
25	Debt – Housing	368,262	0	368,262
26	Debt – Student Center and Dining	154,095	0	154,095
27	Debt – Student Union	235,556	(29,006)	206,550
28	Debt – G.O. Debt Service	1,640,974	0	1,640,974
29	Debt – Energy Conservation	592,875	0	592,875

30 Rhode Island Capital Plan Funds

31	Asset Protection	3,458,431	1,210,476	4,668,907
32	Infrastructure Modernization	4,500,000	1,032,253	5,532,253
33	Academic Building Phase I	6,100,000	0	6,100,000
34	Total – Rhode Island College	199,083,600	1,789,798	200,873,398

1 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
 2 unencumbered balances as of June 30, 2018 relating to Rhode Island College are hereby
 3 reappropriated to fiscal year 2019.

4 *Community College of Rhode Island*

5 General Revenues

6	General Revenues	49,935,710	(226,463)	49,709,247
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7 The Community College of Rhode Island shall not decrease internal student financial aid in
 8 the 2017 – 2018 academic year below the level as the 2016 – 2017 academic year. The President
 9 of the institution shall report, prior to the commencement of the 2017 – 2018 academic year, to the
 10 chair of the Council of Postsecondary Education that such tuition charges and student aid levels
 11 have been achieved at the start of the FY 2018 as prescribed above.

12	Debt Service	2,082,845	0	2,082,845
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13	Restricted Receipts	683,649	0	683,649
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14 Other Funds

15	University and College Funds	99,588,610	(830,115)	98,758,495
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16	CCRI Debt Service – Energy Conservation	805,025	0	805,025
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17 Rhode Island Capital Plan Funds

18	Asset Protection	2,799,063	1,722,759	4,521,822
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19	Knight Campus Lab Renovation	375,000	0	375,000
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20	Knight Campus Renewal	5,000,000	(649,573)	4,350,427
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21	Total – Community College of RI	161,269,902	16,608	161,286,510
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22 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
 23 unencumbered balances as of June 30, 2018 relating to the Community College of Rhode Island
 24 are hereby reappropriated to fiscal year 2019.

25 Grand Total – Public Higher

26	Education	1,180,099,008	2,542,375	1,182,641,383
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27 **RI State Council on the Arts**

28 General Revenues

29	Operating Support	780,056	(19,503)	760,553
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30	Grants	1,165,000	0	1,165,000
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31 Provided that \$375,000 be provided to support the operational costs of WaterFire Providence
 32 art installations.

33	Federal Funds	781,454	(29,658)	751,796
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34	Restricted Receipts	0	10,881	10,881
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1	Other Funds			
2	Arts for Public Facilities	345,800	54,200	400,000
3	Grand Total - RI State Council on the Arts	3,072,310	15,920	3,088,230
4	RI Atomic Energy Commission			
5	General Revenues	982,157	47,070	1,029,227
6	Federal Funds	0	36,888	36,888
7	Other Funds			
8	URI Sponsored Research	272,216	(454)	271,762
9	Rhode Island Capital Plan Funds			
10	RINSC Asset Protection	50,000	27,649	77,649
11	Grand Total - RI Atomic Energy			
12	Commission	1,304,373	111,153	1,415,526
13	RI Historical Preservation and Heritage Commission			
14	General Revenues	1,121,134	(90,050)	1,031,084
15	Provided that \$30,000 support the operational costs of the Fort Adams Trust's restoration			
16	activities.			
17	Federal Funds	860,963	115,240	976,203
18	Restricted Receipts	427,700	26,591	454,291
19	Other Funds			
20	RIDOT Project Review	80,970	0	80,970
21	Grand Total – RI Historical Preservation			
22	and Heritage Commission	2,490,767	51,781	2,542,548
23	Attorney General			
24	<i>Criminal</i>			
25	General Revenues	16,070,177	(359,723)	15,710,454
26	Federal Funds	16,988,288	12,262,275	29,250,563
27	Restricted Receipts	164,599	(15,497)	149,102
28	Total – Criminal	33,223,064	11,887,055	45,110,119
29	<i>Civil</i>			
30	General Revenues	5,251,678	(293,893)	4,957,785
31	Restricted Receipts	631,559	11,807	643,366
32	Total – Civil	5,883,237	(282,086)	5,601,151
33	<i>Bureau of Criminal Identification</i>			
34	General Revenues	1,670,102	(64,274)	1,605,828

1	<i>General</i>			
2	General Revenues	3,202,794	26,047	3,228,841
3	Other Funds			
4	Rhode Island Capital Plan Funds			
5	Building Renovations and Repairs	150,000	0	150,000
6	Total – General	3,352,794	26,047	3,378,841
7	Grand Total - Attorney General	44,129,197	11,566,742	55,695,939
8	Corrections			
9	<i>Central Management</i>			
10	General Revenues	9,994,732	6,371,192	16,365,924
11	Federal Funds	3,743	109,571	113,314
12	Total – Central Management	9,998,475	6,480,763	16,479,238
13	<i>Parole Board</i>			
14	General Revenues	1,420,791	(155,321)	1,265,470
15	Federal Funds	120,827	0	120,827
16	Total – Parole Board	1,541,618	(155,321)	1,386,297
17	<i>Custody and Security</i>			
18	General Revenues	137,893,460	(773,984)	137,119,476
19	Federal Funds	785,392	79,155	864,547
20	Total – Custody and Security	138,678,852	(694,829)	137,984,023
21	<i>Institutional Support</i>			
22	General Revenues	14,915,103	8,069,272	22,984,375
23	Other Funds			
24	Rhode Island Capital Plan Funds			
25	Correctional Facilities Study	0	250,000	250,000
26	Asset Protection	3,922,042	(1,422,042)	2,500,000
27	Maximum – General Renovations	1,300,000	63,091	1,363,091
28	Dix Building Renovations	1,075,000	(813,857)	261,143
29	New Gloria McDonald Building	150,000	(150,000)	0
30	ISC Exterior Envelope and HVAC	2,027,455	(1,300,000)	727,455
31	Medium Infrastructure	7,283,688	(2,588,687)	4,695,001
32	Total - Institutional Support	30,673,288	2,107,777	32,781,065
33	<i>Institutional Based Rehab/Population Management</i>			
34	General Revenues	11,694,520	1,712,119	13,406,639

1 Provided that \$1,050,000 be allocated to Crossroads Rhode Island for sex offender discharge
 2 planning.

3	Federal Funds	584,942	448,260	1,033,202
4	Restricted Receipts	44,473	5,043	49,516
5	Total – Institutional Based Rehab/Pop/Mgt.	12,323,935	2,165,422	14,489,357

6 *Healthcare Services*

7	General Revenues	23,800,253	(315,658)	23,484,595
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8 *Community Corrections*

9	General Revenues	18,581,969	(1,941,001)	16,640,968
10	Federal Funds	86,980	34,286	121,266
11	Restricted Receipts	14,895	0	14,895
12	Total – Community Corrections	18,683,844	(1,906,715)	16,777,129
13	Grand Total – Corrections	235,700,265	7,681,439	243,381,704

14 **Judiciary**

15 *Supreme Court*

16	General Revenues			
17	General Revenues	28,306,302	1,259,543	29,565,845

18 Provided however, that no more than \$1,183,205 in combined total shall be offset to the
 19 Public Defender's Office, the Attorney General's Office, the Department of Corrections, the
 20 Department of Children, Youth, and Families, and the Department of Public Safety for square-
 21 footage occupancy costs in public courthouses and further provided that \$230,000 be allocated to
 22 the Rhode Island Coalition Against Domestic Violence for the domestic abuse court advocacy
 23 project pursuant to Rhode Island General Law, Section 12-29-7 and that \$90,000 be allocated to
 24 Rhode Island Legal Services, Inc. to provide housing and eviction defense to indigent individuals.

25	Defense of Indigents	3,803,166	0	3,803,166
26	Federal Funds	121,481	20,270	141,751
27	Restricted Receipts	3,980,969	(598,436)	3,382,533
28	Other Funds			
29	Rhode Island Capital Plan Funds			
30	Judicial Complexes - HVAC	900,000	0	900,000
31	Judicial Complexes Asset Protection	950,000	82,391	1,032,391
32	Licht Judicial Complex Restoration	750,000	75,956	825,956
33	Licht Window/Exterior Restoration	500,000	0	500,000
34	Noel Shelled Courtroom Build Out	4,000,000	(1,600,000)	2,400,000

1	Total - Supreme Court	43,311,918	(760,276)	42,551,642
2	<i>Judicial Tenure and Discipline</i>			
3	General Revenues	146,008	2,091	148,099
4	<i>Superior Court</i>			
5	General Revenues	23,379,864	(686,988)	22,692,876
6	Federal Funds	91,739	(485)	91,254
7	Restricted Receipts	370,781	15,170	385,951
8	Total - Superior Court	23,842,384	(672,303)	23,170,081
9	<i>Family Court</i>			
10	General Revenues	20,695,682	97,506	20,793,188
11	Federal Funds	2,908,095	(129,952)	2,778,143
12	Total - Family Court	23,603,777	(32,446)	23,571,331
13	<i>District Court</i>			
14	General Revenues	13,165,035	(23,993)	13,141,042
15	Federal Funds	289,829	(145,439)	144,390
16	Restricted Receipts	60,000	0	60,000
17	Total - District Court	13,514,864	(169,432)	13,345,432
18	<i>Traffic Tribunal</i>			
19	General Revenues	9,468,420	(711,270)	8,757,150
20	<i>Workers' Compensation Court</i>			
21	Restricted Receipts	8,118,883	(41,501)	8,077,382
22	Grand Total – Judiciary	122,006,254	(2,385,137)	119,621,117
23	Military Staff			
24	General Revenues	2,634,057	343,626	2,977,683
25	Federal Funds	27,746,960	(1,496,989)	26,249,971
26	Restricted Receipts			
27	RI Military Family Relief Fund	100,000	(50,000)	50,000
28	Other Funds			
29	Rhode Island Capital Plan Funds			
30	Armory of Mounted Command Roof			
31	Replacement	949,775	(922,500)	27,275
32	Asset Protection	700,000	0	700,000
33	Benefit Street Arsenal Rehabilitation	0	12,613	12,613
34	Burrillville Regional Training Institute	22,150	(22,150)	0

1	Bristol Readiness Center	125,000	(125,000)	0
2	Joint Force Headquarters Building	5,900,000	(4,137,936)	1,762,064
3	Middletown Armory Land Transfer	0	700,000	700,000
4	Grand Total – Military Staff	38,177,942	(5,698,336)	32,479,606
5	Public Safety			
6	<i>Central Management</i>			
7	General Revenues	1,015,489	(152,609)	862,880
8	Federal Funds	10,918,463	(4,321,111)	6,597,352
9	Total – Central Management	11,933,952	(4,473,720)	7,460,232
10	<i>E-911 Emergency Telephone System</i>			
11	General Revenues	5,894,522	(512,873)	5,381,649
12	<i>State Fire Marshal</i>			
13	General Revenues	3,669,361	(169,279)	3,500,082
14	Federal Funds	277,167	95,678	372,845
15	Restricted Receipts	212,166	187,834	400,000
16	Other Funds			
17	Quonset Development Corporation	72,442	(8,979)	63,463
18	Rhode Island Capital Plan Funds			
19	Fire Training Academy	0	524,503	524,503
20	Total - State Fire Marshal	4,231,136	629,757	4,860,893
21	<i>Security Services</i>			
22	General Revenues	23,937,443	(253,285)	23,684,158
23	<i>Municipal Police Training Academy</i>			
24	General Revenues	269,414	9,125	278,539
25	Federal Funds	239,365	231,220	470,585
26	Total - Municipal Police Training			
27	Academy	508,779	240,345	749,124
28	<i>State Police</i>			
29	General Revenues	65,492,857	1,729,763	67,222,620
30	Federal Funds	3,444,674	2,511,649	5,956,323
31	Restricted Receipts	203,758	880,853	1,084,611
32	Other Funds			
33	Lottery Commission Assistance	1,495,293	(189,547)	1,305,746
34	Airport Commission Assistance	150,000	(320)	149,680

1	Road Construction Reimbursement	2,934,672	(733,161)	2,201,511
2	Weight & Measurement Reimbursement	400,000	(95,011)	304,989
3	Rhode Island Capital Plan Funds			
4	DPS Asset Protection	250,000	476,797	726,797
5	Training Academy Upgrades	100,000	427,268	527,268
6	Facilities Master Plan	0	200,000	200,000
7	Total - State Police	74,471,254	5,208,291	79,679,545
8	Grand Total – Public Safety	120,977,086	838,515	121,815,601
9	Office of Public Defender			
10	General Revenues	12,043,006	(295,821)	11,747,185
11	Federal Funds	97,820	3,165	100,985
12	Grand Total - Office of Public Defender	12,140,826	(292,656)	11,848,170
13	Emergency Management Agency			
14	General Revenues	1,734,470	156,912	1,891,382
15	Federal Funds	14,775,673	307,389	15,083,062
16	Restricted Receipts	450,095	(2,226)	447,869
17	Other Funds			
18	Rhode Island Capital Plan Funds			
19	Emergency Management Building	0	189,750	189,750
20	RI Statewide Communications Network	1,494,414	0	1,494,414
21	Grand Total – Emergency			
22	Management Agency	18,454,652	651,825	19,106,477
23	Environmental Management			
24	<i>Office of the Director</i>			
25	General Revenues	5,541,873	1,570,615	7,112,488
26	Of this general revenue amount, \$50,000 is appropriated to the Conservation Districts.			
27	Federal Funds	0	503	503
28	Restricted Receipts	4,054,487	(134,408)	3,920,079
29	Total – Office of the Director	9,596,360	1,436,710	11,033,070
30	<i>Natural Resources</i>			
31	General Revenues	21,088,161	(147,118)	20,941,043
32	Federal Funds	23,024,285	711,645	23,735,930
33	Restricted Receipts	3,998,533	426,369	4,424,902
34	Other Funds			

1	DOT Recreational Projects	1,178,375	(107)	1,178,268
2	Blackstone Bikepath Design	2,059,579	(107)	2,059,472
3	Transportation MOU	78,350	(120)	78,230
4	Rhode Island Capital Plan Funds			
5	Dam Repair	2,245,805	(1,995,805)	250,000
6	Fort Adams Rehabilitation	300,000	0	300,000
7	Fort Adams Sailing Improvements	1,750,000	69,851	1,819,851
8	Recreational Facilities Improvements	2,450,000	(206,775)	2,243,225
9	Galilee Piers Upgrade	1,250,000	(971,233)	278,767
10	Newport Piers	137,500	72,662	210,162
11	Fish & Wildlife Maintenance Facilities	150,000	(150,000)	0
12	Blackstone Valley Park			
13	Improvements	359,170	(109,170)	250,000
14	Natural Resources Offices/Visitor's			
15	Center	1,000,000	(900,000)	100,000
16	Rocky Point Acquisition/Renovations	150,000	87,768	237,768
17	Marine Infrastructure/Pier Development	500,000	(150,000)	350,000
18	State Recreation Building Demolition	100,000	0	100,000
19	World War II Facility	0	50,681	50,681
20	Total - Natural Resources	61,819,758	(3,211,459)	58,608,299
21	<i>Environmental Protection</i>			
22	General Revenues	12,674,150	(500,930)	12,173,220
23	Federal Funds	10,375,027	375,711	10,750,738
24	Restricted Receipts	9,321,063	(11,826)	9,309,237
25	Other Funds			
26	Transportation MOU	164,734	(134)	164,600
27	Total - Environmental Protection	32,534,974	(137,179)	32,397,795
28	Grand Total - Environmental Management	103,951,092	(1,911,928)	102,039,164
29	Coastal Resources Management Council			
30	General Revenues	2,487,578	(16,620)	2,470,958
31	Federal Funds	1,649,291	2,564,530	4,213,821
32	Restricted Receipts	250,000	0	250,000
33	Other Funds			
34	Rhode Island Capital Plan Funds			

1	Rhode Island Coastal Storm Risk Study	150,000	(150,000)	0
2	Narragansett Bay SAMP	250,000	(250,000)	0
3	Green Pond Dredging Study	50,000	0	50,000
4	Grand Total - Coastal Resources Mgmt. Council	4,836,869	2,147,910	6,984,779
5	Transportation			
6	<i>Central Management</i>			
7	Federal Funds	6,756,379	1,305,324	8,061,703
8	Other Funds			
9	Gasoline Tax	4,799,653	664	4,800,317
10	Total – Central Management	11,556,032	1,305,988	12,862,020
11	<i>Management and Budget</i>			
12	Other Funds			
13	Gasoline Tax	2,942,455	2,694,892	5,637,347
14	<i>Infrastructure Engineering – GARVEE/Motor Fuel Tax Bonds</i>			
15	Federal Funds			
16	Federal Funds	274,247,090	(3,904,392)	270,342,698
17	Federal Funds – Stimulus	4,386,593	621,134	5,007,727
18	Restricted Receipts	3,168,128	(82,050)	3,086,078
19	Other Funds			
20	Gasoline Tax	76,170,795	(510,712)	75,660,083
21	Land Sale Revenue	2,673,125	(41,997)	2,631,128
22	Toll Revenue	0	4,000,000	4,000,000
23	Rhode Island Capital Plan Funds			
24	RIPTA Land and Buildings	90,000	0	90,000
25	T.F. Green Airport Improvements	2,000,000	(700,000)	1,300,000
26	RIPTA Pawtucket Bus Hub	313,018	0	313,018
27	RIPTA Providence Transit Connector	470,588	0	470,588
28	Highway Improvement Program	35,851,346	7,054,211	42,905,557
29	Total – Infrastructure Engineering	399,370,683	6,436,194	405,806,877
30	<i>Infrastructure Maintenance</i>			
31	Other Funds			
32	Gasoline Tax	20,612,520	(4,252,933)	16,359,587
33	Non-Land Surplus Property	50,000	0	50,000
34	Outdoor Advertising	100,000	0	100,000

1	Rhode Island Highway Maintenance			
2	Account	74,433,382	67,537,472	141,970,854
3	Rhode Island Capital Plan Funds			
4	Maintenance Facilities Improvements	400,000	123,989	523,989
5	Salt Storage Facilities	1,750,000	0	1,750,000
6	Maintenance-Capital Equip.			
7	Replacement	2,500,000	156,324	2,656,324
8	Train Station Maintenance and Repairs	350,000	0	350,000
9	Total – Infrastructure Maintenance	100,195,902	63,564,852	163,760,754
10	Grand Total – Transportation	514,065,072	74,001,926	588,066,998
11	Statewide Totals			
12	General Revenue	3,767,715,656	63,405,064	3,831,120,720
13	Federal Funds	3,134,144,774	97,624,483	3,231,769,257
14	Restricted Receipts	261,725,805	16,260,047	277,985,852
15	Other Funds	2,079,248,575	44,202,953	2,123,451,528
16	Statewide Grand Total	9,242,834,810	221,492,547	9,464,327,357

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

18 SECTION 3. The general assembly authorizes the state controller to establish the internal
19 service accounts shown below, and no other, to finance and account for the operations of state
20 agencies that provide services to other agencies, institutions and other governmental units on a cost
21 reimbursed basis. The purpose of these accounts is to ensure that certain activities are managed in
22 a businesslike manner, promote efficient use of services by making agencies pay the full costs
23 associated with providing the services, and allocate the costs of central administrative services
24 across all fund types, so that federal and other non-general fund programs share in the costs of
25 general government support. The controller is authorized to reimburse these accounts for the cost
26 of work or services performed for any other department or agency subject to the following
27 expenditure limitations:

28		FY 2018	FY 2018	FY 2018
29	Account	Enacted	Change	Final
30	State Assessed Fringe Benefit Internal Service Fund	41,229,448	8,895,239	50,124,687
31	Administration Central Utilities Internal Service Fund	24,910,320	(2,000,000)	22,910,320
32	State Central Mail Internal Service Fund	6,838,505	(252,910)	6,585,595
33	State Telecommunications Internal Service Fund	3,244,413	309,509	3,553,922
34	State Automotive Fleet Internal Service Fund	12,510,602	(198,418)	12,312,184

1	Surplus Property Internal Service Fund	3,000	0	3,000
2	Health Insurance Internal Service Fund	251,804,700	325,267	252,129,967
3	State Fleet Revolving Loan Fund	273,786	0	273,786
4	Other Post-Employment Benefits Fund	63,852,483	0	63,852,483
5	Capital Police Internal Service Fund	1,306,128	(115,979)	1,190,149
6	Corrections Central Distribution Center Internal			
7	Service Fund	6,784,478	333,580	7,118,058
8	Correctional Industries Internal Service Fund	7,581,704	428,666	8,010,370
9	Secretary of State Record Center Internal Service Fund	807,345	133,146	940,491
10	Human Resources Internal Service Fund	0	12,012,230	12,012,230
11	DCAMM Facilities Internal Service Fund	0	37,286,593	37,286,593
12	Information Technology Internal Service Fund	0	32,179,344	32,179,344

13 SECTION 4. Departments and agencies listed below may not exceed the number of full-time
14 equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do not
15 include seasonal or intermittent positions whose scheduled period of employment does not exceed
16 twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and twenty-
17 five (925) hours, excluding overtime, in a one-year period. Nor do they include individuals engaged
18 in training, the completion of which is a prerequisite of employment. Provided, however, that the
19 Governor or designee, Speaker of the House of Representatives or designee, and the President of
20 the Senate or designee may authorize an adjustment to any limitation. Prior to the authorization,
21 the State Budget Officer shall make a detailed written recommendation to the Governor, the
22 Speaker of the House, and the President of the Senate. A copy of the recommendation and
23 authorization to adjust shall be transmitted to the chairman of the House Finance Committee, Senate
24 Finance Committee, the House Fiscal Advisor and the Senate Fiscal Advisor.

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

28 FY 2018 FTE POSITION AUTHORIZATION

29	<u>Departments and Agencies</u>	<u>Full-Time Equivalent</u>
30	Administration	696.7 <u>697.7</u>
31	Business Regulation	101.0 <u>106.0</u>
32	Executive Office of Commerce	17.0
33	Labor and Training	428.7
34	Revenue	533.5 <u>529.5</u>

1	Legislature	298.5
2	Office of the Lieutenant Governor	8.0
3	Office of the Secretary of State	59.0
4	Office of the General Treasurer	89.0
5	Board of Elections	12.0
6	Rhode Island Ethics Commission	12.0
7	Office of the Governor	45.0
8	Commission for Human Rights	14.5
9	Public Utilities Commission	51.0
10	Office of Health and Human Services	285.0
11	Children, Youth, and Families	616.5
12	Health	493.6 <u>506.6</u>
13	Human Services	981.1
14	Behavioral Health, Developmental Disabilities, and Hospitals	1,319.4
15	Office of the Child Advocate	8.0
16	Commission on the Deaf and Hard of Hearing	4.0
17	Governor's Commission on Disabilities	4.0
18	Office of the Mental Health Advocate	4.0
19	Elementary and Secondary Education	139.1
20	School for the Deaf	60.0
21	Davies Career and Technical School	126.0
22	Office of the Postsecondary Commissioner	37.0 <u>38.0</u>
23	Provided that 1.0 of the total authorization would be available only for positions that are	
24	supported by third-party funds.	
25	University of Rhode Island	2,489.5
26	Provided that 573.8 of the total authorization would be available only for positions that are	
27	supported by third-party funds.	
28	Rhode Island College	926.2
29	Provided that 76.0 of the total authorization would be available only for positions that are	
30	supported by third-party funds.	
31	Community College of Rhode Island	854.1
32	Provided that 89.0 of the total authorization would be available only for positions that are	
33	supported by third-party funds.	
34	Rhode Island State Council on the Arts	8.6

1	RI Atomic Energy Commission	8.6
2	Historical Preservation and Heritage Commission	15.6
3	Office of the Attorney General	235.1
4	Corrections	1,423.0 1,435.0
5	Judicial	723.3
6	Military Staff	92.0
7	Public Safety	611.6 610.6
8	Office of the Public Defender	93.0
9	Emergency Management Agency	32.0
10	Environmental Management	400.0
11	Coastal Resources Management Council	29.0
12	Transportation	775.0
13	Total	15,160.2 15,187.2

14 SECTION 5. Notwithstanding any general laws to the contrary, the Department of
15 Business Regulation shall transfer to the State Controller the sum of seven hundred fifty thousand
16 dollars (\$750,000) from the Insurance Companies Assessment for Actuary Costs restricted receipts
17 account by June 30, 2018.

18 SECTION 6. Notwithstanding any general laws to the contrary, the Department of
19 Business Regulation shall transfer to the State Controller the sum of eight hundred thousand dollars
20 (\$800,000) from the Commercial Licensing, Racing and Athletics Reimbursement restricted
21 receipts account by June 30, 2018.

22 SECTION 7. Notwithstanding any provisions of Chapter 15.1 in Title 46 of the Rhode
23 Island General Laws or other laws to the contrary, the Department of Administration shall transfer
24 to the State Controller the sum of one million fifty thousand three hundred thirty nine dollars
25 (\$1,050,339) from the Water Resources Board Corporate escrow account by June 30, 2018.

26 SECTION 8. This article shall take effect upon passage.

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ARTICLE 11

RELATING TO WORKFORCE DEVELOPMENT

SECTION 1. Section 28-42-84 of the General Laws in Chapter 28-42 entitled "Employment Security - General Provisions" is hereby amended to read as follows:

28-42-84. Job development fund -- Disbursements -- Unexpended balance.

(a) The moneys in the job development fund shall be used for the following purposes:

(1) To reimburse the department of labor and training for the loss of any federal funds resulting from the collection and maintenance of the fund by the department;

(2) To make refunds of contributions erroneously collected and deposited in the fund;

(3) To pay any administrative expenses incurred by the department of labor and training associated with the collection of the contributions for employers paid pursuant to § 28-43-8.5, and any other administrative expenses associated with the maintenance of the fund, including the payment of all premiums upon bonds required pursuant to § 28-42-85;

(4) To provide for job training, counseling and assessment services, and other related activities and services. Services will include, but are not limited to, research, development, coordination, and training activities to promote workforce development and business development as established by the governor's workforce board Rhode Island (workforce board);

(5) To support the state's job training for economic development;

(6) Beginning January 1, 2001, two hundredths of one percent (0.02%) out of the job development assessment paid pursuant to § 28-43-8.5 shall be used to support necessary, core services in the unemployment insurance and employment services programs operated by the department of labor and training; **and**

(7) Beginning January 1, 2011, and ending in tax year 2014, three tenths of one percent (0.3%) out of the fifty-one hundredths of one percent (0.51%) job development assessment paid pursuant to § 28-43-8.5 shall be deposited into a restricted receipt account to be used solely to pay the principal and/or interest due on Title XII advances received from the federal government in accordance with the provisions of Section 1201 of the Social Security Act [42 U.S.C. § 1321]; provided, however, that if the federal Title XII loans are repaid through a state revenue bond or other financing mechanism, then these funds may also be used to pay the principal and/or interest that accrues on that debt. Any remaining funds in the restricted receipt account, after the

1 outstanding principal and interest due has been paid, shall be transferred to the employment security
2 fund for the payment of benefits; and

3 (8) Beginning January 1, 2019 and ending December 31, 2019, the amount of the job
4 development assessment paid pursuant to § 28-43.8-5 above nineteen hundredths of one percent
5 (0.19%) shall be used to support necessary, core services in the unemployment insurance and
6 employment services programs operated by the department of labor and training.

7 (b) The general treasurer shall pay all vouchers duly drawn by the workforce board upon
8 the fund, in any amounts and in any manner that the workforce board may prescribe. Vouchers so
9 drawn upon the fund shall be referred to the controller within the department of administration.
10 Upon receipt of those vouchers, the controller shall immediately record and sign them and shall
11 promptly transfer those signed vouchers to the general treasurer. Those expenditures shall be used
12 solely for the purposes specified in this section and its balance shall not lapse at any time but shall
13 remain continuously available for expenditures consistent with this section. The general assembly
14 shall annually appropriate the funds contained in the fund for the use of the workforce board and,
15 in addition, for the use of the department of labor and training effective July 1, 2000, and for the
16 payment of the principal and interest due on federal Title XII loans beginning July 1, 2011;
17 provided, however, that if the federal Title XII loans are repaid through a state revenue bond or
18 other financing mechanism, then the funds may also be used to pay the principal and/or interest
19 that accrues on that debt.

20 SECTION 2. Sections 28-43-1 and 28-43-8.5 of the General Laws in Chapter 28-43 entitled
21 "Employment Security - Contributions" are hereby amended to read as follows:

22 **28-43-1. Definitions.**

23 The following words and phrases as used in this chapter have the following meanings,
24 unless the context clearly requires otherwise:

25 (1) "Balancing account" means a book account to be established within the employment
26 security fund, the initial balance of which shall be established by the director as of September 30,
27 1979, by transferring the balance of the solvency account on that date to the balancing account.

28 (2) "Computation date" means September 30 of each year.

29 (3) "Eligible employer" means an employer who has had three (3) consecutive experience
30 years during each of which contributions have been credited to his account and benefits have been
31 chargeable to this account.

32 (4) "Employer's account" means a separate account to be established within the
33 employment security fund by the director as of September 30, 1958, for each employer subject to
34 chapters 42 -- 44 of this title, out of the money remaining in that fund after the solvency account

1 has been established in the fund, by crediting to each employer an initial credit balance bearing the
2 same relation to the total fund balance so distributed, as his or her tax contributions to the fund
3 during the period beginning October 1, 1955, and ending on September 30, 1958, have to aggregate
4 tax contributions paid by all employers during the same period; provided, that nothing contained in
5 this section shall be construed to grant to any employer prior claim or rights to the amount
6 contributed by him or her to the fund.

7 (5) "Experience rate" means the contribution rate assigned to an employer's account under
8 whichever is applicable of schedules A -- I in § 28-43-8.

9 (6) "Experience year" means the period of twelve (12), consecutive calendar months ending
10 September 30 of each year.

11 (7) "Most recent employer" means the last base-period employer from whom an individual
12 was separated from employment and for whom the individual worked for at least four (4) weeks,
13 and in each of those four (4) weeks had earnings of at least twenty (20) times the minimum hourly
14 wage as defined in chapter 12 of this title.

15 (8) "Reserve percentage" means, in relation to an employer's account, the net balance of
16 that account on a computation date, including any voluntary contributions made in accordance with
17 § 28-43-5.1, stated as a percentage of the employer's twelve-month (12) average taxable payroll for
18 the last thirty-six (36) months ended on the immediately preceding June 30.

19 (9) "Reserve ratio of fund" means the ratio which the total amount available for the
20 payment of benefits in the employment security fund on September 30, 1979, or any computation
21 date thereafter, minus any outstanding federal loan balance, plus an amount equal to funds
22 transferred to the job development fund through the job development assessment adjustment for
23 the prior calendar year, bears to the aggregate of all total payrolls subject to this chapter paid during
24 the twelve-month (12) period ending on the immediately preceding June 30, or the twelve-month
25 (12) average of all total payrolls during the thirty-six-month (36) period ending on that June 30,
26 whichever percentage figure is smaller.

27 (10) "Taxable payroll" means, for the purpose of this chapter, the total of all wages as
28 defined in § 28-42-3(29).

29 (11) "Tax year" means the calendar year.

30 (12) "Total payroll" means, for the purpose of this chapter, the total of all wages paid by
31 all employers who are required to pay contributions under the provisions of chapters 42 -- 44 of
32 this title.

33 (13) "Unadjusted reserve ratio of fund" means the ratio which the total amount available
34 for the payment of benefits in the employment security fund on September 30, 1979, or any

1 computation date thereafter, minus any outstanding federal loan balance, bears to the aggregate of
2 all total payrolls subject to this chapter paid during the twelve-month (12) period ending on the
3 immediately preceding June 30, or the twelve-month (12) average of all total payrolls during the
4 thirty-six-month (36) period ending on that June 30, whichever percentage figure is smaller.

5 ~~(13)~~(14) "Voluntary contribution" means a contribution paid by an employer to his or her
6 account in accordance with § 28-43-5.1 to reduce the employer's experience rate for the ensuing
7 tax year.

8 **28-43-8.5. Job development assessment.**

9 (a) For the tax years 2011 through 2014, each employer subject to this chapter shall be
10 required to pay a job development assessment of fifty-one hundredths of one percent (0.51%) of
11 that employer's taxable payroll, in addition to any other payment which that employer is required
12 to make under any other provision of this chapter; provided, that the assessment shall not be
13 considered as part of the individual employer's contribution rate for the purpose of determining the
14 individual employer's balancing charge pursuant to § 28-43-9; provided, further, upon full
15 repayment of any outstanding principal and/or interest due on Title XII advances received from the
16 federal government in accordance with the provisions of section 1201 of the Social Security Act
17 [42 U.S.C. § 1321], including any principal and/or interest that accrues on debt from a state revenue
18 bond or other financing mechanism used to repay the Title XII advances, then the job development
19 assessment shall be reduced to twenty-one hundredths of one percent (0.21%) beginning the tax
20 quarter after the full repayment occurs. The tax rate for all employers subject to the contribution
21 provisions of chapters 42 -- 44 of this title shall be reduced by twenty-one hundredths of one percent
22 (0.21%). For tax year 2015 and subsequent years, except tax year 2019, each employer subject to
23 this chapter shall be required to pay a job development assessment of twenty-one hundredths of
24 one percent (0.21%) of that employer's taxable payroll, in addition to any other payment which that
25 employer is required to make under any other provision of this chapter; provided, that the
26 assessment shall not be considered as part of the individual employer's contribution rate for the
27 purpose of determining the individual employer's balancing charge pursuant to § 28-43-9. The tax
28 rate for all employers subject to contribution provisions of chapters 42 -- 44 of this title shall be
29 reduced by twenty-one hundredths of one percent (0.21%). For tax year 2019, each employer
30 subject to this chapter shall be required to pay a base job development assessment of twenty-one
31 hundredths of one percent (0.21%) of that employer's taxable payroll, plus a job development
32 assessment adjustment as computed pursuant to subsection (b) of this section, in addition to any
33 other payment which that employer is required to make under any other provision of this chapter;
34 provided, that:

1 (1) the assessment shall not be considered as part of the individual employer's contribution
2 rate for the purpose of determining the individual employer's balancing charge pursuant to § 28-
3 43-9; and

4 (2) A job development adjustment shall be computed only if tax schedule A through H is
5 scheduled to be in effect for the ensuing calendar year; and

6 (3) The employment security fund earned interest in the prior calendar year.

7 (b) On September 30, 2018, the job development assessment adjustment shall be computed
8 to determine the job development assessment that will be in effect during the ensuing calendar year.

9 The adjustment shall be computed by dividing the interest earned by the employment security fund
10 in the prior calendar year by one hundred ten percent (110%) of the taxable wages in the prior
11 calendar year. The result shall be rounded down to the nearest one hundredth of a percent (0.01%).

12 (1) In no event may the revenues made available to the job development fund by the job
13 development assessment adjustment exceed seventy-five percent (75%) of the interest earned by
14 the employment security fund in the prior calendar year. All revenues collected after seventy-five
15 percent (75%) of the employment security fund's prior year interest has been deposited into the job
16 development fund shall be deposited into the employment security fund forthwith.

17 (c) The tax rate for all employers subject to contribution provisions of chapter 42 through
18 44 of this title shall be reduced by the total combined job development assessment and adjustment
19 as determined under subsection (b) of this section.

20 (d) In no event may the job development assessment adjustment negatively impact
21 contributing employers by either preventing the tax schedule to be in effect for the ensuing calendar
22 year from dropping from a higher schedule or causing the tax schedule to be in effect for the ensuing
23 calendar year to be raised to a higher schedule.

24 (1) If the tax schedule, as determined by the reserve ratio of the employment security fund
25 on September 30, 2018, would be different than the tax schedule determined if the unadjusted
26 reserve ratio of the fund were used to determine the tax schedule for the ensuing calendar year, the
27 department shall do one of the following to ensure that tax schedule to be in effect for the ensuing
28 calendar year in unaffected by the job development assessment adjustment:

29 (i) Make any necessary transfers from available job development fund resources to the
30 employment security trust fund to establish a reserve ratio that would represent the ratio that would
31 have been in effect should the job development assessment adjustment not have been performed in
32 the prior year; or

33 (ii) Perform no job development assessment adjustment in the ensuing calendar year.

34 SECTION 3. Chapter 42-64.6 of the General Laws entitled "Jobs Training Tax Credit Act"

1 is hereby amended by adding thereto the following section:

2 **42-64.6-9. Sunset.**

3 No credits authorized under this chapter shall be awarded for tax years beginning on or
4 after January 1, 2018.

5 SECTION 4. Section 42-102-11 of the General Laws in Chapter 42-102 entitled
6 “Governor’s Workforce Board Rhode Island” is hereby amended to read as follows:

7 **42-102-11. State Work Immersion Program.**

8 (a)(1) The workforce board (“board”) shall develop a state work immersion program and a
9 non-trade, apprenticeship program. For the purposes of this section work immersion shall mean a
10 temporary, paid, work experience that provides a meaningful learning opportunity and increases
11 the employability of the participant. The programs shall be designed in order to provide ~~post-~~
12 ~~secondary school students, recent college graduates, and unemployed adults~~ Rhode Island residents
13 and/or students attending secondary schools, post-secondary schools or training programs with a
14 meaningful work experience, and to assist employers by training individuals for potential
15 employment.

16 (2) Funding for the work immersion program will be allocated from the job development
17 fund account and/or from funds appropriated in the annual appropriations act. Appropriated funds
18 will match investments made by employers in providing meaningful work immersion positions and
19 non-trade apprenticeships.

20 (b) ~~For each participant in the work immersion program, the program shall reimburse~~
21 ~~eligible employers up to fifty percent (50%) of the cost of not more than four hundred (400)~~
22 ~~hours of work experience and during a period of ten (10) weeks. If an eligible employer hires a~~
23 ~~program participant at the completion of such a program, the state may provide reimbursement for~~
24 ~~a total of seventy five percent (75%) of the cost of the work immersion position. Employers~~
25 participating in the work immersion program may be eligible to receive a reimbursement of up to
26 seventy-five percent (75%) of the approved program participant’s wages paid during their work
27 experience.

28 (c) The board shall create a non-trade apprenticeship program and annually award funding
29 on a competitive basis to at least one (1) new initiative ~~proposed and operated by the Governor's~~
30 ~~Workforce Board Industry Partnerships~~. This program shall meet the standards of apprenticeship
31 programs defined pursuant to § 28-45-9 of the general laws. The board shall present the program
32 to the state apprenticeship council, established pursuant to chapter 28-45 of the general laws, for
33 review and consideration.

34 (d) An eligible participant in programs established in subsections (b) and (c) ~~must be at~~

1 ~~least eighteen (18) years of age and~~ must be a Rhode Island resident. Provided, however, any non-
2 Rhode Island resident, who is enrolled in a college or university, located in Rhode Island, is eligible
3 to participate while enrolled at the college or university.

4 (e) In order to fully implement the provisions of this section, the board is authorized to
5 promulgate rules and regulations. The rules and regulations shall define eligible employers that can
6 participate in the programs created by this section.

7 SECTION 5. This Article shall take effect upon passage.

8

ARTICLE 12

RELATING TO ECONOMIC DEVELOPMENT

SECTION 1. Section 42-64-36 of the General Laws in Chapter 42-64 entitled "Rhode Island Commerce Corporation" is hereby amended to read as follows:

42-64-36. Program accountability.

(a) The board of the Rhode Island commerce corporation shall be responsible for establishing accountability standards, reporting standards and outcome measurements for each of its programs to include, but not be limited to, the use of tax credits, loans, loan guarantees and other financial transactions managed or utilized by the corporation. Included in the standards shall be a set of principles and guidelines to be followed by the board to include:

(1) A set of outcomes against which the board will measure each program's and offering's effectiveness;

(2) A set of standards for risk analysis for all of the programs especially the loans and loan guarantee programs; and

(3) A process for reporting out all loans, loan guarantees and any other financial commitments made through the corporation that includes the purpose of the loan, financial data as to payment history and other related information.

(b) The board shall annually prepare a report starting in January 2015 which shall be submitted to the house and senate. The report shall summarize the above listed information on each of its programs and offerings and contain recommendations for modification, elimination or continuation.

(c) The board shall prepare a report beginning July 1, 2018 which shall be submitted to the house and senate within a period of fifteen (15) days of the close of each quarter. The report shall summarize the information listed in subsection (a) of this section on each of its programs and offerings, including any modifications, adjustments, clawbacks, reallocations, alterations or other changes, made from the close of the prior fiscal quarter and include comparison data to the reports submitted pursuant to §§ 42-64.20-9(b), 42-64.21-8(a) and (8)(c), 42-64.22-14(a), 42-64.23-5(d), 42-64.24-5(d), 42-64.25-12, 42-64.26-6, 42-64.27-4, 42-64.28-9, 42-64.29-7(a), 42-64.31-3, 44-48.3-13(b) and (13)(c), chapters 64.20, 64.21, 64.22, 64.23, 64.24, 64.25, 64.26, 64.27, 64.28, 64.29, 64.30, 64.31, 64.32 of title 42 and § 44-48.3-13.

1 (d) The board shall coordinate its efforts with the office of revenue to not duplicate
2 information on the use of tax credits and other tax expenditures.

3 SECTION 2. Section 42-64.20-10 of the General Laws in Chapter 42-64.20 entitled
4 "Rebuild Rhode Island Tax Credit" is hereby amended to read as follows:

5 **42-64.20-10. Sunset.**

6 No credits shall be authorized to be reserved pursuant to this chapter after ~~December 31,~~
7 ~~2018~~ [June 30, 2020](#).

8 SECTION 3. Section 42-64.21-9 of the General Laws in Chapter 42-64.21 entitled "Rhode
9 Island Tax Increment Financing" is hereby amended to read as follows:

10 **42-64.21-9. Sunset.**

11 The commerce corporation shall enter into no agreement under this chapter after ~~December~~
12 ~~31, 2018~~ [June 30, 2020](#).

13 SECTION 4. Section 42-64.22-15 of the General Laws in Chapter 42-64.22 entitled "Tax
14 Stabilization Incentive" is hereby amended to read as follows:

15 **42-64.22-15. Sunset.**

16 The commerce corporation shall enter into no agreement under this chapter after ~~December~~
17 ~~31, 2018~~ [June 30, 2020](#).

18 SECTION 5. Section 42-64.23-8 of the General Laws in Chapter 42-64.23 entitled "First
19 Wave Closing Fund" is hereby amended to read as follows:

20 **42-64.23-8. Sunset.**

21 No financing shall be authorized to be reserved pursuant to this chapter after ~~December 31,~~
22 ~~2018~~ [June 30, 2020](#).

23 SECTION 6. Section 42-64.24-8 of the General Laws in Chapter 42-64.24 entitled "I-195
24 Redevelopment Project Fund" is hereby amended to read as follows:

25 **42-64.24-8. Sunset.**

26 No funding, credits, or incentives shall be authorized or authorized to be reserved pursuant
27 to this chapter after ~~December 31, 2018~~ [June 30, 2020](#).

28 SECTION 7. Section 42-64.25-14 of the General Laws in Chapter 42-64.25 entitled "Small
29 Business Assistance Program" is hereby amended to read as follows:

30 **42-64.25-14. Sunset.**

31 No grants, funding, or incentives shall be authorized pursuant to this chapter after
32 ~~December 31, 2018~~ [June 30, 2020](#).

33 SECTION 8. Section 42-64.26-12 of the General Laws in Chapter 42-64.26 entitled "Stay
34 Invested in RI Wavemaker Fellowship" is hereby amended to read as follows:

1 **42-64.26-12. Sunset.**

2 No incentives or credits shall be authorized pursuant to this chapter after ~~December 31,~~
3 ~~2018~~ [June 30, 2020.](#)

4 SECTION 9. Section 42-64.27-6 of the General Laws in Chapter 42-64.27 entitled "Main
5 Street Rhode Island Streetscape Improvement Fund" is hereby amended to read as follows:

6 **42-64.27-6. Sunset.**

7 No incentives shall be authorized pursuant to this chapter after ~~December 31, 2018~~ [June](#)
8 [30, 2020.](#)

9 SECTION 10. Section 42-64.28-10 of the General Laws in Chapter 42-64.28 entitled
10 "Innovation Initiative" is hereby amended to read as follows:

11 **42-64.28-10. Sunset.**

12 No vouchers, grants, or incentives shall be authorized pursuant to this chapter after
13 ~~December 31, 2018~~ [June 30, 2020.](#)

14 SECTION 11. Section 42-64.29-8 of the General Laws in Chapter 42-64.29 entitled
15 "Industry Cluster Grants" is hereby amended to read as follows:

16 **42-64.29-8. Sunset.**

17 No grants or incentives shall be authorized to be reserved pursuant to this chapter after
18 ~~December 31, 2018~~ [June 30, 2020.](#)

19 SECTION 12. Section 42-64.31-4 of the General Laws in Chapter 42-64.31 entitled "High
20 School, College, and Employer Partnerships" is hereby amended to read as follows:

21 **42-64.31-4. Sunset.**

22 No grants shall be authorized pursuant to this chapter after ~~December 31, 2018~~ [June 30,](#)
23 [2020.](#)

24 SECTION 13. Chapter 42-64.32 of the General Laws entitled "Air Service Development
25 Fund" is hereby amended by adding thereto the following section:

26 **42-64.32-6. Sunset.**

27 [No grants, credits or incentives shall be authorized or authorized to be reserved pursuant](#)
28 [to this chapter after June 30, 2020.](#)

29 SECTION 14. Section 44-48.3-14 of the General Laws in Chapter 44-48.3 entitled "Rhode
30 Island New Qualified Jobs Incentive Act 2015" is hereby amended to read as follows:

31 **44-48.3-14. Sunset.**

32 No credits shall be authorized to be reserved pursuant to this chapter after ~~December 31,~~
33 ~~2018~~ [June 30, 2020.](#)

34 SECTION 15. Section 42-64.25-6 of the General Laws in Chapter 42-64.25 entitled "Small

1 Business Assistance Program" is hereby amended to read as follows:

2 **42-64.25-6. Micro-loan allocation.**

3 Notwithstanding anything to the contrary in this chapter, [not less than](#) ten percent (10%)
4 [and not more than twenty-five percent \(25%\)](#) of program funds will be allocated to "micro loans"
5 with a principal amount between two thousand dollars (\$2,000) and twenty-five thousand dollars
6 (\$25,000). Micro loans will be administered by lending organizations, which will be selected by
7 the commerce corporation on a competitive basis and shall have experience in providing technical
8 and financial assistance to microenterprises.

9 SECTION 16. This Article shall take effect upon passage.

10

ARTICLE 13

RELATING TO MEDICAL ASSISTANCE

SECTION 1. Sections 40-8-13.4, 40-8-15 and 40-8-19 of the General Laws in Chapter 40-8 entitled "Medical Assistance" are hereby amended to read as follows:

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 ("executive office") 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 shall:

(1)(i) 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 that 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 DRG 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 Centers for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS) Hospital Input Price index. For the twelve-month (12) 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. [For the twelve \(12\) month period beginning July 1, 2018, there will be no increase in the DRG base rate for Medicaid fee-for-service inpatient hospital rates. For the period beginning July 1, 2019, any rates adjusted for the Centers for Medicare and Medicaid Services National CMS Prospective Payment System Hospital Input Price Index will be applied to the payments made for FY 2019.](#)

(ii) With respect to inpatient services, (A) 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. Increases in inpatient hospital payments for each annual twelve-month (12) period beginning

1 January 1, 2012 may not exceed the Centers for Medicare and Medicaid Services national CMS
2 Prospective Payment System (IPPS) Hospital Input Price index for the applicable period; (B)
3 Provided, however, for the twenty-four-month (24) period beginning July 1, 2013, the Medicaid
4 managed care payment rates between each hospital and health plan shall not exceed the payment
5 rates in effect as of January 1, 2013, and for the twelve-month (12) period beginning July 1, 2015,
6 the Medicaid managed-care payment inpatient rates between each hospital and health plan shall not
7 exceed ninety-seven and one-half percent (97.5%) of the payment rates in effect as of January 1,
8 2013; (C) Increases in inpatient hospital payments for each annual twelve-month (12) period
9 beginning July 1, 2017, shall be the Centers for Medicare and Medicaid Services national CMS
10 Prospective Payment System (IPPS) Hospital Input Price Index, less Productivity Adjustment, for
11 the applicable period and shall be paid to each hospital retroactively to July 1; (D) For the twelve
12 (12) month period beginning July 1, 2018, the Medicaid managed care inpatient payment rates
13 between each hospital and health plan shall not exceed the payment rates in effect as of January 1,
14 2018. For the period beginning July 1, 2019, any rates adjusted for the Centers for Medicare and
15 Medicaid Services National CMS Prospective Payment System Hospital Input Price Index will be
16 applied to the payments made for FY 2019.

17 The executive office will develop an audit methodology and process to assure that savings
18 associated with the payment reductions will accrue directly to the Rhode Island Medicaid program
19 through reduced managed-care-plan payments and shall not be retained by the managed-care plans;
20 (E) All hospitals licensed in Rhode Island shall accept such payment rates as payment in full; and
21 (F) For all such hospitals, compliance with the provisions of this section shall be a condition of
22 participation in the Rhode Island Medicaid program.

23 (2) With respect to outpatient services and notwithstanding any provisions of the law to the
24 contrary, for persons enrolled in fee-for-service Medicaid, the executive office will reimburse
25 hospitals for outpatient services using a rate methodology determined by the executive office and
26 in accordance with federal regulations. Fee-for-service outpatient rates shall align with Medicare
27 payments for similar services. Notwithstanding the above, there shall be no increase in the
28 Medicaid fee-for-service outpatient rates effective on July 1, 2013, July 1, 2014, or July 1, 2015.
29 For the twelve-month (12) period beginning July 1, 2015, Medicaid fee-for-service outpatient rates
30 shall not exceed ninety-seven and one-half percent (97.5%) of the rates in effect as of July 1, 2014.
31 Increases in the outpatient hospital payments for the twelve-month (12) period beginning July 1,
32 2016, may not exceed the CMS national Outpatient Prospective Payment System (OPPS) Hospital
33 Input Price Index. With respect to the outpatient rate, (i) It is required as of January 1, 2011, until
34 December 31, 2011, that the Medicaid managed-care payment rates between each hospital and

1 health plan shall not exceed one hundred percent (100%) of the rate in effect as of June 30, 2010;
2 (ii) Increases in hospital outpatient payments for each annual twelve-month (12) period beginning
3 January 1, 2012 until July 1, 2017, may not exceed the Centers for Medicare and Medicaid Services
4 national CMS Outpatient Prospective Payment System OPPS hospital price index for the applicable
5 period; (iii) Provided, however, for the twenty-four-month (24) period beginning July 1, 2013, the
6 Medicaid managed-care outpatient payment rates between each hospital and health plan shall not
7 exceed the payment rates in effect as of January 1, 2013, and for the twelve-month (12) period
8 beginning July 1, 2015, the Medicaid managed-care outpatient payment rates between each hospital
9 and health plan shall not exceed ninety-seven and one-half percent (97.5%) of the payment rates in
10 effect as of January 1, 2013; (iv) Increases in outpatient hospital payments for each annual twelve-
11 month (12) period beginning July 1, 2017, shall be the Centers for Medicare and Medicaid Services
12 national CMS OPPS Hospital Input Price Index, less Productivity Adjustment, for the applicable
13 period and shall be paid to each hospital retroactively to July 1. For the twelve (12) month period
14 beginning July 1, 2018, the Medicaid managed care outpatient payment rates between each hospital
15 and health plan shall not exceed the payments rates in effect as of January 1, 2018. For the period
16 beginning July 1, 2019, any rates adjusted for the Centers for Medicare and Medicaid Services
17 National CMS Prospective Payment System Hospital Input Price Index will be applied to the
18 payments made for FY 2019.

19 (3) "Hospital", as used in this section, shall mean the actual facilities and buildings in
20 existence in Rhode Island, licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter
21 any premises included on that license, regardless of changes in licensure status pursuant to chapter
22 17.14 of title 23 (hospital conversions) and § 23-17-6(b) (change in effective control), that provides
23 short-term, acute inpatient and/or outpatient care to persons who require definitive diagnosis and
24 treatment for injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language,
25 the Medicaid managed care payment rates for a court-approved purchaser that acquires a hospital
26 through receivership, special mastership or other similar state insolvency proceedings (which court-
27 approved purchaser is issued a hospital license after January 1, 2013) shall be based upon the new
28 rates between the court-approved purchaser and the health plan, and such rates shall be effective as
29 of the date that the court-approved purchaser and the health plan execute the initial agreement
30 containing the new rates. The rate-setting methodology for inpatient-hospital payments and
31 outpatient-hospital payments set forth in subdivisions (b)(1)(ii)(C) and (b)(2), respectively, shall
32 thereafter apply to increases for each annual twelve-month (12) period as of July 1 following the
33 completion of the first full year of the court-approved purchaser's initial Medicaid managed care
34 contract.

1 (c) It is intended that payment utilizing the DRG method shall reward hospitals for
2 providing the most efficient care, and provide the executive office the opportunity to conduct value-
3 based purchasing of inpatient care.

4 (d) The secretary of the executive office is hereby authorized to promulgate such rules and
5 regulations consistent with this chapter, and to establish fiscal procedures he or she deems
6 necessary, for the proper implementation and administration of this chapter in order to provide
7 payment to hospitals using the DRG-payment methodology. Furthermore, amendment of the Rhode
8 Island state plan for Medicaid, pursuant to Title XIX of the federal Social Security Act, is hereby
9 authorized to provide for payment to hospitals for services provided to eligible recipients in
10 accordance with this chapter.

11 (e) The executive office shall comply with all public notice requirements necessary to
12 implement these rate changes.

13 (f) As a condition of participation in the DRG methodology for payment of hospital
14 services, every hospital shall submit year-end settlement reports to the executive office within one
15 year from the close of a hospital's fiscal year. Should a participating hospital fail to timely submit
16 a year-end settlement report as required by this section, the executive office shall withhold
17 financial-cycle payments due by any state agency with respect to this hospital by not more than ten
18 percent (10%) until said report is submitted. For hospital fiscal year 2010 and all subsequent fiscal
19 years, hospitals will not be required to submit year-end settlement reports on payments for
20 outpatient services. For hospital fiscal year 2011 and all subsequent fiscal years, hospitals will not
21 be required to submit year-end settlement reports on claims for hospital inpatient services. Further,
22 for hospital fiscal year 2010, hospital inpatient claims subject to settlement shall include only those
23 claims received between October 1, 2009, and June 30, 2010.

24 (g) The provisions of this section shall be effective upon implementation of the new
25 payment methodology set forth in this section and § 40-8-13.3, which shall in any event be no later
26 than March 30, 2010, at which time the provisions of §§ 40-8-13.2, 27-19-14, 27-19-15, and 27-
27 19-16 shall be repealed in their entirety.

28 **40-8-15. Lien on deceased recipient's estate for assistance.**

29 (a)(1) Upon the death of a recipient of ~~medical assistance~~ Medicaid under Title XIX of the
30 federal Social Security Act, 42 U.S.C. § 1396 et seq., (42 U.S.C. § 1396 et seq. and referred to
31 hereinafter as the "Act"), the total sum ~~of medical assistance~~ for Medicaid benefits so paid on behalf
32 of a ~~recipient~~ beneficiary who was fifty-five (55) years of age or older at the time of receipt ~~of the~~
33 ~~assistance~~ shall be and constitute a lien upon the estate, as defined in subdivision (a)(2) below, of
34 the ~~recipient~~ beneficiary in favor of the executive office of health and human services ("executive

1 office). The lien shall not be effective and shall not attach as against the estate of a ~~recipient~~
2 beneficiary who is survived by a spouse, or a child who is under the age of twenty-one (21), or a
3 child who is blind or permanently and totally disabled as defined in Title XVI of the federal Social
4 Security Act, 42 U.S.C. § 1381 et seq. The lien shall attach against property of a ~~recipient~~
5 beneficiary, which is included or includible in the decedent's probate estate, regardless of whether
6 or not a probate proceeding has been commenced in the probate court by the executive office ~~of~~
7 ~~health and human services~~ or by any other party. Provided, however, that such lien shall only attach
8 and shall only be effective against the ~~recipient's~~ beneficiary's real property included or includible
9 in the ~~recipient's~~ beneficiary's probate estate if such lien is recorded in the land evidence records
10 and is in accordance with subsection 40-8-15(f). Decedents who have received ~~medical assistance~~
11 Medicaid benefits are subject to the assignment and subrogation provisions of §§ 40-6-9 and 40-6-
12 10.

13 (2) For purposes of this section, the term "estate" with respect to a deceased individual
14 shall include all real and personal property and other assets included or includable within the
15 individual's probate estate.

16 (b) The executive office ~~of health and human services~~ is authorized to promulgate
17 regulations to implement the terms, intent, and purpose of this section and to require the legal
18 representative(s) and/or the heirs-at-law of the decedent to provide reasonable written notice to the
19 executive office ~~of health and human services~~ of the death of a ~~recipient~~ beneficiary of ~~medical~~
20 ~~assistance~~ Medicaid benefits who was fifty-five (55) years of age or older at the date of death, and
21 to provide a statement identifying the decedent's property and the names and addresses of all
22 persons entitled to take any share or interest of the estate as legatees or distributees thereof.

23 (c) The amount of ~~medical assistance~~ reimbursement for Medicaid benefits imposed under
24 this section shall also become a debt to the state from the person or entity liable for the payment
25 thereof.

26 (d) Upon payment of the amount of reimbursement for ~~medical assistance~~ Medicaid
27 benefits imposed by this section, the secretary of the executive office ~~of health and human services~~,
28 or his or her designee, shall issue a written discharge of lien.

29 (e) Provided, however, that no lien created under this section shall attach nor become
30 effective upon any real property unless and until a statement of claim is recorded naming the
31 debtor/owner of record of the property as of the date and time of recording of the statement of
32 claim, and describing the real property by a description containing all of the following: (1) tax
33 assessor's plat and lot; and (2) street address. The statement of claim shall be recorded in the records
34 of land evidence in the town or city where the real property is situated. Notice of said lien shall be

1 sent to the duly appointed executor or administrator, the decedent's legal representative, if known,
2 or to the decedent's next of kin or heirs at law as stated in the decedent's last application for ~~medical~~
3 ~~assistance~~ [Medicaid benefits](#).

4 (f) The executive office ~~of health and human services~~ shall establish procedures, in
5 accordance with the standards specified by the secretary, U.S. Department of Health and Human
6 Services, under which the executive office ~~of health and human services~~ shall waive, in whole or
7 in part, the lien and reimbursement established by this section if such lien and reimbursement would
8 ~~work cause~~ an undue hardship, as determined by the executive office ~~of health and human services~~,
9 on the basis of the criteria established by the secretary in accordance with 42 U.S.C. § 1396p(b)(3).

10 (g) Upon the filing of a petition for admission to probate of a decedent's will or for
11 administration of a decedent's estate, when the decedent was fifty-five (55) years or older at the
12 time of death, a copy of said petition and a copy of the death certificate shall be sent to the executive
13 office ~~of health and human services~~. Within thirty (30) days of a request by the executive office ~~of~~
14 ~~health and human services~~, an executor or administrator shall complete and send to the executive
15 office ~~of health and human services~~ a form prescribed by that office and shall provide such
16 additional information as the office may require. In the event a petitioner fails to send a copy of the
17 petition and a copy of the death certificate to the executive office ~~of health and human services~~ and
18 a decedent has received ~~medical assistance~~ [Medicaid benefits](#) for which the executive office of
19 ~~health and human services~~ is authorized to recover, no distribution and/or payments, including
20 administration fees, shall be disbursed. Any person and /or entity that receive a distribution of assets
21 from the decedent's estate shall be liable to the executive office ~~of health and human services~~ to the
22 extent of such distribution.

23 (h) Compliance with the provisions of this section shall be consistent with the requirements
24 set forth in § 33-11-5 and the requirements of the affidavit of notice set forth in § 33-11-5.2. Nothing
25 in these sections shall limit the executive office ~~of health and human services~~ from recovery, to the
26 extent of the distribution, in accordance with all state and federal laws.

27 (i) To assure the financial integrity of the Medicaid eligibility determination, benefit
28 renewal, and estate recovery processes in this and related sections, the secretary of health and
29 human services is authorized and directed to, by no later than August 1, 2018: (1) implement an
30 automated asset verification system, as mandated by § 1940 of the of Act that uses electronic data
31 sources to verify the ownership and value of countable resources held in financial institutions and
32 any real property for applicants and beneficiaries subject to resource and asset tests pursuant in the
33 Act in § 1902(e)(14)(D); (2) Apply the provisions required under §§ 1902(a)(18) and 1917(c) of
34 the Act pertaining to the disposition of assets for less than fair market value by applicants and

1 [beneficiaries for Medicaid long-term services and supports and their spouses, without regard to](#)
2 [whether they are subject to or exempted from resources and asset tests as mandated by federal](#)
3 [guidance; and \(3\) Pursue any state plan or waiver amendments from the U.S. Centers for Medicare](#)
4 [and Medicaid Services and promulgate such rules, regulations, and procedures he or she deems](#)
5 [necessary to carry out the requirements set forth herein and ensure the state plan and Medicaid](#)
6 [policy conform and comply with applicable provisions Title XIX.](#)

7 **40-8-19. Rates of payment to nursing facilities.**

8 (a) Rate reform.

9 (1) The rates to be paid by the state to nursing facilities licensed pursuant to chapter 17 of
10 title 23, and certified to participate in the Title XIX Medicaid program for services rendered to
11 Medicaid-eligible residents, shall be reasonable and adequate to meet the costs which must be
12 incurred by efficiently and economically operated facilities in accordance with 42 U.S.C.
13 §1396a(a)(13). The executive office of health and human services ("executive office") shall
14 promulgate or modify the principles of reimbursement for nursing facilities in effect as of July 1,
15 2011 to be consistent with the provisions of this section and Title XIX, 42 U.S.C. § 1396 et seq.,
16 of the Social Security Act.

17 (2) The executive office shall review the current methodology for providing Medicaid
18 payments to nursing facilities, including other long-term care services providers, and is authorized
19 to modify the principles of reimbursement to replace the current cost based methodology rates with
20 rates based on a price based methodology to be paid to all facilities with recognition of the acuity
21 of patients and the relative Medicaid occupancy, and to include the following elements to be
22 developed by the executive office:

23 (i) A direct care rate adjusted for resident acuity;

24 (ii) An indirect care rate comprised of a base per diem for all facilities;

25 (iii) A rearray of costs for all facilities every three (3) years beginning October, 2015, which
26 may or may not result in automatic per diem revisions;

27 (iv) Application of a fair rental value system;

28 (v) Application of a pass-through system; and

29 (vi) Adjustment of rates by the change in a recognized national nursing home inflation
30 index to be applied on October 1st of each year, beginning October 1, 2012. This adjustment will
31 not occur on October 1, 2013 or October 1, 2015, but will occur on April 1, 2015. [Beginning July](#)
32 [1, 2018, the rates paid to nursing facilities will be reduced by eight and one-half percent \(8.5%\)](#)
33 [from the rates approved by the Centers for Medicare and Medicaid Services and in effect on](#)
34 [October 1, 2017 for nine \(9\) months until March 2019, at which time the rates will revert to the](#)

1 October 1, 2017 level and be increased by one percent (1%). Said inflation index shall be applied
2 without regard for the transition ~~factor~~ factors in ~~subsection~~ subsections (b)(1) and (b)(2) below.
3 For purposes of October 1, 2016, adjustment only, any rate increase that results from application
4 of the inflation index to subparagraphs (a)(2)(i) and (a)(2)(ii) shall be dedicated to increase
5 compensation for direct-care workers in the following manner: Not less than 85% of this aggregate
6 amount shall be expended to fund an increase in wages, benefits, or related employer costs of direct-
7 care staff of nursing homes. For purposes of this section, direct-care staff shall include registered
8 nurses (RNs), licensed practical nurses (LPNs), certified nursing assistants (CNAs), certified
9 medical technicians, housekeeping staff, laundry staff, dietary staff, or other similar employees
10 providing direct care services; provided, however, that this definition of direct-care staff shall not
11 include: (i) RNs and LPNs who are classified as "exempt employees" under the Federal Fair Labor
12 Standards Act (29 U.S.C. § 201 et seq.); or (ii) CNAs, certified medical technicians, RNs, or LPNs
13 who are contracted, or subcontracted, through a third-party vendor or staffing agency. By July 31,
14 2017, nursing facilities shall submit to the secretary, or designee, a certification that they have
15 complied with the provisions of this subparagraph (a)(2)(vi) with respect to the inflation index
16 applied on October 1, 2016. Any facility that does not comply with terms of such certification shall
17 be subjected to a clawback, paid by the nursing facility to the state, in the amount of increased
18 reimbursement subject to this provision that was not expended in compliance with that certification.

19 (b) Transition to full implementation of rate reform. For no less than four (4) years after
20 the initial application of the price-based methodology described in subdivision (a)(2) to payment
21 rates, the executive office of health and human services shall implement a transition plan to
22 moderate the impact of the rate reform on individual nursing facilities. Said transition shall include
23 the following components:

24 (1) No nursing facility shall receive reimbursement for direct-care costs that is less than
25 the rate of reimbursement for direct-care costs received under the methodology in effect at the time
26 of passage of this act; for the year beginning October 1, 2017, the reimbursement for direct-care
27 costs under this provision will be phased out in twenty-five-percent (25%) increments each year
28 until October 1, 2021, when the reimbursement will no longer be in effect. ~~No nursing facility shall~~
29 ~~receive reimbursement for direct care costs that is less than the rate of reimbursement for direct~~
30 ~~care costs received under the methodology in effect at the time of passage of this act;~~ and

31 (2) No facility shall lose or gain more than five dollars (\$5.00) in its total per diem rate the
32 first year of the transition. An adjustment to the per diem loss or gain may be phased out by twenty-
33 five percent (25%) each year; except, however, for the years beginning October 1, 2015, there shall
34 be no adjustment to the per diem gain or loss, but the phase out shall resume thereafter; and

1 (3) The transition plan and/or period may be modified upon full implementation of facility
2 per diem rate increases for quality of care related measures. Said modifications shall be submitted
3 in a report to the general assembly at least six (6) months prior to implementation.

4 (4) Notwithstanding any law to the contrary, for the twelve (12) month period beginning
5 July 1, 2015, Medicaid payment rates for nursing facilities established pursuant to this section shall
6 not exceed ninety-eight percent (98%) of the rates in effect on April 1, 2015.

7 SECTION 2. Sections 40-8.3-2 and 40-8.3-3 of the General Laws in Chapter 40-8.3 entitled
8 "Uncompensated Care" are hereby amended to read as follows:

9 **40-8.3-2. Definitions.**

10 As used in this chapter:

11 (1) "Base year" means, for the purpose of calculating a disproportionate share payment for
12 any fiscal year ending after September 30, ~~2016~~ 2017, the period from October 1, ~~2014~~ 2015,
13 through September 30, ~~2015~~ 2016, and for any fiscal year ending after September 30, ~~2017~~ 2018,
14 the period from October 1, ~~2015~~ 2016, through September 30, ~~2016~~ 2017.

15 (2) "Medicaid inpatient utilization rate for a hospital" means a fraction (expressed as a
16 percentage), the numerator of which is the hospital's number of inpatient days during the base year
17 attributable to patients who were eligible for medical assistance during the base year and the
18 denominator of which is the total number of the hospital's inpatient days in the base year.

19 (3) "Participating hospital" means any nongovernment and nonpsychiatric hospital that:

20 (i) Was licensed as a hospital in accordance with chapter 17 of title 23 during the base year
21 and shall mean the actual facilities and buildings in existence in Rhode Island, licensed pursuant to
22 § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on that license, regardless
23 of changes in licensure status pursuant to chapter 17.14 of title 23 (hospital conversions) and § 23-
24 17-6(b) (change in effective control), that provides short-term, acute inpatient and/or outpatient
25 care to persons who require definitive diagnosis and treatment for injury, illness, disabilities, or
26 pregnancy. Notwithstanding the preceding language, the negotiated Medicaid managed care
27 payment rates for a court-approved purchaser that acquires a hospital through receivership, special
28 mastership, or other similar state insolvency proceedings (which court-approved purchaser is issued
29 a hospital license after January 1, 2013) shall be based upon the newly negotiated rates between
30 the court-approved purchaser and the health plan, and such rates shall be effective as of the date
31 that the court-approved purchaser and the health plan execute the initial agreement containing the
32 newly negotiated rate. The rate-setting methodology for inpatient hospital payments and outpatient
33 hospital payments set forth in §§ 40-8-13.4(b)(1)(ii)(C) and 40-8-13.4(b)(2), respectively, shall
34 thereafter apply to negotiated increases for each annual twelve-month (12) period as of July 1

1 following the completion of the first full year of the court-approved purchaser's initial Medicaid
2 managed care contract.

3 (ii) Achieved a medical assistance inpatient utilization rate of at least one percent (1%)
4 during the base year; and

5 (iii) Continues to be licensed as a hospital in accordance with chapter 17 of title 23 during
6 the payment year.

7 (4) "Uncompensated-care costs" means, as to any hospital, the sum of: (i) The cost incurred
8 by such hospital during the base year for inpatient or outpatient services attributable to charity care
9 (free care and bad debts) for which the patient has no health insurance or other third-party coverage
10 less payments, if any, received directly from such patients; and (ii) The cost incurred by such
11 hospital during the base year for inpatient or out-patient services attributable to Medicaid
12 beneficiaries less any Medicaid reimbursement received therefor; multiplied by the uncompensated
13 care index.

14 (5) "Uncompensated-care index" means the annual percentage increase for hospitals
15 established pursuant to § 27-19-14 for each year after the base year, up to and including the payment
16 year; provided, however, that the uncompensated-care index for the payment year ending
17 September 30, 2007, shall be deemed to be five and thirty-eight hundredths percent (5.38%), and
18 that the uncompensated-care index for the payment year ending September 30, 2008, shall be
19 deemed to be five and forty-seven hundredths percent (5.47%), and that the uncompensated-care
20 index for the payment year ending September 30, 2009, shall be deemed to be five and thirty-eight
21 hundredths percent (5.38%), and that the uncompensated-care index for the payment years ending
22 September 30, 2010, September 30, 2011, September 30, 2012, September 30, 2013, September
23 30, 2014, September 30, 2015, September 30, 2016, September 30, 2017, and September 30, 2018,
24 shall be deemed to be five and thirty hundredths percent (5.30%).

25 **40-8.3-3. Implementation.**

26 ~~(a) For federal fiscal year 2016, commencing on October 1, 2015, and ending September~~
27 ~~30, 2016, the executive office of health and human services shall submit to the Secretary of the~~
28 ~~U.S. Department of Health and Human Services a state plan amendment to the Rhode Island~~
29 ~~Medicaid DSH Plan to provide:~~

30 ~~(1) That the disproportionate share hospital payments to all participating hospitals, not to~~
31 ~~exceed an aggregate limit of \$138.2 million, shall be allocated by the executive office of health and~~
32 ~~human services to the Pool A, Pool C, and Pool D components of the DSH Plan; and,~~

33 ~~(2) That the Pool D allotment shall be distributed among the participating hospitals in direct~~
34 ~~proportion to the individual, participating hospital's uncompensated care costs for the base year,~~

1 ~~inflated by the uncompensated care index to the total uncompensated care costs for the base year~~
2 ~~inflated by uncompensated care index for all participating hospitals. The DSH Plan shall be made~~
3 ~~on or before July 11, 2016, and are expressly conditioned upon approval on or before July 5, 2016,~~
4 ~~by the Secretary of the U.S. Department of Health and Human Services, or his or her authorized~~
5 ~~representative, of all Medicaid state plan amendments necessary to secure for the state the benefit~~
6 ~~of federal financial participation in federal fiscal year 2016 for the DSH Plan.~~

7 ~~(b)(a)~~ For federal fiscal year 2017, commencing on October 1, 2016, and ending September
8 30, 2017, the executive office of health and human services shall submit to the Secretary of the
9 U.S. Department of Health and Human Services a state plan amendment to the Rhode Island
10 Medicaid DSH Plan to provide:

11 (1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of
12 \$139.7 million, shall be allocated by the executive office of health and human services to the Pool
13 D component of the DSH Plan; and,

14 (2) That the Pool D allotment shall be distributed among the participating hospitals in direct
15 proportion to the individual, participating hospital's uncompensated-care costs for the base year,
16 inflated by the uncompensated-care index to the total uncompensated-care costs for the base year
17 inflated by uncompensated-care index for all participating hospitals. The disproportionate-share
18 payments shall be made on or before July 11, 2017, and are expressly conditioned upon approval
19 on or before July 5, 2017, by the Secretary of the U.S. Department of Health and Human Services,
20 or his or her authorized representative, of all Medicaid state plan amendments necessary to secure
21 for the state the benefit of federal financial participation in federal fiscal year 2017 for the
22 disproportionate share payments.

23 (c) for federal fiscal year 2019, commencing on October 1, 2018 and ending September 30,
24 2019, the executive office of health and human services shall submit to the Secretary of the U.S.
25 Department of Health and Human Services a state plan amendment to the Rhode Island Medicaid
26 DSH Plan to provide:

27 (1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of
28 \$139.7 million, shall be allocated by the executive office of health and human services to Pool D
29 component of the DSH Plan; and

30 (2) That the Pool D allotment shall be distributed among the participating hospitals in
31 director proportion to the individual participating hospital's uncompensated care costs for the base
32 year, inflated by the uncompensated care index to the total uncompensated care costs for the base
33 year inflated by uncompensated care index for all participating hospitals. The disproportionate
34 share payments shall be made on or before July 10, 2019 and are expressly conditioned upon

1 [approval on or before July 5, 2019 by the Secretary of U.S. Department of Health and Human](#)
2 [Services, or his or her authorized representative, of all Medicaid state plan amendments necessary](#)
3 [to secure for the state the benefit of federal financial participation in federal fiscal year 2018 for](#)
4 [the disproportionate share payments.](#)

5 ~~(d)~~ For federal fiscal year 2018, commencing on October 1, 2017, and ending September
6 30, 2018, the executive office of health and human services shall submit to the Secretary of the
7 U.S. Department of Health and Human Services a state plan amendment to the Rhode Island
8 Medicaid DSH Plan to provide:

9 (1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of
10 \$138.6 million, shall be allocated by the executive office of health and human services to Pool D
11 component of the DSH Plan; and,

12 (2) That the Pool D allotment shall be distributed among the participating hospitals in direct
13 proportion to the individual participating hospital's uncompensated care costs for the base year,
14 inflated by the uncompensated care index to the total uncompensated care costs for the base year
15 inflated by uncompensated care index for all participating hospitals. The disproportionate share
16 payments shall be made on or before July 10, 2018, and are expressly conditioned upon approval
17 on or before July 5, 2018, by the Secretary of the U.S. Department of Health and Human Services,
18 or his or her authorized representative, of all Medicaid state plan amendments necessary to secure
19 for the state the benefit of federal financial participation in federal fiscal year 2018 for the
20 disproportionate share payments.

21 ~~(e)~~ No provision is made pursuant to this chapter for disproportionate-share hospital
22 payments to participating hospitals for uncompensated-care costs related to graduate medical
23 education programs.

24 ~~(f)~~ The executive office of health and human services is directed, on at least a monthly
25 basis, to collect patient-level uninsured information, including, but not limited to, demographics,
26 services rendered, and reason for uninsured status from all hospitals licensed in Rhode Island.

27 ~~(g)~~ Beginning with federal FY 2016, Pool D DSH payments will be recalculated by the
28 state based on actual hospital experience. The final Pool D payments will be based on the data from
29 the final DSH audit for each federal fiscal year. Pool D DSH payments will be redistributed among
30 the qualifying hospitals in direct proportion to the individual, qualifying hospital's uncompensated-
31 care to the total uncompensated-care costs for all qualifying hospitals as determined by the DSH
32 audit. No hospital will receive an allocation that would incur funds received in excess of audited
33 uncompensated-care costs.

34 SECTION 3. Section 40-8.4-12 of the General Laws in Chapter 40-8.4 entitled "Health

1 Care for Families” is hereby amended to read as follows:

2 **40-8.4-12. RIte Share Health Insurance Premium Assistance Program.**

3 (a) Basic RIte Share Health Insurance Premium Assistance Program. ~~The office of health~~
4 ~~and human services is authorized and directed to amend the medical assistance Title XIX state plan~~
5 ~~to implement the provisions of section 1906 of Title XIX of the Social Security Act, 42 U.S.C.~~
6 ~~section 1396e, and establish the Rhode Island health insurance premium assistance program for~~
7 ~~RIte Care eligible families with incomes up to two hundred fifty percent (250%) of the federal~~
8 ~~poverty level who have access to employer based health insurance. The state plan amendment shall~~
9 ~~require eligible families with access to employer based health insurance to enroll themselves and/or~~
10 ~~their family in the employer based health insurance plan as a condition of participation in the RIte~~
11 ~~Share program under this chapter and as a condition of retaining eligibility for medical assistance~~
12 ~~under chapters 5.1 and 8.4 of this title and/or chapter 12.3 of title 42 and/or premium assistance~~
13 ~~under this chapter, provided that doing so meets the criteria established in section 1906 of Title~~
14 ~~XIX for obtaining federal matching funds and the department has determined that the person's~~
15 ~~and/or the family's enrollment in the employer based health insurance plan is cost effective and the~~
16 ~~department has determined that the employer based health insurance plan meets the criteria set~~
17 ~~forth in subsection (d). The department shall provide premium assistance by paying all or a portion~~
18 ~~of the employee's cost for covering the eligible person or his or her family under the employer-~~
19 ~~based health insurance plan, subject to the cost sharing provisions in subsection (b), and provided~~
20 ~~that the premium assistance is cost effective in accordance with Title XIX, 42 U.S.C. section 1396~~
21 ~~et seq.~~ Under the terms of Section 1906 of Title XIX of the U.S. Social Security Act, states are
22 permitted to pay a Medicaid eligible person's share of the costs for enrolling in employer-sponsored
23 health insurance (ESI) coverage if it is cost effective to do so. Pursuant to general assembly's
24 direction in Rhode Island Health Reform Act of 2000, the Medicaid agency requested and obtained
25 federal approval under § 1916 to establish the RIte Share premium assistance program to subsidize
26 the costs of enrolling Medicaid eligible persons and families in employer sponsored health
27 insurance plans that have been approved as meeting certain cost and coverage requirements. The
28 Medicaid agency also obtained, at the general assembly's direction, federal authority to require any
29 such persons with access to ESI coverage to enroll as a condition of retaining eligibility providing
30 that doing so meets the criteria established in Title XIX for obtaining federal matching funds.

31 (b) ~~Individuals who can afford it shall share in the cost. The office of health and human~~
32 ~~services is authorized and directed to apply for and obtain any necessary waivers from the secretary~~
33 ~~of the United States Department of Health and Human Services, including, but not limited to, a~~
34 ~~waiver of the appropriate sections of Title XIX, 42 U.S.C. section 1396 et seq., to require that~~

1 ~~families eligible for RIte Care under this chapter or chapter 12.3 of title 42 with incomes equal to~~
2 ~~or greater than one hundred fifty percent (150%) of the federal poverty level pay a share of the~~
3 ~~costs of health insurance based on the person's ability to pay, provided that the cost sharing shall~~
4 ~~not exceed five percent (5%) of the person's annual income. The department of human services~~
5 ~~shall implement the cost sharing by regulation, and shall consider co-payments, premium shares or~~
6 ~~other reasonable means to do so.~~ Definitions. For the purposes of this subsection, the following
7 definitions apply:

8 (1) "Cost-effective" means that the portion of the ESI that the state would subsidize, as
9 well as wrap-around costs, would on average cost less to the State than enrolling that same
10 person/family in a managed care delivery system.

11 (2) "Cost sharing" means any co-payments, deductibles or co-insurance associated with
12 ESI.

13 (3) "Employee premium" means the monthly premium share a person or family is required
14 to pay to the employer to obtain and maintain ESI coverage.

15 (4) "Employer-Sponsored Insurance or ESI" means health insurance or a group health plan
16 offered to employees by an employer. This includes plans purchased by small employers through
17 the State health insurance marketplace, Healthsource, RI (HSRI).

18 (5) "Policy holder" means the person in the household with access to ESI, typically the
19 employee.

20 (6) "RIte Share-approved employer-sponsored insurance (ESI)" means an employer-
21 sponsored health insurance plan that meets the coverage and cost-effectiveness criteria for RIte
22 Share.

23 (7) "RIte Share buy-in" means the monthly amount an Medicaid-ineligible policy holder
24 must pay toward RIte Share-approved ESI that covers the Medicaid-eligible children, young adults
25 or spouses with access to the ESI. The buy-in only applies in instances when household income is
26 above one hundred fifty percent (150%) the FPL.

27 (8) "RIte Share premium assistance program" means the Rhode Island Medicaid premium
28 assistance program in which the State pays the eligible Medicaid member's share of the cost of
29 enrolling in a RIte Share-approved ESI plan. This allows the State to share the cost of the health
30 insurance coverage with the employer.

31 (9) "RIte Share Unit" means the entity within EOHHS responsible for assessing the cost-
32 effectiveness of ESI, contacting employers about ESI as appropriate, initiating the RIte Share
33 enrollment and disenrollment process, handling member communications, and managing the
34 overall operations of the RIte Share program.

1 (10) "Third-Party Liability (TPL)" means other health insurance coverage. This insurance
2 is in addition to Medicaid and is usually provided through an employer. Since Medicaid is always
3 the payer of last resort, the TPL is always the primary coverage.

4 (11) "Wrap-around services or coverage" means any health care services not included in
5 the ESI plan that would have been covered had the Medicaid member been enrolled in a RItE Care
6 or Rhody Health Partners plan. Coverage of deductibles and co-insurance is included in the wrap.
7 Co-payments to providers are not covered as part of the wrap-around coverage.

8 ~~(c) Current RItE Care enrollees with access to employer-based health insurance. The office~~
9 ~~of health and human services shall require any family who receives RItE Care or whose family~~
10 ~~receives RItE Care on the effective date of the applicable regulations adopted in accordance with~~
11 ~~subsection (f) to enroll in an employer-based health insurance plan at the person's eligibility~~
12 ~~redetermination date or at an earlier date determined by the department, provided that doing so~~
13 ~~meets the criteria established in the applicable sections of Title XIX, 42 U.S.C. section 1396 et seq.,~~
14 ~~for obtaining federal matching funds and the department has determined that the person's and/or~~
15 ~~the family's enrollment in the employer-based health insurance plan is cost effective and has~~
16 ~~determined that the health insurance plan meets the criteria in subsection (d). The insurer shall~~
17 ~~accept the enrollment of the person and/or the family in the employer-based health insurance plan~~
18 ~~without regard to any enrollment season restrictions. RItE Share Populations. Medicaid~~
19 beneficiaries subject to RItE Share include: children, families, parent and caretakers eligible for
20 Medicaid or the Children's Health Insurance Program under this chapter or chapter 12.3 of title 42;
21 and adults between the ages of nineteen (19) and sixty-four (64) who are eligible under chapter
22 8.12 of title 40, not receiving or eligible to receive Medicare, and are enrolled in managed care
23 delivery systems. The following conditions apply:

24 (1) The income of Medicaid beneficiaries shall affect whether and in what manner they
25 must participate in RItE Share as follows:

26 (i) Income at or below one hundred fifty percent (150%) of FPL -- Persons and families
27 determined to have household income at or below one hundred fifty percent (150%) of the Federal
28 Poverty Level (FPL) guidelines based on the modified adjusted gross income (MAGI) standard or
29 other standard approved by the secretary are required to participate in RItE Share if a Medicaid-
30 eligible adult or parent/caretaker has access to cost-effective ESI. Enrolling in ESI through RItE
31 Share shall be a condition of maintaining Medicaid health coverage for any eligible adult with
32 access to such coverage.

33 (ii) Income above one hundred fifty percent (150%) FPL and policy holder is not Medicaid-
34 eligible -- Premium assistance is available when the household includes Medicaid-eligible

1 members, but the ESI policy holder (typically a parent/ caretaker or spouse) is not eligible for
2 Medicaid. Premium assistance for parents/caretakers and other household members who are not
3 Medicaid-eligible may be provided in circumstances when enrollment of the Medicaid-eligible
4 family members in the approved ESI plan is contingent upon enrollment of the ineligible policy
5 holder and the executive office of health and human services (executive office) determines, based
6 on a methodology adopted for such purposes, that it is cost-effective to provide premium assistance
7 for family or spousal coverage.

8 (d) RItE Share Enrollment as a Condition of Eligibility. For Medicaid beneficiaries over
9 the age of nineteen (19) enrollment in RItE Share shall be a condition of eligibility except as
10 exempted below and by regulations promulgated by the executive office.

11 (1) Medicaid-eligible children and young adults up to age nineteen (19) shall not be
12 required to enroll in a parent/caretaker relative's ESI as a condition of maintaining Medicaid
13 eligibility if the person with access to RItE Share-approved ESI does not enroll as required. These
14 Medicaid-eligible children and young adults shall remain eligible for Medicaid and shall be
15 enrolled in a RItE Care plan

16 (2) There shall be a limited six (6) month exemption from the mandatory enrollment
17 requirement for persons participating in the RI Works program pursuant to chapter 5.2 of title 40.

18 ~~(d)~~ (e) Approval of health insurance plans for premium assistance. The office of health and
19 human services shall adopt regulations providing for the approval of employer-based health
20 insurance plans for premium assistance and shall approve employer-based health insurance plans
21 based on these regulations. In order for an employer-based health insurance plan to gain approval,
22 the ~~department~~ executive office must determine that the benefits offered by the employer-based
23 health insurance plan are substantially similar in amount, scope, and duration to the benefits
24 provided to ~~RItE-Care~~ Medicaid-eligible persons ~~by the RItE-Care program~~ enrolled in Medicaid
25 managed care plan, when the plan is evaluated in conjunction with available supplemental benefits
26 provided by the office. The office shall obtain and make available as to persons otherwise eligible
27 for ~~RItE-Care~~ Medicaid identified in this section as supplemental benefits those benefits not
28 reasonably available under employer-based health insurance plans which are required for ~~RItE-Care~~
29 ~~eligible persons~~ Medicaid beneficiaries by state law or federal law or regulation. Once it has been
30 determined by the Medicaid agency that the ESI offered by a particular employer is RItE Share-
31 approved, all Medicaid members with access to that employer's plan are required participate in RItE
32 Share. Failure to meet the mandatory enrollment requirement shall result in the termination of the
33 Medicaid eligibility of the policy holder and other Medicaid members nineteen (19) or older in the
34 household that could be covered under the ESI until the policy holder complies with the RItE Share

1 enrollment procedures established by the executive office.

2 (f) Premium Assistance. The executive office shall provide premium assistance by paying
3 all or a portion of the employee's cost for covering the eligible person and/or his or her family under
4 such a RItE Share-approved ESI plan subject to the buy-in provisions in this section.

5 (g) Buy-in. Persons who can afford it shall share in the cost. - The executive office is
6 authorized and directed to apply for and obtain any necessary state plan and/or waiver amendments
7 from the secretary of the U.S. DHHS to require that person enrolled in a RItE Share-approved
8 employer-based health plan who have income equal to or greater than one hundred fifty percent
9 (150%) of the FPL to buy-in to pay a share of the costs based on the ability to pay, provided that
10 the buy-in cost shall not exceed five percent (5%) of the person's annual income. The executive
11 office shall implement the buy-in by regulation, and shall consider co-payments, premium shares
12 or other reasonable means to do so.

13 ~~(e)~~-(h) Maximization of federal contribution. The office of health and human services is
14 authorized and directed to apply for and obtain federal approvals and waivers necessary to
15 maximize the federal contribution for provision of medical assistance coverage under this section,
16 including the authorization to amend the Title XXI state plan and to obtain any waivers necessary
17 to reduce barriers to provide premium assistance to recipients as provided for in Title XXI of the
18 Social Security Act, 42 U.S.C. section 1397 et seq.

19 ~~(f)~~-(i) Implementation by regulation. The office of health and human services is authorized
20 and directed to adopt regulations to ensure the establishment and implementation of the premium
21 assistance program in accordance with the intent and purpose of this section, the requirements of
22 Title XIX, Title XXI and any approved federal waivers.

23 SECTION 4. Section 40-8.9-9 of the General Laws in Chapter 40-8.9 entitled "Medical
24 Assistance - Long-Term Care Service and Finance Reform" is hereby amended to read as follows:

25 **40-8.9-9. Long-term care rebalancing system reform goal.**

26 (a) Notwithstanding any other provision of state law, the executive office of health and
27 human services is authorized and directed to apply for, and obtain, any necessary waiver(s), waiver
28 amendment(s), and/or state-plan amendments from the secretary of the United States Department
29 of Health and Human Services, and to promulgate rules necessary to adopt an affirmative plan of
30 program design and implementation that addresses the goal of allocating a minimum of fifty percent
31 (50%) of Medicaid long-term care funding for persons aged sixty-five (65) and over and adults
32 with disabilities, in addition to services for persons with developmental disabilities, to home- and
33 community-based care; provided, further, the executive office shall report annually as part of its
34 budget submission, the percentage distribution between institutional care and home- and

1 community-based care by population and shall report current and projected waiting lists for long-
2 term care and home- and community-based care services. The executive office is further authorized
3 and directed to prioritize investments in home- and community-based care and to maintain the
4 integrity and financial viability of all current long-term-care services while pursuing this goal.

5 (b) The reformed long-term-care system rebalancing goal is person-centered and
6 encourages individual self-determination, family involvement, interagency collaboration, and
7 individual choice through the provision of highly specialized and individually tailored home-based
8 services. Additionally, individuals with severe behavioral, physical, or developmental disabilities
9 must have the opportunity to live safe and healthful lives through access to a wide range of
10 supportive services in an array of community-based settings, regardless of the complexity of their
11 medical condition, the severity of their disability, or the challenges of their behavior. Delivery of
12 services and supports in less costly and less restrictive community settings, will enable children,
13 adolescents, and adults to be able to curtail, delay, or avoid lengthy stays in long-term care
14 institutions, such as behavioral health residential-treatment facilities, long-term-care hospitals,
15 intermediate-care facilities and/or skilled nursing facilities.

16 (c) Pursuant to federal authority procured under § 42-7.2-16, the executive office of health
17 and human services is directed and authorized to adopt a tiered set of criteria to be used to determine
18 eligibility for services. Such criteria shall be developed in collaboration with the state's health and
19 human services departments and, to the extent feasible, any consumer group, advisory board, or
20 other entity designated for such purposes, and shall encompass eligibility determinations for long-
21 term-care services in nursing facilities, hospitals, and intermediate-care facilities for persons with
22 intellectual disabilities, as well as home- and community-based alternatives, and shall provide a
23 common standard of income eligibility for both institutional and home- and community-based care.
24 The executive office is authorized to adopt clinical and/or functional criteria for admission to a
25 nursing facility, hospital, or intermediate-care facility for persons with intellectual disabilities that
26 are more stringent than those employed for access to home- and community-based services. The
27 executive office is also authorized to promulgate rules that define the frequency of re-assessments
28 for services provided for under this section. Levels of care may be applied in accordance with the
29 following:

30 (1) The executive office shall continue to apply the level of care criteria in effect on June
31 30, 2015, for any recipient determined eligible for and receiving Medicaid-funded, long-term
32 services in supports in a nursing facility, hospital, or intermediate-care facility for persons with
33 intellectual disabilities on or before that date, unless:

34 (a) The recipient transitions to home- and community-based services because he or she

1 would no longer meet the level of care criteria in effect on June 30, 2015; or

2 (b) The recipient chooses home- and community-based services over the nursing facility,
3 hospital, or intermediate-care facility for persons with intellectual disabilities. For the purposes of
4 this section, a failed community placement, as defined in regulations promulgated by the executive
5 office, shall be considered a condition of clinical eligibility for the highest level of care. The
6 executive office shall confer with the long-term-care ombudsperson with respect to the
7 determination of a failed placement under the ombudsperson's jurisdiction. Should any Medicaid
8 recipient eligible for a nursing facility, hospital, or intermediate-care facility for persons with
9 intellectual disabilities as of June 30, 2015, receive a determination of a failed community
10 placement, the recipient shall have access to the highest level of care; furthermore, a recipient who
11 has experienced a failed community placement shall be transitioned back into his or her former
12 nursing home, hospital, or intermediate-care facility for persons with intellectual disabilities
13 whenever possible. Additionally, residents shall only be moved from a nursing home, hospital, or
14 intermediate-care facility for persons with intellectual disabilities in a manner consistent with
15 applicable state and federal laws.

16 (2) Any Medicaid recipient eligible for the highest level of care who voluntarily leaves a
17 nursing home, hospital, or intermediate-care facility for persons with intellectual disabilities shall
18 not be subject to any wait list for home- and community-based services.

19 (3) No nursing home, hospital, or intermediate-care facility for persons with intellectual
20 disabilities shall be denied payment for services rendered to a Medicaid recipient on the grounds
21 that the recipient does not meet level of care criteria unless and until the executive office has:

22 (i) Performed an individual assessment of the recipient at issue and provided written notice
23 to the nursing home, hospital, or intermediate-care facility for persons with intellectual disabilities
24 that the recipient does not meet level of care criteria; and

25 (ii) The recipient has either appealed that level of care determination and been
26 unsuccessful, or any appeal period available to the recipient regarding that level of care
27 determination has expired.

28 (d) The executive office is further authorized to consolidate all home- and community-
29 based services currently provided pursuant to 42 U.S.C. § 1396n into a single system of home- and
30 community-based services that include options for consumer direction and shared living. The
31 resulting single home- and community-based services system shall replace and supersede all 42
32 U.S.C. § 1396n programs when fully implemented. Notwithstanding the foregoing, the resulting
33 single program home- and community-based services system shall include the continued funding
34 of assisted-living services at any assisted-living facility financed by the Rhode Island housing and

1 mortgage finance corporation prior to January 1, 2006, and shall be in accordance with chapter 66.8
2 of title 42 of the general laws as long as assisted-living services are a covered Medicaid benefit.

3 (e) The executive office is authorized to promulgate rules that permit certain optional
4 services including, but not limited to, homemaker services, home modifications, respite, and
5 physical therapy evaluations to be offered to persons at risk for Medicaid-funded, long-term care
6 subject to availability of state-appropriated funding for these purposes.

7 (f) To promote the expansion of home- and community-based service capacity, the
8 executive office is authorized to pursue payment methodology reforms that increase access to
9 homemaker, personal care (home health aide), assisted living, adult supportive-care homes, and
10 adult day services, as follows:

11 (1) Development of revised or new Medicaid certification standards that increase access to
12 service specialization and scheduling accommodations by using payment strategies designed to
13 achieve specific quality and health outcomes.

14 (2) Development of Medicaid certification standards for state-authorized providers of
15 adult-day services, excluding such providers of services authorized under § 40.1-24-1(3), assisted
16 living, and adult supportive care (as defined under chapter 17.24 of title 23) that establish for each,
17 an acuity-based, tiered service and payment methodology tied to: licensure authority; level of
18 beneficiary needs; the scope of services and supports provided; and specific quality and outcome
19 measures.

20 The standards for adult-day services for persons eligible for Medicaid-funded, long-term
21 services may differ from those who do not meet the clinical/functional criteria set forth in § 40-
22 8.10-3.

23 (3) As the state's Medicaid program seeks to assist more beneficiaries requiring long-term
24 services and supports in home- and community-based settings, the demand for home care workers
25 has increased, and wages for these workers has not kept pace with neighboring states, leading to
26 high turnover and vacancy rates in the state's home-care industry, the executive office shall institute
27 a one-time increase in the base-payment rates for home-care service providers to promote increased
28 access to and an adequate supply of highly trained home health care professionals, in amount to be
29 determined by the appropriations process, for the purpose of raising wages for personal care
30 attendants and home health aides to be implemented by such providers.

31 (4) A prospective base adjustment, effective not later than July 1, 2018, of ten percent
32 (10%) of the current base rate for home care providers, home nursing care providers, and hospice
33 providers contracted with the executive office of health and human services and its subordinate
34 agencies to deliver Medicaid fee-for-service personal care attendant services.

1 (5) A prospective base adjustment, effective not later than July 1, 2018, of twenty percent
2 (20%) of the current base rate for home care providers, home nursing care providers, and hospice
3 providers contracted with the executive office of health and human services and its subordinate
4 agencies to deliver Medicaid fee-for-service skilled nursing and therapeutic services and hospice
5 care.

6 (6) On the first of July in each year, beginning on July 1, 2019, the executive office of health
7 and human services will initiate an annual inflation increase to the base rate by a percentage amount
8 equal to the change in cost inflation by the rate as determined by the United States Department of
9 Labor Consumer Price Index card rate for medical care in New England and for compliance with
10 all federal and state laws, regulations, and rules, and all national accreditation program
11 requirements.

12 (g) The executive office shall implement a long-term-care options counseling program to
13 provide individuals, or their representatives, or both, with long-term-care consultations that shall
14 include, at a minimum, information about: long-term-care options, sources, and methods of both
15 public and private payment for long-term-care services and an assessment of an individual's
16 functional capabilities and opportunities for maximizing independence. Each individual admitted
17 to, or seeking admission to, a long-term-care facility, regardless of the payment source, shall be
18 informed by the facility of the availability of the long-term-care options counseling program and
19 shall be provided with long-term-care options consultation if they so request. Each individual who
20 applies for Medicaid long-term-care services shall be provided with a long-term-care consultation.

21 (h) The executive office is also authorized, subject to availability of appropriation of
22 funding, and federal, Medicaid-matching funds, to pay for certain services and supports necessary
23 to transition or divert beneficiaries from institutional or restrictive settings and optimize their health
24 and safety when receiving care in a home or the community. The secretary is authorized to obtain
25 any state plan or waiver authorities required to maximize the federal funds available to support
26 expanded access to such home- and community-transition and stabilization services; provided,
27 however, payments shall not exceed an annual or per-person amount.

28 (i) To ensure persons with long-term-care needs who remain living at home have adequate
29 resources to deal with housing maintenance and unanticipated housing-related costs, the secretary
30 is authorized to develop higher resource eligibility limits for persons or obtain any state plan or
31 waiver authorities necessary to change the financial eligibility criteria for long-term services and
32 supports to enable beneficiaries receiving home and community waiver services to have the
33 resources to continue living in their own homes or rental units or other home-based settings.

34 (j) The executive office shall implement, no later than January 1, 2016, the following home-

1 and community-based service and payment reforms:

2 (1) Community-based, supportive-living program established in § 40-8.13-12;

3 (2) Adult day services level of need criteria and acuity-based, tiered-payment
4 methodology; and

5 (3) Payment reforms that encourage home- and community-based providers to provide the
6 specialized services and accommodations beneficiaries need to avoid or delay institutional care.

7 (k) The secretary is authorized to seek any Medicaid section 1115 waiver or state-plan
8 amendments and take any administrative actions necessary to ensure timely adoption of any new
9 or amended rules, regulations, policies, or procedures and any system enhancements or changes,
10 for which appropriations have been authorized, that are necessary to facilitate implementation of
11 the requirements of this section by the dates established. The secretary shall reserve the discretion
12 to exercise the authority established under §§ 42-7.2-5(6)(v) and 42-7.2-6.1, in consultation with
13 the governor, to meet the legislative directives established herein.

14 SECTION 5. Section 40.1-21-4 of the General Laws in Chapter 40.1-21 entitled "Division
15 of Developmental Disabilities" is hereby amended to read as follows:

16 **40.1-21-4. Powers and duties of director of behavioral healthcare, developmental**
17 **disabilities and hospitals.**

18 (a) The director of behavioral healthcare, developmental disabilities and hospitals shall be
19 responsible for planning and developing a complete, comprehensive, and integrated statewide
20 program for the developmentally disabled for the implementation of the program; and for the
21 coordination of the efforts of the department of behavioral healthcare, developmental disabilities
22 and hospitals with those of other state departments and agencies, municipal governments as well
23 as the federal government and private agencies concerned with and providing services for the
24 developmentally disabled.

25 (b) The director shall be responsible for the administration and operation of all state
26 operated community and residential facilities established for the diagnosis, care, and training of the
27 developmentally disabled. The director shall be responsible for establishing standards in
28 conformance with generally accepted professional thought and for providing technical assistance
29 to all state supported and licensed habilitative, developmental, residential and other facilities for
30 the developmentally disabled, and exercise the requisite surveillance and inspection to insure
31 compliance with standards. Provided, however, that none of the foregoing shall be applicable to
32 any of the facilities wholly within the control of any other department of state government.

33 (c) The director of behavioral healthcare, developmental disabilities and hospitals shall
34 stimulate research by public and private agencies, institutions of higher learning, and hospitals, in

1 the interest of the elimination and amelioration of developmental disabilities, and care and training
2 of the developmentally disabled.

3 (d) The director shall be responsible for the development of criteria as to the eligibility for
4 admittance of any developmentally disabled person for residential care in any department supported
5 and licensed residential facility or agency.

6 (e) The director of behavioral healthcare, developmental disabilities and hospitals may
7 transfer retarded persons from one state residential facility to another when deemed necessary or
8 desirable for their better care and welfare.

9 (f) The director of behavioral healthcare, developmental disabilities and hospitals shall
10 make grants-in-aid and otherwise provide financial assistance to the various communities and
11 private nonprofit agencies, in amounts which will enable all developmentally disabled adults to
12 receive developmental and other services appropriate to their individual needs.

13 (g) The director shall coordinate all planning for the construction of facilities for the
14 developmentally disabled, and the expenditure of funds appropriated or otherwise made available
15 to the state for this purpose.

16 (h) To ensure individuals eligible for services under § 40.1-21-43 receive the appropriate
17 medical benefits through the Executive Office of Health and Human Services' Medicaid program,
18 the director, or designee, will work in coordination with the Medicaid program to determine if an
19 individual is eligible for long-term care services and supports and that he or she has the option to
20 enroll in the Medicaid program that offers these services. As part of the monthly reporting
21 requirements, the Department will indicate how many individuals have declined enrollment in a
22 managed care plan that offers these long-term care services.

23 SECTION 6. Title 42 of the General Laws entitled "STATE AFFAIRS AND
24 GOVERNMENT" is hereby amended by adding thereto the following chapter:

25 CHAPTER 66.12

26 THE RHODE ISLAND AGING AND DISABILITY RESOURCE CENTER

27 **42-66.12-1. Short title.**

28 This chapter shall be known and may be cited as the "The Rhode Island Aging and
29 Disability Resource Center Act".

30 **42-66.12-2. Purpose.**

31 To assist Rhode Islanders and their families in making informed choices and decisions
32 about long-term service and support options and to streamline access to long-term supports and
33 services for older adults, persons with disabilities, family caregivers and providers, a statewide
34 aging and disability resource center shall be maintained. The Rhode Island aging and disability

1 resource center (ADRC) is a state multi-agency effort. It consists of a centrally operated,
2 coordinated system of information, referral and options counseling for all persons seeking long-
3 term supports and services in order to enhance individual choice, foster informed decision-making
4 and minimize confusion and duplication.

5 **42-66.12-3. Aging and disability resource center established.**

6 The Rhode Island aging and disability resource center (ADRC) shall be established and
7 operated by the department of human services, division of elderly affairs (DEA) in collaboration
8 with other agencies within the executive office of health and human services. The division of
9 elderly affairs shall build on its experience in development and implementation of the current
10 ADRC program. The ADRC is an integral part of the Rhode Island system of long-term supports
11 and services working to promote the state's long-term system rebalancing goals by diverting
12 persons, when appropriate, from institutional care to home and community-based services and
13 preventing short-term institutional stays from becoming permanent through options counseling and
14 screening for eligibility for home and community-based services.

15 **42-66.12-4. Aging and disability resource center service directives.**

16 (a) The aging and disability resource center (ADRC) shall provide for the following:

17 (1) A statewide toll-free ADRC information number available during business hours with
18 a messaging system to respond to after-hours calls during the next business day and language
19 services to assist individuals with limited English language skills;

20 (2) A comprehensive database of information, updated on a regular basis and accessible
21 through a dedicated website, on the full range of available public and private long-term support and
22 service programs, service providers and resources within the state and in specific communities,
23 including information on housing supports, transportation and the availability of integrated long-
24 term care;

25 (3) Personal options counseling, including implementing provisions required in § 40-8.9-
26 9, to assist individuals in assessing their existing or anticipated long-term care needs, and assisting
27 them to develop and implement a plan designed to meet their specific needs and circumstances;

28 (4) A means to link callers to the ADRC information line to interactive long-term care
29 screening tools and to make these tools available through the ADRC website by integrating the
30 tools into the website;

31 (5) Development of partnerships, through memorandum agreements or other arrangements,
32 with other entities serving older adults and persons with disabilities, including those working on
33 nursing home transition and hospital discharge programs, to assist in maintaining and providing
34 ADRC services; and

1 [\(6\) Community education and outreach activities to inform persons about the ADRC](#)
2 [services, in finding information through the Internet and in planning for future long-term care needs](#)
3 [including housing and community service options.](#)

4 SECTION 7. Section 15 of Article 5 of Chapter 141 of the Public Laws of 2015 is hereby
5 amended to read as follows:

6 A pool is hereby established of up to ~~\$4.0 million~~ [\\$5.0 million](#) to support Medicaid
7 Graduate Education funding for Academic Medical Centers with level I Trauma Centers who
8 provide care to the state's critically ill and indigent populations. The office of Health and Human
9 Services shall utilize this pool to provide up to \$5 million per year in additional Medicaid payments
10 to support Graduate Medical Education programs to hospitals meeting all of the following criteria:

11 (a) Hospital must have a minimum of 25,000 inpatient discharges per year for all patients
12 regardless of coverage.

13 (b) Hospital must be designated as Level I Trauma Center.

14 (c) Hospital must provide graduate medical education training for at least 250 interns and
15 residents per year.

16 The Secretary of the Executive Office of Health and Human Services shall determine the
17 appropriate Medicaid payment mechanism to implement this program and amend any state plan
18 documents required to implement the payments.

19 Payments for Graduate Medical Education programs shall be made annually.

20 SECTION 8. Rhode Island Medicaid Reform Act of 2008 Resolution.

21 WHEREAS, the General Assembly enacted Chapter 12.4 of Title 42 entitled "The Rhode
22 Island Medicaid Reform Act of 2008"; and

23 WHEREAS, a legislative enactment is required pursuant to Rhode Island General Laws
24 42-12.4-1, *et seq.*; and

25 WHEREAS, Rhode Island General Law 42-7.2-5(3)(a) provides that the Secretary of the
26 Executive Office of Health and Human Services ("Executive Office") is responsible for the review
27 and coordination of any Medicaid section 1115 demonstration waiver requests and renewals as well
28 as any initiatives and proposals requiring amendments to the Medicaid state plan or category II or
29 III changes as described in the demonstration, "with potential to affect the scope, amount, or
30 duration of publicly-funded health care services, provider payments or reimbursements, or access
31 to or the availability of benefits and services provided by Rhode Island general and public laws";
32 and

33 WHEREAS, in pursuit of a more cost-effective consumer choice system of care that is
34 fiscally sound and sustainable, the Secretary requests legislative approval of the following

1 proposals to amend the demonstration:

2 (a) *Provider Rates -- Adjustments.* The Executive Office proposes to:

3 (i) Maintain in-patient and out-patient hospital payment rates at SFY 2018 levels.

4 (ii) The nursing facility rate adjustment that would otherwise take-effect on October 1,
5 2018 will not exceed an increase of one percent; and

6 (iii) Reduce the administrative component of rates for Medicaid managed care plan rates
7 administration.

8 (iv) Reduce the medical component of Medicaid managed care plan rates.

9 Implementation of adjustments may require amendments to the Rhode Island’s Medicaid
10 State Plan and/or Section 1115 waiver under the terms and conditions of the demonstration. Further,
11 adoption of new or amended rules, regulations and procedures may also be required.

12 (b) *Section 1115 Demonstration Waiver – Implementation of Existing Authorities.* To
13 achieve the objectives of the State’s demonstration waiver, the Executive Office proposes to
14 implement the following approved authorities:

15 (i) Expanded expedited eligibility for long-term services and supports (LTSS) applicants
16 who are transitioning to a home or community-based setting from a health facility, including a
17 hospital or nursing home; and

18 (ii) Institute the multi-tiered needs-based criteria for determining the level of care and scope
19 of services available to applicants with developmental disabilities seeking Medicaid home and
20 community-based services in lieu of institutional care.

21 (c) *Section 1115 Demonstration Waiver – Extension Request –* The Executive Office
22 proposes to seek approval from our federal partners to extend the Section 1115 demonstration as
23 authorized in §42-12.4. In addition to maintaining existing waiver authorities, the Executive Office
24 proposes to seek additional federal authorities to:

25 (i) Further the goals of LTSS rebalancing set forth in §40-8.9, by expanding the array of
26 health care stabilization and maintenance services eligible for federal financial participation which
27 are available to beneficiaries residing in home and community-based settings. Such services include
28 adaptive and home-based monitoring technologies, transition help, and peer and personal supports
29 that assist beneficiaries in better managing and optimizing their own care. The Executive Office
30 proposes to pursue alternative payment strategies financed through the Health System
31 Transformation Project (HSTP) to cover the state’s share of the cost for such services and to expand
32 on-going efforts to identify and provide cost-effective preventive services to persons at-risk for
33 LTSS and other high cost interventions.

34 (ii) Leverage existing resources and the flexibility of alternative payment methodologies

1 to provide integrated medical and behavioral services to children and youth at risk and in transition,
2 including targeted family visiting nurses, peer supports, and specialized networks of care.

3 (iii) Establish authority to provide Medicaid coverage to children who require residential
4 care who by themselves would meet the Supplemental Security Income Disability standards but
5 could not receive the cash benefit due to family income and resource limits and who would
6 otherwise be placed in state custody.

7 (d) *Financial Integrity – Asset Verification and Transfers.* To comply with federal
8 mandates pertaining to the integrity of the determination of eligibility and estate recoveries, the
9 Executive Office plans to adopt an automated asset verification system which uses electronic data
10 sources to verify ownership and the value of the financial resources and real property of applicants
11 and beneficiaries and their spouses who are subject to asset and resource limits under Title XIX. In
12 addition, the Executive Office proposes to adopt new or amended rules, policies and procedures for
13 LTSS applicants and beneficiaries, inclusive of those eligible pursuant to §40-8.12, that conform
14 to federal guidelines related to the transfer of assets for less than fair market value established in
15 Title XIX and applicable federal guidelines. State plan amendments are required to comply fully
16 with these mandates.

17 (e) *Service Delivery.* To better leverage all available health care dollars and promote access
18 and service quality, the Executive Office proposes to:

19 (i) Restructure delivery systems for dual Medicare and Medicaid eligible LTSS
20 beneficiaries who have chronic or disabling conditions to provide the foundation for implementing
21 more cost-effective and sustainable managed care LTSS arrangements. Additional state plan
22 authorities may be required.

23 (ii) Expand the reach of the RIte Share premium assistance program through amendments
24 to the Medicaid state plan to cover ~~all~~ non-disabled adults, ages 19 and older, who have access to
25 a cost-effective Executive Office approved employer-sponsored health insurance program.

26 (f) *Non-Emergency Transportation Program (NEMT).* To implement cost effective
27 delivery of services and to enhance consumer satisfaction with transportation services by:

28 (i) Expanding reimbursement methodologies; and

29 (ii) Removing transportation restrictions to align with Title XIX of Federal law.

30 (g) *Community First Choice (CFC).* To seek Medicaid state plan and any additional waiver
31 authority necessary to implement the CFC option.

32 (h) *Alternative Payment Methodology.* To develop, in collaboration with the Department
33 of Behavioral Healthcare, Development Disabilities and Hospitals (BHDDH), a health home for
34 providing conflict free person-centered planning and a quality and value based alternative payment

1 system that advances the goal of improving service access, quality and value.

2 (i) *Opioid and Behavioral Health Crisis Management.* To implement in collaboration
3 with the Department of Behavioral Healthcare, Development Disabilities and Hospitals (BHDDH),
4 a community based alternative to emergency departments for addiction and mental
5 health emergencies.

6 (j) *Federal Financing Opportunities.* The Executive Office proposes to review Medicaid
7 requirements and opportunities under the U.S. Patient Protection and Affordable Care Act of 2010
8 (PPACA) and various other recently enacted federal laws and pursue any changes in the Rhode
9 Island Medicaid program that promote service quality, access and cost-effectiveness that may
10 warrant a Medicaid State Plan amendment or amendment under the terms and conditions of Rhode
11 Island's Section 1115 Waiver, its successor, or any extension thereof. Any such actions by the
12 Executive Office shall not have an adverse impact on beneficiaries or cause there to be an increase
13 in expenditures beyond the amount appropriated for state fiscal year 2019. Now, therefore, be it

14 RESOLVED, the General Assembly hereby approves proposals and be it further;

15 RESOLVED, the Secretary of the Executive Office is authorized to pursue and implement
16 any waiver amendments, State Plan amendments, and/or changes to the applicable department's
17 rules, regulations and procedures approved herein and as authorized by 42-12.4; and be it further

18 RESOLVED, that this Joint Resolution shall take effect upon passage.

19 SECTION 9. This Article shall take effect upon passage.

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ARTICLE 14

RELATING TO EDWARD O. HAWKINS AND THOMAS C. SLATER MEDICAL MARIJUANA ACT

SECTION 1. Sections 21-28.6-3, 21-28.6-4, 21-28.6-6 and 21-28.6-12 of the General Laws in Chapter 21-28.6 entitled "The Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act" are hereby amended as follows:

21-28.6-3. Definitions.

For the purposes of this chapter:

(1) "Authorized purchaser" means a natural person who is at least twenty-one (21) years old and who is registered with the department of health for the purposes of assisting a qualifying patient in purchasing marijuana from a compassion center. An authorized purchaser may assist no more than one patient, and is prohibited from consuming marijuana obtained for the use of the qualifying patient. An authorized purchaser shall be registered with the department of health and shall possess a valid registry identification card.

(2) "Cardholder" means a person who has been registered or licensed with the department of health or the department of business regulation pursuant to this chapter and possesses a valid registry identification card or license.

(3) "Commercial unit" means a building, office, suite, or room within a commercial or industrial building for use by one business or person and is rented or owned by that business or person.

(4) (i) "Compassion center" means a not-for-profit corporation, subject to the provisions of chapter 6 of title 7, and registered under § 21-28.6-12, that acquires, possesses, cultivates, manufactures, delivers, transfers, transports, supplies, or dispenses marijuana, and/or related supplies and educational materials, to patient cardholders and/or their registered caregiver cardholder or authorized purchaser.

(ii) "Compassion center cardholder" means a principal officer, board member, employee, volunteer, or agent of a compassion center who has registered with the department of health or the department of business regulation and has been issued and possesses a valid, registry identification card.

(5) "Debilitating medical condition" means:

(i) Cancer, glaucoma, positive status for human immunodeficiency virus, acquired immune

1 deficiency syndrome, Hepatitis C, post-traumatic stress disorder, or the treatment of these
2 conditions;

3 (ii) A chronic or debilitating disease or medical condition, or its treatment, that produces
4 one or more of the following: cachexia or wasting syndrome; severe, debilitating, chronic pain;
5 severe nausea; seizures, including but not limited to, those characteristic of epilepsy; or severe and
6 persistent muscle spasms, including but not limited to, those characteristic of multiple sclerosis or
7 Crohn's disease; or agitation of Alzheimer's Disease; or

8 (iii) Any other medical condition or its treatment approved by the department, as provided
9 for in § 21-28.6-5.

10 (6) "Department of business regulation" means the Rhode Island department of business
11 regulation or its successor agency.

12 (7) "Department of health" means the Rhode Island department of health or its successor
13 agency.

14 (8) "Department of public safety" means the Rhode Island department of public safety or
15 its successor agency.

16 (9) "Dried, useable marijuana" means the dried leaves and flowers of the marijuana plant
17 as defined by regulations promulgated by the department of health.

18 (10) "Dwelling unit" means the room, or group of rooms, within a dwelling used or
19 intended for use by one family or household, or by no more than three (3) unrelated individuals,
20 for living, sleeping, cooking, and eating.

21 (11) "Equivalent amount" means the portion of usable marijuana, be it in extracted, edible,
22 concentrated, or any other form, found to be equal to a portion of dried, usable marijuana, as defined
23 by regulations promulgated by the department of health.

24 (12) "Licensed cultivator" means a person, as identified in § 43-3-6, who has been licensed
25 by the department of business regulation to cultivate marijuana pursuant to § 21-28.6-16.

26 (13) "Marijuana" has the meaning given that term in § 21-28-1.02(29).

27 (14) "Mature marijuana plant" means a marijuana plant that has flowers or buds that are
28 readily observable by an unaided visual examination.

29 (15) "Medical use" means the acquisition, possession, cultivation, manufacture, use,
30 delivery, transfer, or transportation of marijuana or paraphernalia relating to the consumption of
31 marijuana to alleviate a patient cardholder's debilitating medical condition or symptoms associated
32 with the medical condition.

33 (16) "Medical marijuana testing laboratory" means a third party analytical testing
34 laboratory licensed by the department of health to collect and test samples of medical marijuana

1 [pursuant to regulations promulgated by the department.](#)

2 ~~(16)~~(17) "Practitioner" means a person who is licensed with authority to prescribe drugs
3 pursuant to ~~chapter 37~~ [chapters 34, 37 and 54](#) of title 5, [who may provide a qualifying patient with](#)
4 [a written certification in accordance with regulations promulgated by the department of health](#) or a
5 physician licensed with authority to prescribe drugs in Massachusetts or Connecticut.

6 ~~(17)~~(18) "Primary caregiver" means a natural person who is at least twenty-one (21) years
7 old. A primary caregiver may assist no more than five (5) qualifying patients with their medical
8 use of marijuana.

9 ~~(18)~~(19) "Qualifying patient" means a person who has been diagnosed by a practitioner as
10 having a debilitating medical condition and is a resident of Rhode Island.

11 ~~(19)~~(20) "Registry identification card" means a document issued by the department of
12 health that identifies a person as a registered qualifying patient, a registered primary caregiver, or
13 authorized purchaser, or a document issued by the department of business regulation that identifies
14 a person as a registered principal officer, board member, employee, volunteer, or agent of a
15 compassion center.

16 ~~(20)~~(21) "Seedling" means a marijuana plant with no observable flowers or buds.

17 ~~(21)~~(22) "Unusable marijuana" means marijuana seeds, stalks, seedlings, and unusable
18 roots.

19 ~~(22)~~(23) "Usable marijuana" means the dried leaves and flowers of the marijuana plant,
20 and any mixture or preparation thereof, but does not include the seeds, stalks, and roots of the plant.

21 ~~(23)~~(24) "Wet marijuana" means the harvested leaves and flowers of the marijuana plant
22 before they have reached a dry useable state, as defined by regulations promulgated by the
23 departments of health and business regulation.

24 ~~(24)~~(25) "Written certification" means the qualifying patient's medical records, and a
25 statement signed by a practitioner, stating that, in the practitioner's professional opinion, the
26 potential benefits of the medical use of marijuana would likely outweigh the health risks for the
27 qualifying patient. A written certification shall be made only in the course of a bona fide,
28 practitioner-patient relationship after the practitioner has completed a full assessment of the
29 qualifying patient's medical history. The written certification shall specify the qualifying patient's
30 debilitating medical condition or conditions.

31 **21-28.6-4. Protections for the medical use of marijuana.**

32 (a) A qualifying patient cardholder who has in his or her possession a registry identification
33 card shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or
34 privilege, including, but not limited to, civil penalty or disciplinary action by a business or

1 occupational or professional licensing board or bureau, for the medical use of marijuana; provided,
2 that the qualifying patient cardholder possesses an amount of marijuana that does not exceed twelve
3 (12) mature marijuana plants that are accompanied by valid medical marijuana tags, two and one-
4 half (2.5) ounces of usable marijuana, or its equivalent amount, and an amount of wet marijuana to
5 be set by regulations promulgated by the departments of health and business regulation. Said plants
6 shall be stored in an indoor facility.

7 (b) An authorized purchaser who has in his or her possession a registry identification card
8 shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege,
9 including, but not limited to, civil penalty or disciplinary action by a business or occupational or
10 professional licensing board or bureau, for the possession of marijuana; provided that the
11 authorized purchaser possesses an amount of marijuana that does not exceed two and one-half (2.5)
12 ounces of usable marijuana, or its equivalent amount, and this marijuana was purchased legally
13 from a compassion center for the use of their designated qualifying patient.

14 (c) A qualifying patient cardholder, who has in his or her possession a registry
15 identification card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied
16 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business
17 or occupational or professional licensing board or bureau, for selling, giving, or distributing, on or
18 before December 31, 2016 to a compassion center cardholder, marijuana of the type, and in an
19 amount not to exceed, that set forth in subsection (a), that he or she has cultivated or manufactured
20 pursuant to this chapter.

21 (d) No school, employer, or landlord may refuse to enroll, employ, or lease to, or otherwise
22 penalize, a person solely for his or her status as a cardholder. Provided, however, due to the safety
23 and welfare concern for other tenants, the property, and the public, as a whole, a landlord may have
24 the discretion not to lease, or continue to lease, to a cardholder who cultivates marijuana in the
25 leased premises.

26 (e) A primary caregiver cardholder, who has in his or her possession a registry
27 identification card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied
28 any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business
29 or occupational or professional licensing board or bureau, for assisting a patient cardholder, to
30 whom he or she is connected through the department of health's registration process, with the
31 medical use of marijuana; provided, that the primary caregiver cardholder possesses an amount of
32 marijuana that does not exceed twelve (12) mature marijuana plants that are accompanied by valid
33 medical marijuana tags, two and one-half (2.5) ounces of usable marijuana, or its equivalent
34 amount, and an amount of wet marijuana set in regulations promulgated by the departments of

1 health and business regulation for each qualified patient cardholder to whom he or she is connected
2 through the department of health's registration process.

3 (f) A qualifying patient cardholder shall be allowed to possess a reasonable amount of
4 unusable marijuana, including up to twelve (12) seedlings that are accompanied by valid medical
5 marijuana tags. A primary caregiver cardholder shall be allowed to possess a reasonable amount of
6 unusable marijuana, including up to twenty-four (24) seedlings that are accompanied by valid
7 medical marijuana tags and an amount of wet marijuana set in regulations promulgated by the
8 departments of health and business regulation.

9 (g) There shall exist a presumption that a cardholder is engaged in the medical use of
10 marijuana if the cardholder:

11 (1) Is in possession of a registry identification card; and

12 (2) Is in possession of an amount of marijuana that does not exceed the amount permitted
13 under this chapter. Such presumption may be rebutted by evidence that conduct related to marijuana
14 was not for the purpose of alleviating the qualifying patient's debilitating medical condition or
15 symptoms associated with the medical condition.

16 (h) A primary caregiver cardholder may receive reimbursement for costs associated with
17 assisting a qualifying patient cardholder's medical use of marijuana. Compensation shall not
18 constitute sale of controlled substances.

19 (i) A primary caregiver cardholder, who has in his or her possession a registry identification
20 card, shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or
21 privilege, including, but not limited to, civil penalty or disciplinary action by a business or
22 occupational or professional licensing board or bureau, for selling, giving, or distributing, on or
23 before December 31, 2016 to a compassion center cardholder, marijuana, of the type, and in an
24 amount not to exceed that set forth in subsection (e), if:

25 (1) The primary caregiver cardholder cultivated the marijuana pursuant to this chapter, not
26 to exceed the limits of subsection (e); and

27 (2) Each qualifying patient cardholder the primary caregiver cardholder is connected with
28 through the department of health's registration process has been provided an adequate amount of
29 the marijuana to meet his or her medical needs, not to exceed the limits of subsection (a).

30 (j) A practitioner shall not be subject to arrest, prosecution, or penalty in any manner, or
31 denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by
32 the Rhode Island board of medical licensure and discipline, or by any other business or occupational
33 or professional licensing board or bureau solely for providing written certifications, or for otherwise
34 stating that, in the practitioner's professional opinion, the potential benefits of the medical

1 marijuana would likely outweigh the health risks for a patient.

2 (k) Any interest in, or right to, property that is possessed, owned, or used in connection
3 with the medical use of marijuana, or acts incidental to such use, shall not be forfeited.

4 (l) No person shall be subject to arrest or prosecution for constructive possession,
5 conspiracy, aiding and abetting, being an accessory, or any other offense, for simply being in the
6 presence or vicinity of the medical use of marijuana as permitted under this chapter, or for assisting
7 a qualifying patient cardholder with using or administering marijuana.

8 (m) A practitioner, ~~nurse, nurse practitioner, physician's assistant,~~ [licensed with authority](#)
9 [to prescribe drugs pursuant to chapter 34, 37, and 54 of title 5,](#) or pharmacist, [licensed under chapter](#)
10 [19.1 of title 5,](#) shall not be subject to arrest, prosecution, or penalty in any manner, or denied any
11 right or privilege, including, but not limited to, civil penalty or disciplinary action by a business or
12 occupational or professional licensing board or bureau solely for discussing the benefits or health
13 risks of medical marijuana or its interaction with other substances with a patient.

14 (n) A qualifying patient or primary caregiver registry identification card, or its equivalent,
15 issued under the laws of another state, U.S. territory, or the District of Columbia, to permit the
16 medical use of marijuana by a patient with a debilitating medical condition, or to permit a person
17 to assist with the medical use of marijuana by a patient with a debilitating medical condition, shall
18 have the same force and effect as a registry identification card.

19 (o) Notwithstanding the provisions of § 21-28.6-4(e), no primary caregiver cardholder shall
20 possess an amount of marijuana in excess of twenty-four (24) mature marijuana plants that are
21 accompanied by valid medical marijuana tags and five (5) ounces of usable marijuana, or its
22 equivalent, and an amount of wet marijuana set in regulations promulgated by the departments of
23 health and business regulation for patient cardholders to whom he or she is connected through the
24 department of health's registration process.

25 (p) A qualifying patient or primary caregiver cardholder may give marijuana to another
26 qualifying patient or primary caregiver cardholder to whom they are not connected by the
27 department's registration process, provided that no consideration is paid for the marijuana, and that
28 the recipient does not exceed the limits specified in § 21-28.6-4.

29 (q) Qualifying patient cardholders and primary caregiver cardholders electing to grow
30 marijuana shall only grow at one premises, and this premises shall be registered with the department
31 of health. Except for compassion centers, cooperative cultivations, and licensed cultivators, no
32 more than twenty-four (24) mature marijuana plants that are accompanied by valid medical
33 marijuana tags shall be grown or otherwise located at any one dwelling unit or commercial unit.
34 The number of qualifying patients or primary caregivers residing, owning, renting, growing, or

1 otherwise operating at a dwelling or commercial unit does not affect this limit. The department of
2 health shall promulgate regulations to enforce this provision.

3 (r) For the purposes of medical care, including organ transplants, a patient cardholder's
4 authorized use of marijuana shall be considered the equivalent of the authorized use of any other
5 medication used at the direction of a physician, and shall not constitute the use of an illicit
6 substance.

7 (s) Notwithstanding any other provisions of the general laws, the manufacture of marijuana
8 using a solvent extraction process that includes the use of a compressed, flammable gas as a solvent
9 by a patient cardholder or primary caregiver cardholder shall not be subject to the protections of
10 this chapter.

11 (t) Notwithstanding any provisions to the contrary, nothing in this chapter or the general
12 laws shall restrict or otherwise affect the manufacturing, distribution, transportation, sale,
13 prescribing and dispensing of a product that has been approved for marketing as a prescription
14 medication by the U.S. Food and Drug Administration and legally prescribed, nor shall hemp, as
15 defined in § 2-26-3, be defined as marijuana or marihuana pursuant to this chapter, chapter 21-28
16 or elsewhere in the general laws.

17 **21-28.6-6. Administration of department of health and business regulation**
18 **regulations.**

19 (a) The department of health shall issue registry identification cards to qualifying patients
20 who submit the following, in accordance with the department's regulations: Applications shall
21 include but not be limited to:

- 22 (1) Written certification as defined in § 21-28.6-3~~(24)~~(25) of this chapter;
- 23 (2) Application ~~or renewal~~ fee;
- 24 (3) Name, address, and date of birth of the qualifying patient; provided, however, that if
25 the patient is homeless, no address is required;
- 26 (4) Name, address, and telephone number of the qualifying patient's practitioner;
- 27 (5) Whether the patient elects to grow medical marijuana plants for himself or herself; and
- 28 (6) Name, address, and date of birth of one primary caregiver of the qualifying patient and
29 ~~one any~~ authorized ~~purchaser~~ purchasers for the qualifying patient, if any is chosen by the patient
30 or allowed in accordance with regulations promulgated by the department of health.

31 (b) The department of health shall not issue a registry identification card to a qualifying
32 patient under the age of eighteen (18) unless:

- 33 (1) The qualifying patient's practitioner has explained the potential risks and benefits of the
34 medical use of marijuana to the qualifying patient and to a parent, guardian, or person having legal

1 custody of the qualifying patient; and

2 (2) A parent, guardian, or person having legal custody consents in writing to:

3 (i) Allow the qualifying patient's medical use of marijuana;

4 (ii) Serve as the qualifying patient's primary caregiver or authorized purchaser; and

5 (iii) Control the acquisition of the marijuana, the dosage, and the frequency of the medical
6 use of marijuana by the qualifying patient.

7 (c) The department of health shall renew registry identification cards to qualifying patients
8 in accordance with regulations promulgated by the department of health.

9 (d) The department of health shall not issue a registry identification card to a qualifying
10 patient seeking treatment for post-traumatic stress disorder (PTSD) under the age of eighteen (18).

11 ~~(e)~~(e) The department of health shall verify the information contained in an application or
12 renewal submitted pursuant to this section, and shall approve or deny an application or renewal
13 within thirty-five (35) days of receiving it. The department may deny an application or renewal
14 only if the applicant did not provide the information required pursuant to this section, or if the
15 department determines that the information provided was falsified. Rejection of an application or
16 renewal is considered a final department action, subject to judicial review. Jurisdiction and venue
17 for judicial review are vested in the superior court.

18 ~~(f)~~(f) If the qualifying patient's practitioner notifies the department in a written statement
19 that the qualifying patient is eligible for hospice care or chemotherapy, the department of health
20 shall give priority to these applications when verifying the information in accordance with
21 subsection ~~(e)(c)~~ (e)(c). ~~Effective January 1, 2017, the department of health shall approve or deny and~~
22 issue a registry identification card to these qualifying patients, primary caregivers and authorized
23 purchasers within ~~five (5) days~~ seventy-two (72) hours of receipt of ~~an~~ the completed application.
24 The departments shall not charge a registration fee to the patient, caregivers or authorized
25 purchasers named in the application. The department of health may identify through regulation a
26 list of other conditions qualifying a patient for expedited application processing.

27 ~~(g)~~(g) The department of health shall issue a registry identification card to the qualifying
28 patient cardholder's primary caregiver, if any, who is named in the qualifying patient's approved
29 application

30 (1) A primary caregiver applicant or an authorized purchaser applicant shall apply to the
31 bureau of criminal identification of the department of attorney general, department of public safety
32 division of state police, or local police department for a national criminal records check that shall
33 include fingerprints submitted to the Federal Bureau of Investigation. Upon the discovery of any
34 disqualifying information as defined in subdivision ~~(e)(4)~~ (g)(4), and in accordance with the rules

1 promulgated by the director, the bureau of criminal identification of the department of attorney
2 general, department of public safety division of state police, or the local police department shall
3 inform the applicant, in writing, of the nature of the disqualifying information; and, without
4 disclosing the nature of the disqualifying information, shall notify the department, in writing, that
5 disqualifying information has been discovered.

6 (2) In those situations in which no disqualifying information has been found, the bureau of
7 criminal identification of the department of attorney general, department of public safety division
8 of state police, or the local police shall inform the applicant and the department in writing, of this
9 fact.

10 (3) The department of health shall maintain on file evidence that a criminal records check
11 has been initiated on all applicants seeking a primary caregiver registry identification card or an
12 authorized purchaser registry identification card and the results of the checks. The primary
13 caregiver cardholder shall not be required to apply for a national criminal records check for each
14 patient he or she is connected to through the department's registration process, provided that he or
15 she has applied for a national criminal records check within the previous two (2) years in
16 accordance with this chapter. The department shall not require a primary caregiver cardholder or
17 an authorized purchaser cardholder to apply for a national criminal records check more than once
18 every two (2) years.

19 (4) Information produced by a national criminal records check pertaining to a conviction
20 for any felony offense under chapter 28 of title 21 ("Rhode Island Controlled Substances Act"),
21 murder, manslaughter, rape, first-degree sexual assault, second-degree sexual assault, first-degree
22 child molestation, second-degree child molestation, kidnapping, first-degree arson, second-degree
23 arson, mayhem, robbery, burglary, breaking and entering, assault with a dangerous weapon, assault
24 or battery involving grave bodily injury, and/or assault with intent to commit any offense
25 punishable as a felony or a similar offense from any other jurisdiction shall result in a letter to the
26 applicant and the department of health disqualifying the applicant. If disqualifying information has
27 been found, the department may use its discretion to issue a primary caregiver registry identification
28 card or an authorized purchaser registry identification card if the applicant's connected patient is an
29 immediate family member and the card is restricted to that patient only.

30 ~~(5)~~(5) The primary caregiver or authorized purchaser applicant shall be responsible for any
31 expense associated with the national criminal records check.

32 ~~(6)~~(6) For purposes of this section, "conviction" means, in addition to judgments of
33 conviction entered by a court subsequent to a finding of guilty or a plea of guilty, those instances
34 where the defendant has entered a plea of nolo contendere and has received a sentence of probation

1 and those instances where a defendant has entered into a deferred sentence agreement with the
2 attorney general.

3 ~~(h)~~(i) On or before December 31, 2016, the department of health shall issue registry
4 identification cards within five (5) business days of approving an application or renewal that shall
5 expire two (2) years after the date of issuance.

6 (ii) Effective January 1, 2017, and thereafter, the department of health shall issue registry
7 identification cards within five (5) business days of approving an application or renewal that shall
8 expire one year after the date of issuance.

9 (iii) Registry identification cards shall contain:

- 10 (1) The date of issuance and expiration date of the registry identification card;
- 11 (2) A random registry identification number;
- 12 (3) A photograph; and
- 13 (4) Any additional information as required by regulation or the department of health.

14 ~~(e)~~(i) Persons issued registry identification cards by the department of health shall be
15 subject to the following:

16 (1) A qualifying patient cardholder shall notify the department of health of any change in
17 his or her name, address, primary caregiver, or authorized purchaser; or if he or she ceases to have
18 his or her debilitating medical condition, within ten (10) days of such change.

19 (2) A qualifying patient cardholder who fails to notify the department of health of any of
20 these changes is responsible for a civil infraction, punishable by a fine of no more than one hundred
21 fifty dollars (\$150). If the patient cardholder has ceased to suffer from a debilitating medical
22 condition, the card shall be deemed null and void and the person shall be liable for any other
23 penalties that may apply to the person's nonmedical use of marijuana.

24 (3) A primary caregiver cardholder or authorized purchaser shall notify the department of
25 health of any change in his or her name or address within ten (10) days of such change. A primary
26 caregiver cardholder or authorized purchaser who fails to notify the department of any of these
27 changes is responsible for a civil infraction, punishable by a fine of no more than one hundred fifty
28 dollars (\$150).

29 (4) When a qualifying patient cardholder or primary caregiver cardholder notifies the
30 department of health of any changes listed in this subsection, the department of health shall issue
31 the qualifying patient cardholder and each primary caregiver cardholder a new registry
32 identification card within ten (10) days of receiving the updated information and a ten-dollar
33 (\$10.00) fee.

34 (5) When a qualifying patient cardholder changes his or her primary caregiver or authorized

1 purchaser, the department of health shall notify the primary caregiver cardholder or authorized
2 purchaser within ten (10) days. The primary caregiver cardholder's protections as provided in this
3 chapter as to that patient shall expire ten (10) days after notification by the department. If the
4 primary caregiver cardholder or authorized purchaser is connected to no other qualifying patient
5 cardholders in the program, he or she must return his or her registry identification card to the
6 department.

7 (6) If a cardholder or authorized purchaser loses his or her registry identification card, he
8 or she shall notify the department and submit a ten-dollar (\$10.00) fee within ten (10) days of losing
9 the card. Within five (5) days, the department shall issue a new registry identification card with
10 new random identification number.

11 (7) Effective January 1, 2019, if a patient cardholder chooses to alter his or her registration
12 with regard to the growing of medical marijuana for himself or herself, he or she shall notify the
13 department prior to the purchase of medical marijuana tags or the growing of medical marijuana
14 plants.

15 (8) If a cardholder or authorized purchaser willfully violates any provision of this chapter
16 as determined by the department, his or her registry identification card may be revoked.

17 ~~(h)(i)~~ Possession of, or application for, a registry identification card shall not constitute
18 probable cause or reasonable suspicion, nor shall it be used to support the search of the person or
19 property of the person possessing or applying for the registry identification card, or otherwise
20 subject the person or property of the person to inspection by any governmental agency.

21 ~~(h)(k)(1)~~ Applications and supporting information submitted by qualifying patients,
22 including information regarding their primary caregivers, authorized purchaser, and practitioners,
23 are confidential and protected under the federal Health Insurance Portability and Accountability
24 Act of 1996, and shall be exempt from the provisions of chapter 2 of title 38 et seq. (Rhode Island
25 access to public records act) and not subject to disclosure, except to authorized employees of the
26 department of health as necessary to perform official duties of the department, and pursuant to
27 ~~subsection (j)~~ subsections (l) and (m).

28 (2) The application for qualifying patient's registry identification card shall include a
29 question asking whether the patient would like the department of health to notify him or her of any
30 clinical studies about marijuana's risk or efficacy. The department of health shall inform those
31 patients who answer in the affirmative of any such studies it is notified of, that will be conducted
32 in Rhode Island. The department of health may also notify those patients of medical studies
33 conducted outside of Rhode Island.

34 (3) The department of health shall maintain a confidential list of the persons to whom the

1 department of health has issued registry identification cards. Individual names and other identifying
2 information on the list shall be confidential, exempt from the provisions of Rhode Island access to
3 public information, chapter 2 of title 38, and not subject to disclosure, except to authorized
4 employees of the department of health as necessary to perform official duties of the department.

5 ~~(j)~~(l) Notwithstanding subsections (k) the department of health shall verify to law
6 enforcement personnel whether a registry identification card is valid solely by confirming the
7 random registry identification number or name. This verification may occur through the use of a
8 shared database, provided that any confidential information in this database is protected in
9 accordance with subdivision ~~(j)~~(k)(1).

10 ~~(k)~~(m) It shall be a crime, punishable by up to one hundred eighty (180) days in jail and a
11 one thousand dollar (\$1,000) fine, for any person, including an employee or official of the
12 departments of health, business regulation, public safety, or another state agency or local
13 government, to breach the confidentiality of information obtained pursuant to this chapter.
14 Notwithstanding this provision, the department [of health and department of business regulation](#)
15 employees may notify law enforcement about falsified or fraudulent information submitted to the
16 department [or violations of this chapter](#).

17 ~~(l)~~(n) On or before the fifteenth day of the month following the end of each quarter of the
18 fiscal year, the department shall report to the governor, the speaker of the House of Representatives,
19 and the president of the senate on applications for the use of marijuana for symptom relief. The
20 report shall provide:

21 (1) The number of applications for registration as a qualifying patient, primary caregiver,
22 or authorized purchaser that have been made to the department [of health](#) during the preceding
23 quarter, the number of qualifying patients, primary caregivers, and authorized purchasers approved,
24 the nature of the debilitating medical conditions of the qualifying patients, the number of
25 registrations revoked, and the number and specializations, if any, of practitioners providing written
26 certification for qualifying patients.

27 ~~(m)~~(o) On or before September 30 of each year, the department of health shall report to the
28 governor, the speaker of the House of Representatives, and the president of the senate on the use
29 of marijuana for symptom relief. The report shall provide:

30 (1) The total number of applications for registration as a qualifying patient, primary
31 caregiver, or authorized purchaser that have been made to the department [of health](#), the number of
32 qualifying patients, primary caregivers, and authorized purchasers approved, the nature of the
33 debilitating medical conditions of the qualifying patients, the number of registrations revoked, and
34 the number and specializations, if any, of practitioners providing written certification for qualifying

1 patients;

2 (2) The number of active qualifying patient, primary caregiver, and authorized purchaser
3 registrations as of June 30 of the preceding fiscal year;

4 (3) An evaluation of the costs permitting the use of marijuana for symptom relief, including
5 any costs to law enforcement agencies and costs of any litigation;

6 (4) Statistics regarding the number of marijuana-related prosecutions against registered
7 patients and caregivers, and an analysis of the facts underlying those prosecutions;

8 (5) Statistics regarding the number of prosecutions against physicians for violations of this
9 chapter; and

10 (6) Whether the United States Food and Drug Administration has altered its position
11 regarding the use of marijuana for medical purposes or has approved alternative delivery systems
12 for marijuana.

13 (p) After June 30, 2018, the department of business regulation shall report to the speaker
14 of the house, senate president, the respective fiscal committee chairman and fiscal advisors within
15 60 days of the close of the prior fiscal year. The report shall provide:

16 (1) The number of applications for registry identification cards to compassion center staff,
17 the number approved, denied and the number of registry identification cards revoked, and the
18 number of replacement cards issued

19 (2) The number of applications for compassion centers and licensed cultivators

20 (3) The number of marijuana plant tag sets ordered, delivered, and currently held within
21 the state;

22 (4) The total revenue collections of any monies related to its regulator activities for the
23 prior fiscal year, by the relevant category of collection, including enumerating specifically the total
24 amount of revenues foregone or fees paid at reduced rates pursuant to this chapter.

25 **21-28.6-12. Compassion centers.**

26 (a) A compassion center registered under this section may acquire, possess, cultivate,
27 manufacture, deliver, transfer, transport, supply, or dispense marijuana, or related supplies and
28 educational materials, to registered qualifying patients and their registered primary caregivers or
29 authorized purchasers. Except as specifically provided to the contrary, all provisions of the Edward
30 O. Hawkins and Thomas C. Slater Medical Marijuana Act, §§ 21-28.6-1 -- 21-28.6-11, apply to a
31 compassion center unless they conflict with a provision contained in § 21-28.6-12.

32 (b) Registration of compassion centers--authority of the departments of health and business
33 regulation:

34 (1) Not later than ninety (90) days after the effective date of this chapter, the department

1 of health shall promulgate regulations governing the manner in which it shall consider applications
2 for registration certificates for compassion centers, including regulations governing:

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

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

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

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

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

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

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

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

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

1 compassion center. If at any time on or after January 1, 2017, fewer than three (3) compassion
2 centers are holding valid registration certificates in Rhode Island, the department of business
3 regulation shall accept applications for a new compassion center. No more than three (3)
4 compassion centers may hold valid registration certificates at one time.

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

11 (c) Compassion center and agent applications and registration:

12 (1) Each application for a compassion center shall include:

13 (i) A non-refundable application fee paid to the department in the amount of two hundred
14 fifty dollars (\$250);

15 (ii) The proposed legal name and proposed articles of incorporation of the compassion
16 center;

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

20 (iv) A description of the enclosed, locked facility that would be used in the cultivation of
21 marijuana;

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

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

29 (vii) Proposed procedures to ensure accurate record keeping;

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

34 (ii) For applications submitted on or after January 1, 2017, any time one or more

1 compassion center registration applications are being considered, the department of business
2 regulation shall also allow for comment by the public and shall solicit input from registered
3 qualifying patients, registered primary caregivers; and the towns or cities where the applicants
4 would be located.

5 (3) Each time a compassion center certificate is granted, the decision shall be based upon
6 the overall health needs of qualified patients and the safety of the public, including, but not limited
7 to, the following factors:

8 (i) Convenience to patients from throughout the state of Rhode Island to the compassion
9 centers if the applicant were approved;

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

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

13 (iv) The interests of qualifying patients regarding which applicant be granted a registration
14 certificate;

15 (v) The interests of the city or town where the dispensary would be located;

16 (vi) The sufficiency of the applicant's plans for record keeping and security, which records
17 shall be considered confidential health-care information under Rhode Island law and are intended
18 to be deemed protected health-care information for purposes of the Federal Health Insurance
19 Portability and Accountability Act of 1996, as amended; and

20 (vii) The sufficiency of the applicant's plans for safety and security, including proposed
21 location, security devices employed, and staffing;

22 (4) A compassion center approved by the department of health on or before December 31,
23 2016, shall submit the following to the department before it may begin operations:

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

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

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

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

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

32 (5) A compassion center approved by the department of business regulation on or after
33 January 1, 2017, shall submit the following to the department before it may begin operations:

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

- 1 (ii) The legal name and articles of incorporation of the compassion center;
- 2 (iii) The physical address of the compassion center; this may include a second address for
3 the secure cultivation of marijuana;
- 4 (iv) The name, address, and date of birth of each principal officer and board member of the
5 compassion center;
- 6 (v) The name, address, and date of birth of any person who will be an agent of, employee,
7 or volunteer of the compassion center at its inception.

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

- 18 (i) The name, address, and date of birth of the principal officer, board member, agent,
19 volunteer, or employee;
- 20 (ii) The legal name of the compassion center to which the principal officer, board member,
21 agent, volunteer, or employee is affiliated;
- 22 (iii) A random identification number that is unique to the cardholder;
- 23 (iv) The date of issuance and expiration date of the registry identification card; and
- 24 (v) A photograph, if the department of health or the department of business regulation
25 decides to require one.

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

1 Hawkins and Thomas C. Slater Medical Marijuana Act would otherwise have prevented a
2 conviction.

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

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

17 (iii) All registry identification card applicants shall be responsible for any expense
18 associated with the criminal background check with fingerprints.

19 (8) A registry identification card of a principal officer, board member, agent, volunteer, or
20 employee shall expire one year after its issuance, or upon the expiration of the registered
21 organization's registration certificate, or upon the termination of the principal officer, board
22 member, agent, volunteer or employee's relationship with the compassion center, whichever occurs
23 first.

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

29 (10) When a compassion center cardholder notifies the department of health or the
30 department of business regulation of any changes listed in this subsection, the department shall
31 issue the cardholder a new registry identification card within ten (10) days of receiving the updated
32 information and a ten-dollar (\$10.00) fee.

33 (11) If a compassion center cardholder loses his or her registry identification card, he or
34 she shall notify the department of health or the department of business regulation and submit a ten

1 dollar (\$10.00) fee within ten (10) days of losing the card. Within five (5) days, the department
2 shall issue a new registry identification card with new random identification number.

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

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

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

14 (d) Expiration or termination of compassion center:

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

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

23 (i) The compassion center submits the materials required under subdivisions (c)(4) and
24 (c)(5), including a ~~five thousand dollar (\$5,000)~~ two hundred fifty thousand dollar (\$250,000) fee;

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

27 (iii) The department of health and the department of business regulation find that the
28 compassion center is adequately providing patients with access to medical marijuana at reasonable
29 rates;

30 (3) If the department of health or the department of business regulation determines that any
31 of the conditions listed in paragraphs (d)(2)(i) -- (iii) have not been met, the department shall begin
32 an open application process for the operation of a compassion center. In granting a new registration
33 certificate, the department of health or the department of business regulation shall consider factors
34 listed in subdivision (c)(3);

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

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

6 (ii) The compassion center requested a temporary registration certificate; and

7 (iii) The compassion center has not had its registration certificate revoked due to violations
8 of this chapter or regulations issued pursuant to this chapter.

9 (5) A compassion center's registry identification card shall be subject to revocation if the
10 compassion center:

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

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

13 (iii) Is in violation of other departmental regulations; or

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

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

21 (f) Compassion center requirements:

22 (1) A compassion center shall be operated on a not-for-profit basis for the mutual benefit
23 of its patients. A compassion center need not be recognized as a tax-exempt organization by the
24 Internal Revenue Service;

25 (2) A compassion center may not be located within one thousand feet (1000') of the
26 property line of a preexisting public or private school;

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

34 (4) (i) On or before December 31, 2016, a compassion center shall notify the department

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

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

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

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

22 (7) A compassion center is prohibited from acquiring, possessing, cultivating,
23 manufacturing, delivering, transferring, transporting, supplying, or dispensing marijuana for any
24 purpose except to assist registered qualifying patients with the medical use of marijuana directly or
25 through the qualifying patient's primary caregiver or authorized purchaser.

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

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

31 (10) Effective July 1, 2016, each compassion center shall be subject to any regulations
32 promulgated by the department of health that specify how usable marijuana must be tested for items
33 included but not limited to cannabinoid profile and contaminants.

34 (11) Effective January 1, 2017, each compassion center shall be subject to any product

1 labeling requirements promulgated by the department of business regulation.

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (2) A compassion center or principal officer, board member, agent, volunteer, or employee
32 of a compassion center may not dispense an amount of usable marijuana, or its equivalent,
33 seedlings, or mature marijuana plants, to a qualifying patient, a qualifying patient's primary
34 caregiver, or a qualifying patient's authorized purchaser that the compassion center, principal

1 officer, board member, agent, volunteer, or employee knows would cause the recipient to possess
2 more marijuana than is permitted under the Edward O. Hawkins and Thomas C. Slater Medical
3 Marijuana Act.

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

14 (h) Immunity:

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

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

26 (3) No principal officers, board members, agents, volunteers, or employees of a registered
27 compassion center shall be subject to arrest, prosecution, search, seizure, or penalty in any manner,
28 or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by
29 a business, occupational, or professional licensing board or entity, solely for working for or with a
30 compassion center to engage in acts permitted by this section.

31 (4) No state employee shall be subject to arrest, prosecution or penalty in any manner, or
32 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
33 termination, or loss of employee or pension benefits, for any and all conduct that occurs within the
34 scope of his or her employment regarding the administration, execution and/or enforcement of this

1 act, and the provisions of §§ 9-31-8 and 9-31-9 shall be applicable to this section.

2 (i) Prohibitions:

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

5 (2) A compassion center may not dispense, deliver, or otherwise transfer marijuana to a
6 person other than a ~~qualifying~~ patient cardholder or to such patient's primary caregiver or
7 authorized purchaser;

8 (3) A person found to have violated paragraph (2) of this subsection may not be an
9 employee, agent, volunteer, principal officer, or board member of any compassion center;

10 (4) An employee, agent, volunteer, principal officer or board member of any compassion
11 center found in violation of paragraph (2) shall have his or her registry identification revoked
12 immediately; and

13 (5) No person who has been convicted of a felony drug offense or has entered a plea of
14 nolo contendere for a felony drug offense with a sentence or probation may be the principal officer,
15 board member, agent, volunteer, or employee of a compassion center unless the department has
16 determined that the person's conviction was for the medical use of marijuana or assisting with the
17 medical use of marijuana in accordance with the terms and conditions of this chapter. A person
18 who is employed by or is an agent, volunteer, principal officer, or board member of a compassion
19 center in violation of this section is guilty of a civil violation punishable by a fine of up to one
20 thousand dollars (\$1,000). A subsequent violation of this section is a misdemeanor.

21 (j) Legislative oversight committee:

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

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

31 (i) Patients' access to medical marijuana;

32 (ii) Efficacy of compassion centers;

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

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

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

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

4 SECTION 2. Chapter 21-28.6 of the General Laws entitled "The Edward O. Hawkins and
5 Thomas C. Slater Medical Marijuana Act" is hereby amended by adding thereto the following
6 section:

7 **21-28.6-16.2. Medical marijuana testing laboratories -- Immunity.**

8 (a) No medical marijuana laboratory shall be subject to prosecution; search (except by the
9 departments pursuant to regulations); seizure; or penalty in any manner, or denied any right or
10 privilege, including, but not limited to, civil penalty or disciplinary action by a business,
11 occupational, or professional licensing board or entity, solely for acting in accordance with the act
12 and regulations promulgated hereunder to assist licensees.

13 (b) No medical marijuana testing laboratory shall be subject to prosecution, search (except
14 by the departments pursuant to regulations), seizure, or penalty in any manner, or denied any right
15 or privilege, including, but not limited to, civil penalty or disciplinary action, by a business,
16 occupational, or professional licensing board or entity, for selling, giving, or distributing marijuana
17 in whatever form, and within the limits established by, the department of health to another medical
18 marijuana testing laboratory.

19 (c) No principal officers, board members, agents, volunteers, or employees of a medical
20 marijuana testing laboratory shall be subject to arrest, prosecution, search, seizure, or penalty in
21 any manner, or denied any right or privilege, including, but not limited to, civil penalty or
22 disciplinary action by a business, occupational, or professional licensing board or entity, solely for
23 working for or with a medical marijuana testing laboratory to engage in acts permitted by the act
24 and the regulations promulgated hereunder.

25 (d) No state employee shall be subject to arrest, prosecution or penalty in any manner, or
26 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
27 termination, or loss of employee or pension benefits, for any and all conduct that occurs within the
28 scope of his or her employment regarding the administration, execution and/or enforcement of this
29 act, and the provisions of §§ 9-31-8 and 20 9-31-9 shall be applicable to this section.

30 SECTION 3. Section 21-28.6-6.1 of the General Laws in Chapter 21-28.6 entitled "The
31 Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act" is hereby repealed.

32 ~~**21-28.6-6.1. Administration of regulations.**~~

33 ~~(a) The department of health shall issue registry identification cards to qualifying patients~~
34 ~~who submit the following, in accordance with the department's regulations:~~

- 1 ~~(1) Written certification as defined in § 21-28.6-3(24) of this chapter;~~
- 2 ~~(2) Application or renewal fee;~~
- 3 ~~(3) Name, address, and date of birth of the qualifying patient; provided, however, that if~~
4 ~~the patient is homeless, no address is required;~~
- 5 ~~(4) Name, address, and telephone number of the qualifying patient's practitioner;~~
- 6 ~~(5) Name, address, and date of birth of each primary caregiver of the qualifying patient, if~~
7 ~~any.~~
- 8 ~~(b) The department of health shall not issue a registry identification card to a qualifying~~
9 ~~patient under the age of eighteen (18) unless:~~
- 10 ~~(1) The qualifying patient's practitioner has explained the potential risks and benefits of the~~
11 ~~medical use of marijuana to the qualifying patient and to a parent, guardian, or person having legal~~
12 ~~custody of the qualifying patient; and~~
- 13 ~~(2) A parent, guardian, or person having legal custody consents in writing to:~~
- 14 ~~(i) Allow the qualifying patient's medical use of marijuana;~~
- 15 ~~(ii) Serve as one of the qualifying patient's primary caregivers; and~~
- 16 ~~(iii) Control the acquisition of the marijuana, the dosage, and the frequency of the medical~~
17 ~~use of marijuana by the qualifying patient.~~
- 18 ~~(c) The department shall not issue a registry identification card to a qualifying patient~~
19 ~~seeking treatment for post-traumatic stress disorder (PTSD) under the age of eighteen (18).~~
- 20 ~~(d) The department shall verify the information contained in an application or renewal~~
21 ~~submitted pursuant to this section, and shall approve or deny an application or renewal within~~
22 ~~fifteen (15) days of receiving it. The department may deny an application or renewal only if the~~
23 ~~applicant did not provide the information required pursuant to this section, or if the department~~
24 ~~determines that the information provided was falsified. Rejection of an application or renewal is~~
25 ~~considered a final department action, subject to judicial review. Jurisdiction and venue for judicial~~
26 ~~review are vested in the superior court.~~
- 27 ~~(e) If the qualifying patient's practitioner notifies the department in a written statement that~~
28 ~~the qualifying patient is eligible for hospice care, the department shall verify the application~~
29 ~~information in accordance with subsection (d) and issue a registry identification card to the~~
30 ~~qualifying patient and primary caregivers named in the patient's application within seventy two~~
31 ~~(72) hours of receipt of the completed application. The department shall not charge a registration~~
32 ~~fee to the patient or caregivers named in the application.~~
- 33 ~~(f) The department shall issue a registry identification card to each primary caregiver, if~~
34 ~~any, who is named in a qualifying patient's approved application, up to a maximum of two (2)~~

1 ~~primary caregivers per qualifying patient.~~

2 ~~(1) The primary caregiver applicant shall apply to the bureau of criminal identification of~~
3 ~~the department of attorney general, state police, or local police department for a national criminal~~
4 ~~records check that shall include fingerprints submitted to the Federal Bureau of Investigation. Upon~~
5 ~~the discovery of any disqualifying information as defined in subdivision (f)(4), and in accordance~~
6 ~~with the rules promulgated by the director, the bureau of criminal identification of the department~~
7 ~~of attorney general, state police, or the local police department shall inform the applicant, in writing,~~
8 ~~of the nature of the disqualifying information; and, without disclosing the nature of the~~
9 ~~disqualifying information, shall notify the department, in writing, that disqualifying information~~
10 ~~has been discovered.~~

11 ~~(2) In those situations in which no disqualifying information has been found, the bureau of~~
12 ~~criminal identification of the department of attorney general, state police, or the local police shall~~
13 ~~inform the applicant and the department, in writing, of this fact.~~

14 ~~(3) The department shall maintain on file evidence that a criminal records check has been~~
15 ~~initiated on all applicants seeking a primary caregiver registry identification card and the results of~~
16 ~~the checks. The primary caregiver cardholder shall not be required to apply for a national criminal~~
17 ~~records check for each patient he or she is connected to through the department's registration~~
18 ~~process, provided that he or she has applied for a national criminal records check within the~~
19 ~~previous two (2) years in accordance with this chapter. The department shall not require a primary~~
20 ~~caregiver cardholder to apply for a national criminal records check more than once every two (2)~~
21 ~~years.~~

22 ~~(4) Information produced by a national criminal records check pertaining to a conviction~~
23 ~~for any felony offense under chapter 28 of title 21 ("Rhode Island Controlled Substances Act"),~~
24 ~~murder, manslaughter, rape, first degree sexual assault, second degree sexual assault, first degree~~
25 ~~child molestation, second degree child molestation, kidnapping, first degree arson, second degree~~
26 ~~arson, mayhem, robbery, burglary, breaking and entering, assault with a dangerous weapon, assault~~
27 ~~or battery involving grave bodily injury, and/or assault with intent to commit any offense~~
28 ~~punishable as a felony or a similar offense from any other jurisdiction shall result in a letter to the~~
29 ~~applicant and the department disqualifying the applicant. If disqualifying information has been~~
30 ~~found, the department may use its discretion to issue a primary caregiver registry identification card~~
31 ~~if the applicant's connected patient is an immediate family member and the card is restricted to that~~
32 ~~patient only.~~

33 ~~(5) The primary caregiver applicant shall be responsible for any expense associated with~~
34 ~~the national criminal records check.~~

1 ~~(6) For purposes of this section "conviction" means, in addition to judgments of conviction~~
2 ~~entered by a court subsequent to a finding of guilty or a plea of guilty, those instances where the~~
3 ~~defendant has entered a plea of nolo contendere and has received a sentence of probation and those~~
4 ~~instances where a defendant has entered into a deferred sentence agreement with the attorney~~
5 ~~general.~~

6 ~~(g) The department shall issue registry identification cards within five (5) days of~~
7 ~~approving an application or renewal that shall expire two (2) years after the date of issuance.~~

8 ~~Registry identification cards shall contain:~~

9 ~~(1) The date of issuance and expiration date of the registry identification card;~~

10 ~~(2) A random registry identification number;~~

11 ~~(3) A photograph; and~~

12 ~~(4) Any additional information as required by regulation or the department.~~

13 ~~(h) Persons issued registry identification cards shall be subject to the following:~~

14 ~~(1) A patient cardholder shall notify the department of any change in the patient~~
15 ~~cardholder's name, address, or primary caregiver; or if he or she ceases to have his or her~~
16 ~~debilitating medical condition, within ten (10) days of such change.~~

17 ~~(2) A patient cardholder who fails to notify the department of any of these changes is~~
18 ~~responsible for a civil infraction, punishable by a fine of no more than one hundred fifty dollars~~
19 ~~(\$150). If the patient cardholder has ceased to suffer from a debilitating medical condition, the card~~
20 ~~shall be deemed null and void and the person shall be liable for any other penalties that may apply~~
21 ~~to the person's nonmedical use of marijuana.~~

22 ~~(3) A primary caregiver cardholder or compassion center cardholder shall notify the~~
23 ~~department of any change in his or her name or address within ten (10) days of such change. A~~
24 ~~primary caregiver cardholder or compassion center cardholder who fails to notify the department~~
25 ~~of any of these changes is responsible for a civil infraction, punishable by a fine of no more than~~
26 ~~one hundred fifty dollars (\$150).~~

27 ~~(4) When a patient cardholder or primary caregiver cardholder notifies the department of~~
28 ~~any changes listed in this subsection, the department shall issue the patient cardholder and each~~
29 ~~primary caregiver cardholder a new registry identification card within ten (10) days of receiving~~
30 ~~the updated information and a ten dollar (\$10.00) fee. When a compassion center cardholder~~
31 ~~notifies the department of any changes listed in this subsection, the department shall issue the~~
32 ~~cardholder a new registry identification card within ten (10) days of receiving the updated~~
33 ~~information and a ten dollar (\$10.00) fee.~~

34 ~~(5) When a patient cardholder changes his or her primary caregiver, the department shall~~

1 ~~notify the primary caregiver cardholder within ten (10) days. The primary caregiver cardholder's~~
2 ~~protections, as provided in this chapter as to that patient, shall expire ten (10) days after notification~~
3 ~~by the department. If the primary caregiver cardholder is connected to no other patient cardholders~~
4 ~~in the program, he or she must return his or her registry identification card to the department.~~

5 ~~(6) If a cardholder loses his or her registry identification card, he or she shall notify the~~
6 ~~department and submit a ten-dollar (\$10.00) fee within ten (10) days of losing the card. Within five~~
7 ~~(5) days, the department shall issue a new registry identification card with new, random~~
8 ~~identification number.~~

9 ~~(7) If a cardholder willfully violates any provision of this chapter as determined by the~~
10 ~~department, his or her registry identification card may be revoked.~~

11 ~~(i) Possession of, or application for, a registry identification card shall not constitute~~
12 ~~probable cause or reasonable suspicion, nor shall it be used to support the search of the person or~~
13 ~~property of the person possessing or applying for the registry identification card, or otherwise~~
14 ~~subject the person or property of the person to inspection by any governmental agency.~~

15 ~~(j)(1) Applications and supporting information submitted by qualifying patients, including~~
16 ~~information regarding their primary caregivers and practitioners, are confidential and protected~~
17 ~~under the federal Health Insurance Portability and Accountability Act of 1996, and shall be exempt~~
18 ~~from the provisions of chapter 2 of title 38 et seq. (Rhode Island access to public records act) and~~
19 ~~not subject to disclosure, except to authorized employees of the department as necessary to perform~~
20 ~~official duties of the department, and pursuant to subsection (k) of this section.~~

21 ~~(2) The application for qualifying patient's registry identification card shall include a~~
22 ~~question asking whether the patient would like the department to notify him or her of any clinical~~
23 ~~studies about marijuana's risk or efficacy. The department shall inform those patients who answer~~
24 ~~in the affirmative of any such studies it is notified of that will be conducted in Rhode Island. The~~
25 ~~department may also notify those patients of medical studies conducted outside of Rhode Island.~~

26 ~~(3) The department shall maintain a confidential list of the persons to whom the department~~
27 ~~has issued registry identification cards. Individual names and other identifying information on the~~
28 ~~list shall be confidential, exempt from the provisions of Rhode Island access to public information,~~
29 ~~chapter 2 of title 38, and not subject to disclosure, except to authorized employees of the department~~
30 ~~as necessary to perform official duties of the department.~~

31 ~~(k) Notwithstanding subsection (j) of this section, the department shall verify to law~~
32 ~~enforcement personnel whether a registry identification card is valid solely by confirming the~~
33 ~~random registry identification number or name.~~

34 ~~(l) It shall be a crime, punishable by up to one hundred eighty (180) days in jail and a one~~

1 ~~thousand dollar (\$1,000) fine, for any person, including an employee or official of the department~~
2 ~~or another state agency or local government, to breach the confidentiality of information obtained~~
3 ~~pursuant to this chapter. Notwithstanding this provision, the department employees may notify law~~
4 ~~enforcement about falsified or fraudulent information submitted to the department.~~

5 ~~(m) On or before January 1 of each odd-numbered year, the department shall report to the~~
6 ~~house committee on health, education and welfare and to the senate committee on health and human~~
7 ~~services on the use of marijuana for symptom relief. The report shall provide:~~

8 ~~(1) The number of applications for registry identification cards, the number of qualifying~~
9 ~~patients and primary caregivers approved, the nature of the debilitating medical conditions of the~~
10 ~~qualifying patients, the number of registry identification cards revoked, and the number of~~
11 ~~practitioners providing written certification for qualifying patients;~~

12 ~~(2) An evaluation of the costs permitting the use of marijuana for symptom relief, including~~
13 ~~any costs to law enforcement agencies and costs of any litigation;~~

14 ~~(3) Statistics regarding the number of marijuana-related prosecutions against registered~~
15 ~~patients and caregivers, and an analysis of the facts underlying those prosecutions;~~

16 ~~(4) Statistics regarding the number of prosecutions against physicians for violations of this~~
17 ~~chapter; and~~

18 ~~(5) Whether the United States Food and Drug Administration has altered its position~~
19 ~~regarding the use of marijuana for medical purposes or has approved alternative delivery systems~~
20 ~~for marijuana.~~

21 SECTION 4. This Article shall take effect upon passage.

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ARTICLE 15

RELATING TO CHILDREN AND FAMILIES

SECTION 1. Sections 14-1-3, 14-1-6 and 14-1-11.1 of the General Laws in Chapter 14-1 entitled "Proceedings in Family Court" are hereby amended to read as follows:

14-1-3. Definitions.

The following words and phrases when used in this chapter shall, unless the context otherwise requires, be construed as follows:

(1) "Adult" means a person eighteen (18) years of age or older, except that "adult" includes any person seventeen (17) years of age or older who is charged with a delinquent offense involving murder, first-degree sexual assault, first-degree child molestation, or assault with intent to commit murder, and that person shall not be subject to the jurisdiction of the family court as set forth in §§ 14-1-5 and 14-1-6 if, after a hearing, the family court determines that probable cause exists to believe that the offense charged has been committed and that the person charged has committed the offense.

(2) "Appropriate person", as used in §§ 14-1-10 and 14-1-11, except in matters relating to adoptions and child marriages, means and includes:

- (i) Any police official of this state, or of any city or town within this state;
- (ii) Any duly qualified prosecuting officer of this state, or of any city or town within this state;
- (iii) Any director of public welfare of any city or town within this state, or his or her duly authorized subordinate;
- (iv) Any truant officer or other school official of any city or town within this state;
- (v) Any duly authorized representative of any public or duly licensed private agency or institution established for purposes similar to those specified in § 8-10-2 or 14-1-2; or
- (vi) Any maternal or paternal grandparent, who alleges that the surviving parent, in those cases in which one parent is deceased, is an unfit and improper person to have custody of any child or children.

(3) "Child" means a person under eighteen (18) years of age.

(4) "The court" means the family court of the state of Rhode Island.

(5) "Delinquent", when applied to a child, means and includes any child who has committed

1 any offense that, if committed by an adult, would constitute a felony, or who has on more than one
2 occasion violated any of the other laws of the state or of the United States or any of the ordinances
3 of cities and towns, other than ordinances relating to the operation of motor vehicles.

4 (6) "Dependent" means any child who requires the protection and assistance of the court
5 when his or her physical or mental health or welfare is harmed, or threatened with harm, due to the
6 inability of the parent or guardian, through no fault of the parent or guardian, to provide the child
7 with a minimum degree of care or proper supervision because of:

8 (i) The death or illness of a parent; or

9 (ii) The special medical, educational, or social-service needs of the child which the parent
10 is unable to provide.

11 (7) "Justice" means a justice of the family court.

12 (8) "Neglect" means a child who requires the protection and assistance of the court when
13 his or her physical or mental health or welfare is harmed, or threatened with harm, when the parents
14 or guardian:

15 (i) Fails to supply the child with adequate food, clothing, shelter, or medical care, though
16 financially able to do so or offered financial or other reasonable means to do so;

17 (ii) Fails to provide the child proper education as required by law; or

18 (iii) Abandons and/or deserts the child.

19 (9) "Wayward", when applied to a child, means and includes any child:

20 (i) Who has deserted his or her home without good or sufficient cause;

21 (ii) Who habitually associates with dissolute, vicious, or immoral persons;

22 (iii) Who is leading an immoral or vicious life;

23 (iv) Who is habitually disobedient to the reasonable and lawful commands of his or her
24 parent or parents, guardian, or other lawful custodian;

25 (v) Who, being required by chapter 19 of title 16 to attend school, willfully and habitually
26 absents himself or herself from school or habitually violates the rules and regulations of the school
27 when he or she attends;

28 (vi) Who has, on any occasion, violated any of the laws of the state or of the United States
29 or any of the ordinances of cities and towns, other than ordinances relating to the operation of motor
30 vehicles; or

31 (vii) Any child under seventeen (17) years of age who is in possession of one ounce (1 oz.)
32 or less of marijuana, as defined in § 21-28-1.02, and who is not exempted from the penalties
33 pursuant to chapter 28.6 of title 21.

34 [\(10\) "Young adult" means an individual who has attained the age of eighteen \(18\) years but](#)

1 has not reached the age of twenty-one (21) years and was in the legal custody of the department on
2 their eighteenth birthday pursuant to an abuse, neglect or dependency petition; or was a former
3 foster child who was adopted or placed in a guardianship after attaining age sixteen (16).

4 (11) "Voluntary placement agreement for extension of care" means a written agreement
5 between the state agency and a young adult who meets the eligibility conditions specified in §14-
6 1-6(c), acting as their own legal guardian that is binding on the parties to the agreement. At a
7 minimum, the agreement recognizes the voluntary nature of the agreement, the legal status of the
8 young adult and the rights and obligations of the young adult, as well as the services and supports
9 the agency agrees to provide during the time that the young adult consents to giving the department
10 legal responsibility for care and placement.

11 (12) "Supervised independent living setting" means a supervised setting in which a young
12 adult is living independently, that meets any safety and or licensing requirements established by
13 the department for this population, and is paired with a supervising agency or a supervising worker,
14 including, but not limited to, single or shared apartments or houses, host homes, relatives' and
15 mentors' homes, college dormitories or other post-secondary educational or vocational housing. All
16 or part of the financial assistance that secures an independent supervised setting for a young adult
17 may be paid directly to the young adult if there is no provider or other child placing intermediary,
18 or to a landlord, a college, or to a supervising agency, or to other third parties on behalf of the
19 young adult in the discretion of the department.

20 ~~(10)~~ (13) The singular shall be construed to include the plural, the plural the singular, and
21 the masculine the feminine, when consistent with the intent of this chapter.

22 ~~(11)~~ (14) For the purposes of this chapter, "electronic surveillance and monitoring devices"
23 means any "radio frequency identification device (RFID)" or "global positioning device" that is
24 either tethered to a person or is intended to be kept with a person and is used for the purposes of
25 tracking the whereabouts of that person within the community.

26 **14-1-6. Retention of jurisdiction.**

27 (a) When the court shall have obtained jurisdiction over any child prior to the child having
28 attained the age of eighteen (18) years by the filing of a petition alleging that the child is wayward
29 or delinquent pursuant to § 14-1-5, the child shall, except as specifically provided in this chapter,
30 continue under the jurisdiction of the court until he or she becomes nineteen (19) years of age,
31 unless discharged prior to turning nineteen (19).

32 (b) When the court shall have obtained jurisdiction over any child prior to the child's
33 eighteenth (18th) birthday by the filing of a miscellaneous petition or a petition alleging that the
34 child is dependent, neglected, ~~and~~ or abused pursuant to §§ 14-1-5 and 40-11-7 or 42-72-14,

1 ~~including any child under the jurisdiction of the family court on petitions filed and/or pending~~
2 ~~before the court prior to July 1, 2007,~~ the child shall, except as specifically provided in this chapter,
3 continue under the jurisdiction of the court until he or she becomes eighteen (18) years of age;
4 provided, that at least six (6) months prior to a child turning eighteen (18) years of age, the court
5 shall require the department of children, youth and families to provide a description of the transition
6 services including the child's housing, health insurance, education and/or employment plan,
7 available mentors and continuing support services, including workforce supports and employment
8 services afforded the child in placement or a detailed explanation as to the reason those services
9 were not offered. As part of the transition planning, the child shall be informed by the department
10 of the opportunity to voluntarily agree to extended care and placement by the department and legal
11 supervision by the court until age twenty-one (21). The details of a child's transition plan shall be
12 developed in consultation with the child, wherever possible, and approved by the court prior to the
13 dismissal of an abuse, neglect, dependency, or miscellaneous petition before the child's twenty-first
14 birthday.

15 (c) A child, who is in foster care on their eighteenth birthday due to the filing of a
16 miscellaneous petition or a petition alleging that the child is dependent, neglected, or abused
17 pursuant to §§14-1-5, 40-11-7 or 42-72-14 may voluntarily elect to continue responsibility for care
18 and placement from DCYF and to remain under the legal supervision of the court as a young adult
19 until age twenty-one (21), provided:

20 (1) The young adult was in the legal custody of the department at age eighteen (18); or

21 (2) Was a former foster child who was adopted or placed in a guardianship with an adoption
22 assistance agreement that was effective upon attaining age sixteen (16); and

23 (3) The young adult is participating in at least one of the following:

24 (i) Completing the requirements to receive a high school diploma or GED;

25 (ii) Completing a secondary education or a program leading to an equivalent credential;
26 enrolled in an institution that provides post-secondary or vocational education;

27 (iii) Participating in a job training program or an activity designed to promote or remove
28 barriers to employment;

29 (iv) Be employed for at least eighty (80) hours per month; or

30 (v) Incapable of doing any of the foregoing due to a medical condition that is regularly
31 updated and documented in the case plan;

32 (4) Upon the request of the young adult, the court's legal supervision and the department's
33 responsibility for care and placement may be terminated. Provided, however, the young adult may
34 request reinstatement of responsibility and resumption of the court's legal supervision at any time

1 prior to their twenty-first birthday if the young adult meets the requirements set forth in §14-1-
2 6(c)(3). If the department wishes to terminate the court's legal supervision and its responsibility for
3 care and placement, it may file a motion for good cause. The court may exercise its discretion to
4 terminate legal supervision over the young adult at any time.

5 ~~(b)~~(d) The court may retain jurisdiction of any child who is seriously emotionally disturbed
6 or developmentally delayed pursuant to § 42-72-5(b)(24)(v) until that child turns age twenty-one
7 (21) when the court shall have obtained jurisdiction over any child prior to the child's eighteenth
8 birthday by the filing of a miscellaneous petition or a petition alleging that the child is dependent,
9 neglected and or abused pursuant to §§ 14-1-5, and 40-11-7, or 42-72-14.

10 ~~(c)~~ (e) The department of children, youth and families shall work collaboratively with the
11 department of behavioral healthcare, developmental disabilities and hospitals, and other agencies,
12 in accordance with § 14-1-59, to provide the family court with a transition plan for those individuals
13 who come under the court's jurisdiction pursuant to a petition alleging that the child is dependent,
14 neglected, and/or abused and who are seriously emotionally disturbed or developmentally delayed
15 pursuant to § 42-72-5(b)(24)(v). This plan shall be a joint plan presented to the court by the
16 department of children, youth and families and the department of behavioral healthcare,
17 developmental disabilities and hospitals. The plan shall include the behavioral healthcare,
18 developmental disabilities and hospitals' community or residential service level, health insurance
19 option, education plan, available mentors, continuing support services, workforce supports and
20 employment services, and the plan shall be provided to the court at least twelve (12) months prior
21 to discharge. At least three (3) months prior to discharge, the plan shall identify the specific
22 placement for the child, if a residential placement is needed. The court shall monitor the transition
23 plan. In the instance where the department of behavioral healthcare, developmental disabilities and
24 hospitals has not made timely referrals to appropriate placements and services, the department of
25 children, youth and families may initiate referrals.

26 ~~(a)~~ (f) The parent and/or guardian and/or guardian ad litem of a child who is seriously
27 emotionally disturbed or developmentally delayed pursuant to § 42-72-5(b)(24)(v), and who is
28 before the court pursuant to §§ 14-1-5(1)(iii) through 14-1-5(1)(v), 40-11-7 or 42-72-14, shall be
29 entitled to a transition hearing, as needed, when the child reaches the age of twenty (20) if no
30 appropriate transition plan has been submitted to the court by the department of children, person
31 and families and the department of behavioral healthcare, developmental disabilities and hospitals.
32 The family court shall require that the department of behavioral healthcare, developmental
33 disabilities, and hospitals shall immediately identify a liaison to work with the department of
34 children, youth, and families until the child reaches the age of twenty-one (21) and an immediate

1 transition plan be submitted if the following facts are found:

2 (1) No suitable transition plan has been presented to the court addressing the levels of
3 service appropriate to meet the needs of the child as identified by the department of behavioral
4 healthcare, developmental disabilities and hospitals; or

5 (2) No suitable housing options, health insurance, educational plan, available mentors,
6 continuing support services, workforce supports, and employment services have been identified for
7 the child.

8 ~~(e) Provided, further, that any youth who comes within the jurisdiction of the court by the~~
9 ~~filing of a wayward or delinquent petition based upon an offense that was committed prior to July~~
10 ~~1, 2007, including youth who are adjudicated and committed to the Rhode Island training school~~
11 ~~and who are placed in a temporary community placement as authorized by the family court, may~~
12 ~~continue under the jurisdiction of the court until he or she turns twenty one (21) years of age.~~

13 ~~(f)~~ (g) In any case where the court shall not have acquired jurisdiction over any person
14 prior to the person's eighteenth (18th) birthday by the filing of a petition alleging that the person
15 had committed an offense, but a petition alleging that the person had committed an offense that
16 would be punishable as a felony if committed by an adult has been filed before that person attains
17 the age of nineteen (19) years of age, that person shall, except as specifically provided in this
18 chapter, be subject to the jurisdiction of the court until he or she becomes nineteen (19) years of
19 age, unless discharged prior to turning nineteen (19).

20 ~~(g)~~ (h) In any case where the court shall not have acquired jurisdiction over any person
21 prior to the person attaining the age of nineteen (19) years by the filing of a petition alleging that
22 the person had committed an offense prior to the person attaining the age of eighteen (18) years
23 which would be punishable as a felony if committed by an adult, that person shall be referred to
24 the court that had jurisdiction over the offense if it had been committed by an adult. The court shall
25 have jurisdiction to try that person for the offense committed prior to the person attaining the age
26 of eighteen (18) years and, upon conviction, may impose a sentence not exceeding the maximum
27 penalty provided for the conviction of that offense.

28 ~~(h)~~ (i) In any case where the court has certified and adjudicated a child in accordance with
29 the provisions of §§ 14-1-7.2 and 14-1-7.3, the jurisdiction of the court shall encompass the power
30 and authority to sentence the child to a period in excess of the age of nineteen (19) years. However,
31 in no case shall the sentence be in excess of the maximum penalty provided by statute for the
32 conviction of the offense.

33 ~~(i)~~ (j) Nothing in this section shall be construed to affect the jurisdiction of other courts
34 over offenses committed by any person after he or she reaches the age of eighteen (18) years.

1 **14-1-11.1. Commitment of voluntary placements.**

2 (a) The department of children, youth, and families shall petition the family court and
3 request the care, custody, and control of any child who is voluntarily placed with the department
4 for the purpose of foster care by a parent or other person previously having custody and who
5 remains in foster care for a period of twelve (12) months. However, there shall be no requirement
6 for the department to seek custody of any child with an emotional, behavioral or mental disorder
7 or developmental or physical disability if the child is voluntarily placed with the department by a
8 parent or guardian of the child for the purpose of accessing an out-of-home program for the child
9 in a program which provides services for children with disabilities, including, but not limited to,
10 residential treatment programs, residential counseling centers, and therapeutic foster care
11 programs.

12 (b) In a hearing on a petition alleging that a child is dependent, competent and creditable
13 evidence that the child has remained in foster care for a period of twelve (12) months shall
14 constitute prima facie evidence sufficient to support the finding by the court that the child is
15 "dependent" in accordance with § 14-1-3.

16 (c) In those cases where a young adult who meets the eligibility criteria in §14-1-6(c)
17 wishes to continue in foster care after age eighteen (18), the young adult and an authorized
18 representative of DCYF shall, before the youth reaches age eighteen (18), discuss the terms of a
19 voluntary placement agreement for extension of care to be executed upon or after the young adult's
20 eighteenth birthday.

21 (d) In those cases where a young adult who meets the eligibility criteria in §14-1-6(c) exits
22 foster care at or after age eighteen (18), but wishes to return to foster care before age twenty-one
23 (21), DCYF shall file a petition for legal supervision of the young adult, with a voluntary placement
24 agreement for extension of care, executed by the young adult and an authorized representative of
25 DCYF attached.

26 SECTION 2. Section 40-11-14 of the General Laws in Chapter 40-11 entitled "Abused and
27 Neglected Children" is hereby amended to read as follows:

28 **40-11-14. Right to representation in court proceedings.**

29 (a) Any child who is alleged to be abused or neglected as a subject of a petition filed in
30 family court under this chapter, shall have a guardian ad litem appointed by the court to represent
31 this child. In addition, any young adult, who is eligible for extended foster care pursuant to §14-1-
32 6(c) and who has executed a voluntary agreement for extension of care may request the appointment
33 of guardian ad litem or court-appointed counsel. An appointment shall be in the discretion of the
34 court. The cost of counsel in those instances shall be paid by the state.

1 (b) A volunteer court-appointed special advocate may be assigned to assist the guardian ad
2 litem, in the court-appointed special advocate's office (CASA):

3 (1) In order to assist the family court with the ability to ensure that these volunteers, whose
4 activity involves routine contact with minors, are of good moral character, all persons seeking to
5 volunteer for CASA shall be required to undergo a national criminal records check for the purpose
6 of determining whether the prospective volunteer has been convicted of any crime.

7 (i) A national criminal records check shall include fingerprints submitted to the Federal
8 Bureau of Investigation (FBI) by the department of children, youth and families (DCYF) for a
9 national criminal records check. The national criminal records check shall be processed prior to the
10 commencement of volunteer activity.

11 (ii) For the purposes of this section, "conviction" means, in addition to judgments of
12 conviction entered by a court subsequent to a finding of guilty or a plea of guilty, those instances
13 where the defendant has entered a plea of nolo contendere and has received a sentence of probation
14 and that sentence has not expired and those instances where a defendant has entered into a deferred
15 sentence agreement with the attorney general.

16 (iii) For the purposes of this section, "disqualifying information" means information
17 produced by a national criminal records check pertaining to conviction for the offenses designated
18 as "disqualifying information" pursuant to DCYF policy.

19 (iv) The department of children, youth and families (DCYF) shall inform the applicant, in
20 writing, of the nature of the disqualifying information; and, without disclosing the nature of the
21 disqualifying information, shall notify the family court, in writing, that disqualifying information
22 has been discovered.

23 (v) In those situations in which no disqualifying information has been found, DCYF shall
24 inform the applicant and the family court, in writing, of this fact.

25 (vi) The family court shall maintain on file evidence that national criminal records checks
26 have completed on all volunteer court-appointed special advocates.

27 (vii) The criminal record check shall be conducted without charge to the prospective CASA
28 volunteers. At the conclusion of the background check required pursuant to this section, DCYF
29 shall promptly destroy the fingerprint record of the applicant obtained pursuant to this chapter.

30 (2) All persons seeking to volunteer for CASA must submit a satisfactory DCYF clearance
31 and participate in a program of training offered by the CASA office.

32 (c) If the parent or other person responsible for the child's care is financially unable to
33 engage counsel as determined by the court, the court may, at the request of that person, and in its
34 discretion, appoint the public defender, or other counsel, to represent the person. The cost of other

1 counsel in those instances shall be paid by the state. In every court proceeding under this chapter
2 in which it is a party, the department shall be represented by its legal counsel.

3 SECTION 3. Chapter 40-11 of the General Laws entitled "Abused and Neglected Children"
4 is hereby amended by adding thereto the following section:

5 **40-11-12.5. Review of young adults under the court's legal supervision and receiving**
6 **care and placement services from DCYF.**

7 (a) In the case of a young adult, between the ages of eighteen (18) and twenty-one (21),
8 who has executed a voluntary placement agreement for continued care and placement responsibility
9 from the department and for legal supervision of the court, the permanency plan shall document
10 the reasonable efforts made by the department and the young adult to finalize a permanency plan
11 that addresses the goal of preparing the young adult for independence and successful adulthood.

12 (b) Initial judicial determination - Within one hundred eighty (180) days of signing the
13 voluntary placement agreement, the department must petition the court to make a determination
14 whether remaining in foster care is in the young adult's best interests.

15 (c) The court shall conduct a permanency hearing within one year after the young adult and
16 the department execute a voluntary placement agreement and annually thereafter. At the
17 permanency hearing, the department shall present a written case plan to the court for approval that
18 details the necessary services, care and placement the young adult shall receive to assist the
19 transition to independence and successful adulthood.

20 (d) Notice of the court hearings shall be served by the department upon all parties in interest
21 in accordance with the rules of child welfare procedure of the family court.

22 (e) Periodic formal reviews, shall be held not less than once every one hundred eighty (180)
23 days to assess the progress and case plan of any young adult under the court's legal supervision and
24 under the care and placement responsibility of DCYF pursuant to a voluntary agreement for
25 extension of care.

26 The permanency plan shall be reviewed by the court at least once every twelve (12) months
27 at a permanency hearing and by the department in an administrative review within one hundred
28 eighty (180) days after the permanency hearing. The young adult is expected to participate in case
29 planning and periodic reviews.

30 SECTION 4. Section 42-102-10 of the General Laws in Chapter 42-102 entitled
31 "Governor's Workforce Board Rhode Island" is hereby amended to read as follows:

32 **42-102-10. State Career-Pathways System.**

33 The workforce board ("board") shall support and oversee statewide efforts to develop and
34 expand career pathways that enable individuals to secure employment within a specific industry or

1 occupational sector and to advance over time to successively higher levels of education and
2 employment in that sector. Towards this purpose, the board shall convene an advisory committee
3 comprised of representatives from business, labor, adult education, secondary education, higher
4 education, the department of corrections, the executive office of health and human services, [the](#)
5 [department of children, youth and families](#), the department of behavioral healthcare, developmental
6 disabilities and hospitals, the office of library and information services, community-based
7 organizations, consumers, and the public-workforce system. Included in the state career-pathways
8 system, shall be the creation of pathways and workforce training programs to fill skill gaps and
9 employment opportunities in the clean-energy sector.

10 SECTION 5. Sections 40-72.1-2, 42-72.1-3, and 42-72.1-6 of the General Laws in Chapter
11 40-72.1 entitled "Licensing and Monitoring of Child Care Providers and Child-Placing Agencies"
12 are hereby amended to read as follows:

13 **42-72.1-2. Definitions.** As used in this chapter:

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

16 (2) "Applicant" means a child-placing agency or childcare provider that applies for a
17 license to operate.

18 (3) "Child" means any person less than eighteen (18) years of age; provided, that a child
19 over eighteen (18) years of age who is nevertheless subject to continuing jurisdiction of the family
20 court, pursuant to chapter 1 of title 14, or defined as emotionally disturbed according to chapter 7
21 of title 40.1, shall be considered a child for the purposes of this chapter.

22 (4) "Childcare provider" means a person or agency, which offers residential or
23 nonresidential care and/or treatment for a child outside of his/her natural home.

24 (5) "Child day care [or child care](#)" means daily care and/or supervision offered
25 commercially to the public for any part of a twenty-four (24) hour day to children away from their
26 homes.

27 (6) "Child day care center [or child care center](#)" means any person, firm, corporation,
28 association, or agency who, on a regular or irregular basis, receives any child under the age of
29 sixteen (16) years, for the purpose of care and/or supervision, not in a home or residence, apart
30 from the child's parent or guardian for any part of a twenty-four (24) hour day irrespective of
31 compensation or reward. It shall include childcare programs that are offered to employees at the
32 worksite. It does not include nursery schools or other programs of educational services subject to
33 approval by the commissioner of elementary and secondary education.

34 (7) "Child-placing agency" means any private or public agency, which receives children

1 for placement into independent living arrangements, supervised apartment living, residential group
2 care facilities, family foster homes, or adoptive homes.

3 (8) "Department" means the department of children, youth, and families (DCYF).

4 (9) "Director" means the director of the department of children, youth, and families, or the
5 director's designee.

6 (10) "Family day care home" means any home other than the child's home in which child
7 day care in lieu of parental care and/or supervision is offered at the same time to four (4) or more
8 children who are not relatives of the care giver.

9 (11) "Group family day care home" means a residence occupied by an individual of at least
10 twenty-one (21) years of age who provides care for not less than nine (9) and not more than twelve
11 (12) children, with the assistance of one or more approved adults, for any part of a twenty-four (24)
12 hour day. The maximum of twelve (12) children shall include children under six (6) years of age
13 who are living in the home, school-age children under the age of twelve (12) years whether they
14 are living in the home or are received for care, and children related to the provider who are received
15 for care. These programs shall be subject to yearly licensing as addressed in this chapter and shall
16 comply with all applicable state and local fire, health, and zoning regulations.

17 (12) "Licensee" means any person, firm, corporation, association, or agency, which holds
18 a valid license under this chapter.

19 (13) "Regulation" means any requirement for licensure, promulgated pursuant to this
20 chapter having the force of law.

21 (14) "Related" means any of the following relationships, by marriage, blood or adoption,
22 even following the death or divorce of a natural parent: parent, grandparent, brother, sister, aunt,
23 uncle, and first cousin. In a prosecution under this chapter or of any law relating thereto, a defendant
24 who relies for a defense upon the relationship of any child to him or herself, the defendant shall
25 have the burden of proof as to the relationship.

26 **42-72.1-3. Powers and scope of activities.**

27 (a) The department shall issue, deny, and revoke licenses for, and monitor the operation of,
28 facilities and programs by child placing agencies and child care providers, as defined in § 42-72.1-
29 [2 or assess administrative penalty under the provisions of § 42-72.11 of this chapter relating to](#)
30 [licensed child care centers, family child care homes, group family child care homes.](#)

31 (b) The department shall adopt, amend, and rescind regulations in accordance with this
32 chapter and implement its provisions. The regulations shall be promulgated and become effective
33 in accordance with the provisions of the Administrative Procedures Act, chapter 35 of title 42.

34 (c) The department through its licensing unit shall administer and manage the regulations

1 pertaining to the licensing and monitoring of those agencies, and shall exercise all statutory and
2 administrative powers necessary to carry out its functions.

3 (d) The administrator shall investigate complaints of noncompliance, and shall take
4 licensing action as required.

5 (e) Regulations formulated pursuant to the foregoing authority shall include, but need not
6 be limited to, the following:

7 (1) Financial, administrative and organizational ability, and stability of the applicant;

8 (2) Compliance with specific fire and safety codes and health regulations;

9 (3) Character, health suitability, qualifications of child care providers;

10 (4) Staff/child ratios and workload assignments of staff providing care or supervision to
11 children;

12 (5) Type and content of records or documents that must be maintained to collect and retain
13 information for the planning and caring for children;

14 (6) Procedures and practices regarding basic child care and placing services to ensure
15 protection to the child regarding the manner and appropriateness of placement;

16 (7) Service to families of children in care;

17 (8) Program activities, including components related to physical growth, social, emotional,
18 educational, and recreational activities, social services and habilitative or rehabilitative treatment;

19 (9) Investigation of previous employment, criminal record check and department records
20 check; and

21 (10) Immunization and testing requirements for communicable diseases, including, but not
22 limited to, tuberculosis, of child care providers and children at any child day-care center or family
23 day-care home as is specified in regulations promulgated by the director of the department of health.

24 Notwithstanding the foregoing, all licensing and monitoring authority shall remain with the
25 department of children, youth, and families.

26 (f) The administrator may:

27 (1) Prescribe any forms for reports, statements, notices, and other documents deemed
28 necessary;

29 (2) Prepare and publish manuals and guides explaining this chapter and the regulations to
30 facilitate compliance with and enforcement of the regulations;

31 (3) Prepare reports and studies to advance the purpose of this chapter;

32 (4) Provide consultation and technical assistance, as requested, to assist licensees in
33 maintaining compliance; and

34 (5) Refer to the advisory council for children and families for advice and consultation on

1 licensing matter.

2 (g) The department may promulgate rules and regulations for the establishment of child
3 day care centers located on the second floor.

4 (h) When the department is otherwise unsuccessful in remedying noncompliance with the
5 provisions of this chapter and the regulations promulgated under it, it ~~shall~~ may petition the family
6 court for an order enjoining the noncompliance or for any order that equity and justice may require.

7 (i) The department shall collaborate with the departments of human services, elementary
8 and secondary education, and health to provide monitoring, mentoring, training, technical
9 assistance, and other services which are necessary and appropriate to improving the quality of child
10 care offered by child care providers who are certified, licensed, or approved by the department or
11 the department of elementary and secondary education or who are seeking certification, licensure,
12 or approval pursuant to § 42-72-1 or § 16-48-2, including non-English speaking providers.

13 (j) The department shall adopt, amend, and rescind regulations in the same manner as set
14 forth above in order to permit the placement of a pregnant minor in a group residential facility
15 which provides a shelter for pregnant adults as its sole purpose.

16 **42-72.1-6. Violations, suspensions and revocations of license.**

17 (a) When a licensee violates the terms of the license, the provisions of this chapter, or any
18 regulation thereunder, the department may pursue the administrative remedies herein provided,
19 including the assessment of administrative penalties under the provisions of § 42-72.11 of this
20 chapter relating to licensed child care centers, family child care homes, and group family child care
21 homes, in addition to other civil or criminal remedies according to the general laws.

22 (b) After notice and hearing, as provided by the Administrative Procedures Act, chapter 35
23 of title 42, the administrator may revoke the license, or suspend the license for a period not
24 exceeding six (6) months.

25 (c) During a suspension, the agency, facility or program shall cease operation.

26 (d) To end a suspension, the licensee shall, within thirty (30) days of the notice of
27 suspension, submit a plan of corrective action to the administrator. The plan shall outline the steps
28 and timetables for immediate correction of the areas of noncompliance and is subject to the
29 approval of the administrator.

30 (e) At the end of the suspension, the administrator may reinstate the license for the term of
31 the original license, revoke the license, issue a new license, or deny a reapplication.

32 (f) Upon revocation, the licensed agency, program or facility shall cease operation. The
33 licensee whose license has been revoked may not apply for a similar license within a three (3) year
34 period from the date of revocation.

1 (g) Except in those instances wherein there is a determination that there exists a danger to
2 the public health, safety, or welfare or there is a determination that the child care provider has
3 committed a serious breach of State law, orders, or regulation, the director shall utilize progressive
4 penalties for noncompliance of any rule, regulation or order relating to child care providers.
5 Progressive penalties could include written notice of noncompliance, education and training,
6 suspending enrollment to the program, assessing fines, suspension of license, and revocation of
7 license.

8 SECTION 6. Title 42 of the General Laws entitled "State Affairs and Government" is
9 hereby amended by adding thereto the following chapter:

10 CHAPTER 42-72.11

11 ADMINISTRATIVE PENALTIES FOR CHILD CARE LICENSING VIOLATIONS

12 **42-72.11-1. Definitions.**

13 As used in this chapter, the following words, unless the context clearly requires otherwise,
14 shall have the following meanings:

15 (1) "Administrative penalty" means a monetary penalty not to exceed the civil penalty
16 specified by statute or, where not specified by statute, an amount not to exceed five hundred dollars
17 (\$500).

18 (2) "Director" means the director of the department of children, youth and families or his
19 or her duly authorized agent.

20 (3) "Person" means any public or private corporation, individual, partnership, association,
21 or other entity that is licensed as a child care center, family child care home, group family child
22 care home or any officer, employee or agent thereof.

23 (4) "Citation" means a notice of an assessment of an administrative penalty issued by the
24 director or his or her duly authorized agent.

25 **42-72.11-2. Authority of director to assess penalty.**

26 The director may assess an administrative penalty on a person who fails to comply with
27 any provision of any rule, regulation, order, permit, license, or approval issued or adopted by the
28 director, or of any law which the director has the authority or responsibility to enforce.

29 **42-72.11-3. Notice of violation and assessment of penalty.**

30 (a) Whenever the director seeks to assess an administrative penalty on any person, the
31 director shall cause to be served upon the person, either by service, in hand, or by certified mail,
32 return receipt requested, a written notice of its intent to assess an administrative penalty which shall
33 include:

34 (1) A concise statement of the alleged act or omission for which the administrative penalty

1 is sought to be assessed;

2 (2) Each law, rule, regulation, or order which has not been complied with as a result of the
3 alleged act or omission;

4 (3) The amount which the director seeks to assess as an administrative penalty for each
5 alleged act or omission;

6 (4) A statement of the person's right to an adjudicatory hearing on the proposed assessment;

7 (5) The requirements the person must comply with to avoid being deemed to have waived
8 the right to an adjudicatory hearing; and

9 (6) The manner of payment thereof if the person elects to pay the penalty and waive an
10 adjudicatory hearing.

11 **42-72.11-4. Right to adjudicatory hearing.**

12 (a) Whenever the director seeks to assess an administrative penalty on any person the
13 person shall have the right to an adjudicatory hearing under chapter 35 of this title, the provisions
14 of which shall apply except when they are inconsistent with the provisions of this chapter.

15 (b) A person shall be deemed to have waived his or her right to an adjudicatory hearing
16 unless, within ten (10) days of the date of the director's notice that he or she seeks to assess an
17 administrative penalty, the person files with the director a written statement denying the occurrence
18 of any of the acts or omissions alleged by the director in the notice, or asserting that the money
19 amount of the proposed administrative penalty is excessive. In any adjudicatory hearing authorized
20 pursuant to chapter 35 of title 42, the director shall, by a preponderance of the evidence, prove the
21 occurrence of each act or omission alleged by the director.

22 (c) If a person waives his or her right to an adjudicatory hearing, the proposed
23 administrative penalty shall be final immediately upon the waiver.

24 **42-72.11-5. Judicial review.**

25 (a) If an administrative penalty is assessed at the conclusion of an adjudicatory hearing the
26 administrative penalty shall be final upon the expiration of thirty (30) days if no action for judicial
27 review of the decision is commenced pursuant to chapter 35 of this title.

28 (b) The family court shall have exclusive jurisdiction to review all appeals filed under this
29 chapter.

30 **42-72.11-6. Determination of administrative penalty.**

31 Prior to the imposition of an administrative penalty, the department shall complete a risk
32 and safety analysis and the director shall consider the following:

33 (1) The actual and potential impact on health, safety and welfare of children impacted the
34 alleged noncompliance;

1 (2) Whether the person being assessed the administrative penalty took steps to prevent
2 noncompliance, and to promptly come into compliance;

3 (3) Whether the person being assessed the administrative penalty has previously failed to
4 comply with any rule, regulation, or order issued or adopted by the director, or any law which the
5 director has the authority to enforce;

6 (4) Deterring future noncompliance;

7 (5) Eliminating the economic advantage of noncompliance;

8 (6) Consistency with state and/or federal statute for a similar violation or failure to comply;

9 (7) Any other factor(s) that may be relevant in determining the amount of a penalty,
10 provided that the other factors shall be set forth in the written notice of assessment of the penalty;

11 and

12 (8) The public interest.

13 **42-72.11-7. Limitations on amount of penalty.**

14 The administrative penalty shall be not more than five hundred dollars (\$500) for each
15 investigation or failure to comply unless a different amount is authorized by statute as a civil penalty
16 for the subject violation.

17 **42-72.11-8. Rules and regulations.**

18 No administrative penalty shall be assessed by the director pursuant to this chapter until
19 the director has promulgated rules and regulations for assessing administrative penalties in
20 accordance with the provisions of chapter 35 of this title.

21 **42-72.11-9. Severability.**

22 If any provision of this chapter or the application thereof to any person or circumstances is
23 held invalid, that invalidity shall not affect other provisions or applications of the chapter, which
24 can be given effect without the invalid provision or application, and to this end the provisions of
25 this chapter are declared to be severable.

26 SECTION 7. Section 40-6.2-1.1 of the General Laws in Chapter 40-6.2 entitled "Child
27 Care – State Subsidies" is hereby amended to read as follows:

28 **40-6.2-1.1. Rates established.**

29 (a) Through June 30, 2015, subject to the payment limitations in section (b), the maximum
30 reimbursement rates to be paid by the departments of human services and children, youth and
31 families for licensed child care centers and ~~certified~~ licensed family-child care providers shall be
32 based on the following schedule of the 75th percentile of the 2002 weekly market rates adjusted for
33 the average of the 75th percentile of the 2002 and the 2004 weekly market rates:

34 LICENSED CHILD CARE CENTERS 75th PERCENTILE OF WEEKLY MARKET RATE

1	INFANT	\$182.00
2	PRESCHOOL	\$150.00
3	SCHOOL-AGE	\$135.00
4	CERTIFIED FAMILY CHILD CARE	75th PERCENTILE OF WEEKLY MARKET RATE
5	CHILD CARE PROVIDERS	
6	INFANT	\$150.00
7	PRESCHOOL	\$150.00
8	SCHOOL-AGE	\$135.00

9 Effective July 1, 2015, subject to the payment limitations in subsection (b), the maximum
10 reimbursement rates to be paid by the departments of human services and children, youth and
11 families for licensed child care centers and ~~certified~~-licensed family-child care providers shall be
12 based on the above schedule of the 75th percentile of the 2002 weekly market rates adjusted for the
13 average of the 75th percentile of the 2002 and the 2004 weekly market rates. These rates shall be
14 increased by ten dollars (\$10.00) per week for infant/toddler care provided by ~~certified~~ licensed
15 family-child care providers and license-exempt providers and then the rates for all providers for all
16 age groups shall be increased by three percent (3%). For the fiscal year ending June 30, 2018,
17 licensed child care centers shall be reimbursed a maximum weekly rate of one hundred ninety-three
18 dollars and sixty-four cents (\$193.64) for infant/toddler care and one hundred sixty-one dollars and
19 seventy-one cents (\$161.71) for pre-school age children.

20 (b) Effective July 1, 2018, subject to the payment limitations in subsection (c), the
21 maximum infant/toddler and pre-school age reimbursement rates to be paid by the departments of
22 human services and children, youth and families for licensed child care centers shall be
23 implemented in a tiered manner, reflective of the quality rating the provider has achieved within
24 the state's quality rating system outlined in § 42-12-23.1.

25 (1) For infant/toddler child care, tier one shall be reimbursed two and one-half percent
26 (2.5%) above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%) above
27 the FY 2018 weekly amount, tier three shall be reimbursed thirteen percent (13%) above the FY
28 2018 weekly amount, tier four shall be reimbursed twenty percent (20%) above the FY 2018 weekly
29 amount, and tier five shall be reimbursed thirty-three percent (33%) above the FY 2018 weekly
30 amount.

31 (2) For pre-school reimbursement rates, the tier one shall be reimbursed two and one-half
32 (2.5%) percent above the FY 2018 weekly amount, tier two shall be reimbursed five percent (5%)
33 above the FY 2018 weekly amount, tier three shall be reimbursed ten percent (10%) above the FY
34 2018 weekly amount, and tiers four and five shall be reimbursed fifteen percent (15%) above the

1 [FY 2018 weekly amount.](#)

2 ~~(b)~~(c) The departments shall pay child care providers based on the lesser of the applicable
3 rate specified in subsection (a), or the lowest rate actually charged by the provider to any of its
4 public or private child care customers with respect to each of the rate categories, infant, preschool
5 and school-age.

6 ~~(e)~~(d) By June 30, 2004 and biennially through June 30, 2014, the department of labor and
7 training shall conduct an independent survey or certify an independent survey of the then current
8 weekly market rates for child care in Rhode Island and shall forward such weekly market rate
9 survey to the department of human services. The next survey shall be conducted by June 30, 2016,
10 and triennially thereafter. The departments of human services and labor and training will jointly
11 determine the survey criteria including, but not limited to, rate categories and sub-categories.

12 ~~(d)~~(e) In order to expand the accessibility and availability of quality child care, the
13 department of human services is authorized to establish by regulation alternative or incentive rates
14 of reimbursement for quality enhancements, innovative or specialized child care and alternative
15 methodologies of child care delivery, including non-traditional delivery systems and
16 collaborations.

17 ~~(e)~~(f) ~~On or before~~ [Effective](#) January 1, 2007, all child care providers have the option to be
18 paid every two (2) weeks and have the option of automatic direct deposit and/or electronic funds
19 transfer of reimbursement payments.

20 SECTION 8. Chapter 42-102 of the General Laws entitled "Governor's Workforce Board
21 Rhode Island" is hereby amended by adding thereto the following section:

22 **42-102-10.1. Career opportunities for young adults.**

23 [\(a\) The department of labor and training, governor's workforce board, and department of](#)
24 [children, youth and families shall work collaboratively to ensure that each young adult, as defined](#)
25 [in § 14-1-3 of the general laws, shall upon request by the young adult, receive a vocational](#)
26 [assessment and shall have access to all appropriate job training programs and eligible services.](#)

27 [\(b\) For those young adults who desire to participate in job training programs as part of their](#)
28 [permanency plan to achieve independence and self-sufficiency, the department of labor and](#)
29 [training, governor's workforce board, and department of children, youth and families shall work](#)
30 [collaboratively to devise an individual employment plan suitable to the talents and abilities of the](#)
31 [young adult determine which additional specialized workforce and supportive services may be](#)
32 [necessary to accomplish the goals of the plan and provide the additional services as needed.](#)

33 [\(c\) The governor's workforce board, in conjunction with the department of labor and](#)
34 [training, shall develop and expand career pathways, job training programs, and employment](#)

1 services for young adults as defined in § 14-1-3 of the general laws.

2 (d) The department of labor and training, governor's workforce board, and department of
3 children, youth and families shall track movement of these young adults into the workforce, and
4 will publish an annual report on outcomes to the governor, the general assembly and the family
5 court.

6 (e) Programs and resources shall be contingent upon available funding.

7 SECTION 9. This Article shall take effect upon passage.

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ARTICLE 16

RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS

SECTION 1. This article shall serve as joint resolution required pursuant to Rhode Island General Law § 35-18-1, et seq.

SECTION 2. *University of Rhode Island - Repaving, Hardscape & Landscape*

WHEREAS, The Rhode Island Council on Postsecondary Education is proposing a project which involves the re-pavement and reconstruction of major parking facilities, internal roadways, and walkways and associated infrastructure on the University's Kingston, Narragansett Bay, and W. Alton Jones; and

WHEREAS, The University has made progress in the improvement of its extensive inventory of paved surfaces on its Campuses, the scope of repaving and reconstruction of major parking facilities, internal roadways, and walkways and associated infrastructure is substantial and ongoing; and

WHEREAS, A recent Transportation and Parking Master Plan recommends the redevelopment of campus roadways into "complete streets" allowing safe travel for pedestrians, cyclists, vehicles and other modes of travel; and

WHEREAS, The design and execution of this Master Plan will improve the campus's environmental impact; and

WHEREAS, These timely project commitments serve the objectives of both the University and the local community; and

WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island and other public agencies of certain obligations including financing guarantees or other agreements; and

WHEREAS, The design and paving work will be financed through Rhode Island Health and Educational Building Corporation revenue bonds, with an expected term of twenty (20) years; and

WHEREAS, The project costs associated with completion of the project and proposed financing method is eleven million dollars (\$11,000,000), including cost of issuance. Debt Service payments would be supported by both University's unrestricted general revenues and enterprise

1 funding from the University of Rhode Island Parking Services operation. Total debt service on the
2 bonds is not expected to exceed eight hundred eighty three thousand dollars (\$883,000) annually
3 and seventeen million six hundred sixty thousand dollars (\$17,660,000) in the aggregate based on
4 an average interest rate of five percent (5%); now, therefore be it

5 RESOLVED, That this General Assembly hereby approves financing in an amount not to
6 exceed eleven million dollars (\$11,000,000) for the Repaving, Hardscape & Landscape project at
7 the University of Rhode Island; and be it further

8 RESOLVED, That this joint resolution shall apply to bonds issued within five (5) years of
9 the date of passage of this resolution; and be it further

10 RESOLVED, That this joint resolution shall take effect upon passage by this General
11 Assembly.

12 SECTION 3. *University of Rhode Island – Utility Infrastructure Upgrade Phase I*

13 WHEREAS, The Council on Postsecondary Education and the University of Rhode Island
14 are proposing a project which involves the engineering and construction of upgrades and
15 component replacements to five municipal-level Kingston Campus utility systems; and

16 WHEREAS, The University has engaged qualified engineering firms to examine its major
17 infrastructure systems; and

18 WHEREAS, Based on the condition and capabilities of these systems, the studies have
19 concluded that replacement of components and reconfiguration was advisable for each of these
20 extensive systems to ensure necessary steam, water, sanitary and electrical support for the next 20-
21 40 years; and

22 WHEREAS, The University has also developed the required Storm Water Management
23 Plan for the Kingston Campus, which provides guidelines that are being incorporated into new
24 building projects under development and are driving stand-alone storm water infrastructure projects
25 as well; and

26 WHEREAS, The University has successfully completed many extremely important
27 individual utility infrastructure projects in its continuing progression of work to upgrade and
28 replace infrastructure systems within the Kingston Campus but now needs dedicated investments
29 beyond annual capital resources; and

30 WHEREAS, This project is the first phase in a phased implementation plan to upgrade and
31 improve the reliability of the University of Rhode Island's Kingston campus infrastructure; and

32 WHEREAS, The utility infrastructure work will be financed through Rhode Island Health
33 and Educational Building Corporation revenue bonds, with an expected term of twenty (20) years;
34 and

1 WHEREAS, The total project costs associated with completion of this project and proposed
2 financing method is six million five hundred thousand dollars (\$6,500,000), including cost of
3 issuance. Debt service payments would be supported by revenues derived from the University's
4 unrestricted general revenues. Total debt service on the bonds is not expected to exceed five
5 hundred twenty two thousand dollars (\$522,000) annually and ten million four hundred forty
6 thousand dollars (\$10,440,000) in the aggregate based on an average interest rate of five (5%)
7 percent; now, therefore be it

8 RESOLVED, That this General Assembly hereby approves financing in an amount not to
9 exceed six million five hundred thousand dollars (\$6,500,000) for the Utility Infrastructure
10 Upgrade Phase I project at the University of Rhode Island; and be it further

11 RESOLVED, That this joint resolution shall apply to bonds issued within five (5) years of
12 the date of passage of this resolution; and be it further

13 RESOLVED, That this joint resolution shall take effect upon passage by this General
14 Assembly.

15 SECTION 4. *University of Rhode Island – Fire Safety & Protection – Auxiliary Enterprise*
16 *Buildings Phase Two*

17 WHEREAS, The Council on Postsecondary Education and the University of Rhode Island
18 are proposing a project which involves the installation of upgraded fire alarm and sprinkler systems
19 as well as life safety improvements in auxiliary enterprise buildings, in accordance with the State
20 Fire Code; and

21 WHEREAS, The Council on Postsecondary Education and the University have a long
22 standing commitment to the improvement and maintenance of fire safety conditions in all of the
23 buildings under their responsibility; and

24 WHEREAS, The University has already completed extensive fire safety improvements
25 during the Fire Safety & Protection – Auxiliary Enterprise Buildings Phase One; and

26 WHEREAS, The University engaged a qualified fire code compliance engineering firm to
27 examine all of its occupied buildings and the firm has recommended fire safety improvements
28 needed to satisfy the Rhode Island Fire Code; and

29 WHEREAS, There remains fire safety compliance investments, identified by the
30 University's fire compliance engineering firm, in its Auxiliary Enterprise building complement that
31 the University is prepared to advance; and

32 WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the
33 General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island
34 and other public agencies of certain obligations including financing guarantees or other agreements;

1 and

2 WHEREAS, The design and construction associated with this fire safety compliance work
3 in Auxiliary Enterprise buildings will be financed through the Rhode Island Health and Educational
4 Building Corporation (RIHEBC) revenue bonds, with an expected term of twenty (20) years; and

5 WHEREAS, The total project costs associated with completion of the project and proposed
6 financing method is two million three hundred thousand dollars (\$2,300,000), including cost of
7 issuance. Debt service payments would be supported by revenues derived from student fees
8 associated with the respective Auxiliary Enterprises of the University of Rhode Island occupying
9 said facilities. Total debt service on the bonds is not expected to exceed one hundred eighty five
10 thousand dollars (\$185,000) annually and three million seven hundred thousand dollars
11 (\$3,700,000) in the aggregate based on an average interest rate of five (5%) percent; now, therefore
12 be it

13 RESOLVED, That this General Assembly hereby approves financing in an amount not to
14 exceed two million three hundred thousand dollars (\$2,300,000) for the fire safety and protection
15 project for the auxiliary enterprise buildings on the University of Rhode Island campus; and be it
16 further

17 RESOLVED, That this joint resolution shall apply to bonds issued within five (5) years of
18 the date of passage of this resolution; and be it further

19 RESOLVED, That this joint resolution shall take effect upon passage by this General
20 Assembly.

21 SECTION 5. *Eleanor Slater Hospital Project-Regan Building Renovation*

22 WHEREAS, The Eleanor Slater Hospital (the "Hospital") provides long-term acute care
23 and post-acute care for approximately two hundred twenty (220) individuals with complex
24 psychiatric and medical needs on two campuses - Pastore and Zambarano; and

25 WHEREAS, The Hospital is licensed by the Rhode Island Department of Health
26 ("RIDOH") and accredited triennially by the Joint Commission for the Accreditation of Health Care
27 Organizations ("JCAHO") that enables it to bill Medicare, Medicaid, and commercial insurances
28 for the care it provides; and

29 WHEREAS, The revenue the Hospital can bill Medicare, Medicaid, and other insurers
30 approximates \$55.0 million annually; and

31 WHEREAS, On the Pastore campus the patients who have psychiatric needs are currently
32 in three buildings (Pinel, Regan and Adolph Meyer) that are older buildings that have not been
33 updated in many years; and

34 WHEREAS, In January 2017, the Center for Medicare and Medicaid Services ("CMS")

1 published new standards designed to address the increased number of suicides and suicide attempts
2 in hospitals; such standards required significant renovations to reduce ligature risks on inpatient
3 psychiatric units; and

4 WHEREAS, In September 2017, JCAHO performed its triennial survey, identified
5 significant ligature risks at the Pinel and the Adolph Meyer Buildings and as a result, gave the
6 Hospital a rating of Immediate Threat to Life, requiring it to submit a long-term plan to address the
7 ligature risks in both buildings; and

8 WHEREAS, The Pinel and the Adolph Meyer Buildings currently do not meet JCAHO
9 and CMS requirements and a loss of accreditation for not meeting the submitted plan could lead to
10 the loss of approximately \$55.0 million in federal Medicaid match; and

11 WHEREAS, The Hospital submitted to JCAHO a plan to renovate the Benton Center and
12 the Regan Building, and to close the Pinel and Adolph Meyer Buildings, thus enabling it to achieve
13 full accreditation; and

14 WHEREAS, A renovation of the existing Pinel and Adolph Meyer Buildings would not be
15 financially beneficial due to the magnitude of renovations that would need to be performed on these
16 buildings to allow the Hospital to achieve full accreditation; and

17 WHEREAS, The renovation of the Benton Center will be completed in June 2018, utilizing
18 Rhode Island Capital Plan Fund financing, enabling the Hospital to close the Pinel Building and 2
19 units in the Adolph Meyer Building and relocate approximately forty-five (45) psychiatric patients
20 to Benton; and

21 WHEREAS, This will leave approximately fifty (50) to fifty-five (55) psychiatric patients
22 remaining in the Adolph Meyer Building; and

23 WHEREAS, There are significant ligature risks that exist in Adolph Meyer and the current
24 size of the units are twelve (12) to fifteen (15) beds sizes that are too small to be efficient in
25 hospitals, while the size of the patient care units in Regan are twenty-four (24) to twenty-eight (28)
26 beds - more typical of patient care units today; and

27 WHEREAS, Closing inefficient units in the Adolph Meyer Building will enable the
28 Hospital to reduce operating costs and address the deficiencies cited by the JCAHO; and

29 WHEREAS, There are currently three (3) floors in the Regan Building that can house
30 patients, one that is vacant, one currently with twenty-eight (28) psychiatric patients, and another
31 with currently seventeen (17) medical patients; and whereas a fourth floor can be renovated into an
32 inpatient unit; and

33 WHEREAS, To accommodate the remaining psychiatric patients in the Adolph Meyer
34 Building, three (3) floors would require extensive renovations to meet the current building

1 standards for psychiatric inpatient units, including requirements for ligature resistant features,
2 program areas, step down areas, quiet rooms, restraint rooms and private rooms that currently do
3 not exist in the Regan or the Adolph Meyer Buildings; and

4 WHEREAS, The renovated facility would have a total of one hundred five (105) beds with
5 larger inpatient units and program space within the units, thus enabling the Hospital to reduce
6 operating costs and develop programs to assist patients in their recovery and ultimate discharge;
7 and

8 WHEREAS, Due to its age, the Regan Building requires significant infrastructure upgrades
9 including: elevator replacement, masonry and window leak repair, and a partial roof replacement
10 with an estimated total cost of nine million dollars (\$9,000,000); and

11 WHEREAS, The capital costs associated with this project are estimated to be forty-nine
12 million, eight hundred fifty thousand dollars (\$49,850,000). This includes \$27,850,000 from the
13 Rhode Island Capital Plan Fund for the renovation of the Benton and Regan Buildings and
14 \$22,000,000 from the issuance of Certificates of Participation to finance the Regan Building
15 renovations. The total issuance would be \$22,000,000, with total lease payments over fifteen (15)
16 years on the \$22,000,000 issuance projected to be \$32,900,000, assuming an average coupon of
17 five percent (5.0%). The lease payments would be financed within the Department of
18 Administration from general revenue appropriations; now, therefore be it

19 RESOLVED, That a renovation of the Regan Building as part of Eleanor Slater Hospital,
20 is critical to provide patients with an environment that meets current building standards for
21 psychiatric hospitals and to meet CMS and JCAHO accreditation requirements; and be it further

22 RESOLVED, This General Assembly hereby approves the issuance of certificates of
23 participation in an amount not to exceed \$22,000,000 for the renovation of the Regan Building,
24 part of the Eleanor Slater Hospital; and be it further

25 RESOLVED, That this joint resolution shall apply to bonds issued within five (5) years of
26 the date of passage of this resolution; and be it further

27 RESOLVED, That this joint resolution shall take effect upon passage by this General
28 Assembly.

29 SECTION 6. This article shall take effect upon passage.
30

1

ARTICLE 17

2

RELATING TO EFFECTIVE DATE

3

SECTION 1. This Act shall take effect as of July 1, 2018, except as otherwise provided

4

herein.

5

SECTION 2. This Article shall take effect upon passage.

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