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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL  
YEAR ENDING JUNE 30, 2026

Introduced By: Representative Marvin L. Abney

Date Introduced: January 16, 2025

Referred To: House Finance

(Governor)

It is enacted by the General Assembly as follows:

- 1 ARTICLE 1 RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2026
- 2 ARTICLE 2 RELATING TO STATE FUNDS
- 3 ARTICLE 3 RELATING TO GOVERNMENT REFORM AND REORGANIZATION
- 4 ARTICLE 4 RELATING TO DEBT MANAGEMENT ACT CONCURRENT RESOLUTION
- 5 ARTICLE 5 RELATING TO TAXES AND FEES
- 6 ARTICLE 6 RELATING TO ECONOMIC DEVELOPMENT
- 7 ARTICLE 7 RELATING TO EDUCATION
- 8 ARTICLE 8 RELATING TO MEDICAL ASSISTANCE
- 9 ARTICLE 9 RELATING TO LEASES
- 10 ARTICLE 10 RELATING TO HEALTH AND HUMAN SERVICES
- 11 ARTICLE 11 RELATING TO ASSAULT WEAPONS
- 12 ARTICLE 12 RELATING TO EFFECTIVE DATE

1 **ARTICLE 1**

2 **RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2026**

3 SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained in  
4 this act, the following general revenue amounts are hereby appropriated out of any money in the  
5 treasury not otherwise appropriated to be expended during the fiscal year ending June 30, 2026.  
6 The amounts identified for federal funds and restricted receipts shall be made available pursuant to  
7 § 35-4-22 and chapter 41 of title 42. For the purposes and functions hereinafter mentioned, the state  
8 controller is hereby authorized and directed to draw the state controller's orders upon the general  
9 treasurer for the payment of such sums or such portions thereof as may be required from time to  
10 time upon receipt by the state controller of properly authenticated vouchers.

11 **Administration**

12 *Central Management*

13	General Revenues	4,359,358
14	Federal Funds	
15	Federal Funds	33,000,000
16	Restricted Receipts	193,701
17	Total - Central Management	37,553,059

18 *Legal Services*

19	General Revenues	2,872,990
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20 *Accounts and Control*

21	General Revenues	5,804,845
22	Restricted Receipts - OPEB Board Administration	150,959
23	Restricted Receipts - Grants Management Administration	2,540,109
24	Total - Accounts and Control	8,495,913

25 *Office of Management and Budget*

26	General Revenues	11,000,012
27	Federal Funds	
28	Federal Funds	151,689
29	Federal Funds – Capital Projects Fund	
30	CPF Administration	530,582
31	Federal Funds – State Fiscal Recovery Fund	
32	Pandemic Recovery Office	1,436,547
33	Restricted Receipts	300,000
34	Other Funds	1,242,011

1	Total - Office of Management and Budget	14,660,841
2	<i>Purchasing</i>	
3	General Revenues	4,008,986
4	Restricted Receipts	1,262,987
5	Other Funds	636,500
6	Total - Purchasing	5,908,473
7	<i>Human Resources</i>	
8	General Revenues	889,580
9	<i>Personnel Appeal Board</i>	
10	General Revenues	160,838
11	<i>Information Technology</i>	
12	General Revenues	1,838,147
13	Restricted Receipts	1,162,424
14	Total - Information Technology	3,000,571
15	<i>Library and Information Services</i>	
16	General Revenues	2,143,053
17	Federal Funds	1,617,500
18	Restricted Receipts	6,990
19	Total - Library and Information Services	3,767,543
20	<i>Planning</i>	
21	General Revenues	1,222,229
22	Federal Funds	3,050
23	Restricted Receipts	50,000
24	Other Funds	
25	Air Quality Modeling	24,000
26	Federal Highway - PL Systems Planning	3,821,438
27	State Transportation Planning Match	504,926
28	FTA - Metro Planning Grant	1,525,830
29	Total - Planning	7,151,473
30	<i>General</i>	
31	General Revenues	
32	Miscellaneous Grants/Payments	811,678
33	Torts Court Awards	1,750,000
34	Wrongful Conviction Awards	1,000,000

1	Resource Sharing and State Library Aid	11,855,428
2	Library Construction Aid	2,115,628
3	Restricted Receipts	1,113,557
4	Other Funds	
5	Rhode Island Capital Plan Funds	
6	Security Measures State Buildings	700,000
7	Cranston Street Armory	600,000
8	State House Renovations	1,759,000
9	Zambarano Buildings and Campus	2,850,000
10	Replacement of Fueling Tanks	430,000
11	Environmental Compliance	225,000
12	Big River Management Area	797,000
13	Shepard Building Upgrades	2,805,000
14	RI Convention Center Authority	2,800,000
15	Pastore Center Power Plant	2,000,000
16	DoIT Enterprise Operations Center	2,050,000
17	Cannon Building	1,050,000
18	Old State House	600,000
19	State Office Building	500,000
20	State Office Reorganization & Relocation	1,750,000
21	William Powers Building	2,500,000
22	Pastore Center Non-Hospital Buildings Asset Protection	7,750,000
23	Washington County Government Center	600,000
24	Chapin Health Laboratory	350,000
25	560 Jefferson Blvd Asset Protection	50,000
26	Arrigan Center	200,000
27	Civic Center	3,800,000
28	Veterans Auditorium	380,000
29	Pastore Center Hospital Buildings Asset Protection	1,000,000
30	Pastore Campus Infrastructure	15,000,000
31	Community Facilities Asset Protection	225,000
32	Zambarano LTAC Hospital	26,065,740
33	Medical Examiners - New Facility	50,000
34	Group Home Replacement & Rehabilitation	5,000,000

1	Expo Center	500,000
2	Group Homes Consolidation	5,350,000
3	State Office Property Acquisition	31,000,000
4	Total - General	139,383,031
5	<i>Debt Service Payments</i>	
6	General Revenues	178,801,286
7	Other Funds	
8	Transportation Debt Service	32,982,697
9	Investment Receipts - Bond Funds	100,000
10	Total - Debt Service Payments	211,883,983
11	<i>Rhode Island Health Benefits Exchange</i>	
12	General Revenues	1,889,227
13	Federal Funds	10,758,473
14	Restricted Receipts	17,298,973
15	Total - Rhode Island Health Benefits Exchange	29,946,673
16	<i>Division of Equity, Diversity &amp; Inclusion</i>	
17	General Revenues	2,308,469
18	Other Funds	108,978
19	Total - Division of Equity, Diversity & Inclusion	2,417,447
20	<i>Capital Asset Management and Maintenance</i>	
21	General Revenues	8,985,340
22	<i>Statewide Personnel and Operations</i>	
23	Contract Reserve	
24	General Revenues	18,959,345
25	Federal Funds	1,049,581
26	Restricted Receipts	243,816
27	Other Funds	389,706
28	Total - Statewide Personnel and Operations	20,642,448
29	Grand Total - Administration	497,720,203
30	<b>Office of Energy Resources</b>	
31	Federal Funds	31,842,712
32	Restricted Receipts	39,258,984
33	Other Funds	4,668,785
34	Rhode Island Capital Plan Funds	

1	Energy Efficiency	1,000,000
2	Grand Total - Energy Resources	76,770,481
3	<b>Business Regulation</b>	
4	<i>Central Management</i>	
5	General Revenues	4,360,810
6	Restricted Receipts	39,014
7	Total - Central Management	4,399,824
8	<i>Banking Regulation</i>	
9	General Revenues	2,107,972
10	Restricted Receipts	50,000
11	Total - Banking Regulation	2,157,972
12	<i>Securities Regulation</i>	
13	General Revenues	1,000,863
14	<i>Insurance Regulation</i>	
15	General Revenues	5,125,539
16	Restricted Receipts	1,617,538
17	Total - Insurance Regulation	6,743,077
18	<i>Office of the Health Insurance Commissioner</i>	
19	General Revenues	3,131,152
20	Federal Funds	239,300
21	Restricted Receipts	603,592
22	Total - Office of the Health Insurance Commissioner	3,974,044
23	<i>Board of Accountancy</i>	
24	General Revenues	5,490
25	<i>Commercial Licensing and Gaming and Athletics Licensing</i>	
26	General Revenues	1,268,739
27	Restricted Receipts	1,045,518
28	Total - Commercial Licensing and Gaming and Athletics Licensing	2,314,320
29	<i>Building, Design and Fire Professionals</i>	
30	General Revenues	8,593,216
31	Federal Funds	346,788
32	Restricted Receipts	2,130,377
33	Other Funds	
34	Quonset Development Corporation	52,983

1	Rhode Island Capital Plan Funds	
2	Fire Academy Expansion	3,375,000
3	Total - Building, Design and Fire Professionals	14,498,364
4	Grand Total - Business Regulation	35,093,954

5 **RI Cannabis Control Commission**

6	Restricted Receipts	7,556,626
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7 **Executive Office of Commerce**

8 *Central Management*

9	General Revenues	2,369,982
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10 *Quasi-Public Appropriations*

11 General Revenues

12	Rhode Island Commerce Corporation	8,506,041
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13	Airport Impact Aid	1,010,036
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14 Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be  
15 distributed to each airport serving more than 1,000,000 passengers based upon its percentage of the  
16 total passengers served by all airports serving more than 1,000,000 passengers. Forty percent (40%)  
17 of the first \$1,000,000 shall be distributed based on the share of landings during calendar year 2025  
18 at North Central Airport, Newport-Middletown Airport, Block Island Airport, Quonset Airport,  
19 T.F. Green International Airport and Westerly Airport, respectively. The Rhode Island commerce  
20 corporation shall make an impact payment to the towns or cities in which the airport is located  
21 based on this calculation. Each community upon which any part of the above airports is located  
22 shall receive at least \$25,000.

23	STAC Research Alliance	900,000
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24	Innovative Matching Grants/Internships	1,000,000
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25	I-195 Redevelopment District Commission	1,245,050
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26	Polaris Manufacturing Grant	500,000
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27	East Providence Waterfront Commission	50,000
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28	Urban Ventures	140,000
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29	Chafee Center at Bryant	476,200
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30	Blackstone Valley Visitor Center	75,000
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31	Industrial Recreational Building Authority Obligations	105,094
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32 Other Funds

33 Rhode Island Capital Plan Funds

34	I-195 Redevelopment District Commission	700,000
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1	I-195 Park Improvements	100,000
2	Quonset Infrastructure	2,500,000
3	PFAS Mitigation at Quonset Business Park	1,000,000
4	Total - Quasi-Public Appropriations	18,307,421
5	<i>Economic Development Initiatives Fund</i>	
6	General Revenues	
7	Rebuild RI Tax Credit Fund	10,085,000
8	Destination Marketing	1,400,000
9	RI Innovation Ecosystem	250,000
10	Federal Funds	20,000,000
11	Total - Economic Development Initiatives Fund	31,735,000
12	<i>Commerce Programs</i>	
13	General Revenues	
14	Wavemaker Fellowship	1,016,621
15	Air Service Development Fund	2,728,800
16	Total - Commerce Programs	3,745,421
17	Grand Total - Executive Office of Commerce	56,157,824
18	<b>Housing</b>	
19	General Revenues	10,719,465
20	Federal Funds	15,096,037
21	Restricted Receipts	17,083,231
22	Grand Total - Housing	42,898,733
23	<b>Labor and Training</b>	
24	<i>Central Management</i>	
25	General Revenues	1,661,890
26	Restricted Receipts	488,494
27	Total - Central Management	2,150,384
28	<i>Workforce Development Services</i>	
29	General Revenues	1,078,758
30	Provided that \$200,000 of this amount is used to support Year Up.	
31	Federal Funds	19,112,629
32	Total - Workforce Development Services	20,191,387
33	<i>Workforce Regulation and Safety</i>	
34	General Revenues	5,347,291

1	<i>Income Support</i>	
2	General Revenues	3,684,566
3	Federal Funds	22,883,898
4	Restricted Receipts	4,635,586
5	Other Funds	
6	Temporary Disability Insurance Fund	287,480,146
7	Employment Security Fund	249,200,000
8	Total - Income Support	567,884,196
9	<i>Injured Workers Services</i>	
10	Restricted Receipts	11,233,092
11	<i>Labor Relations Board</i>	
12	General Revenues	556,737
13	<i>Governor's Workforce Board</i>	
14	General Revenues	8,050,000
15	Provided that \$600,000 of these funds shall be used for enhanced training for direct care	
16	and support services staff to improve resident quality of care and address the changing health care	
17	needs of nursing facility residents due to higher acuity and increased cognitive impairments	
18	pursuant to § 23-17.5-36.	
19	Restricted Receipts	21,604,596
20	Total - Governor's Workforce Board	29,654,596
21	Grand Total - Labor and Training	637,017,683
22	<b>Department of Revenue</b>	
23	<i>Director of Revenue</i>	
24	General Revenues	3,168,518
25	<i>Office of Revenue Analysis</i>	
26	General Revenues	1,173,041
27	<i>Lottery Division</i>	
28	Other Funds	448,042,227
29	<i>Municipal Finance</i>	
30	General Revenues	2,045,839
31	<i>Taxation</i>	
32	General Revenues	38,081,490
33	Restricted Receipts	4,660,479
34	Other Funds	

1	Motor Fuel Tax Evasion	175,000
2	Total - Taxation	42,916,969
3	<i>Registry of Motor Vehicles</i>	
4	General Revenues	35,374,576
5	Federal Funds	493,061
6	Restricted Receipts	5,429,330
7	Total - Registry of Motor Vehicles	41,296,967
8	<i>State Aid</i>	
9	General Revenues	
10	Distressed Communities Relief Fund	12,384,458
11	Payment in Lieu of Tax Exempt Properties	49,201,412
12	Motor Vehicle Excise Tax Payments	234,853,173
13	Property Revaluation Program	712,390
14	Tangible Tax Exemption Program	25,903,228
15	Restricted Receipts	995,120
16	Total - State Aid	324,049,781
17	<i>Collections</i>	
18	General Revenues	994,263
19	Grand Total - Revenue	863,687,605
20	<b>Legislature</b>	
21	General Revenues	58,734,623
22	Restricted Receipts	2,690,297
23	Grand Total - Legislature	61,424,920
24	<b>Lieutenant Governor</b>	
25	General Revenues	1,519,219
26	<b>Secretary of State</b>	
27	<i>Administration</i>	
28	General Revenues	5,975,167
29	Provided that \$100,000 be allocated to support the Rhode Island Council for the	
30	Humanities for grant making to civic and cultural organizations, and \$50,000 to support Rhode	
31	Island's participation in the We the People Civics Challenge.	
32	<i>Corporations</i>	
33	General Revenues	2,913,879
34	<i>State Archives</i>	

1	General Revenues	356,659
2	Restricted Receipts	404,790
3	Total - State Archives	761,449
4	<i>Elections and Civics</i>	
5	General Revenues	1,357,040
6	Federal Funds	2,000,000
7	Total - Elections and Civics	3,357,040
8	<i>State Library</i>	
9	General Revenues	668,263
10	Provided that \$125,000 be allocated to support the Rhode Island Historical Society and	
11	\$18,000 be allocated to support the Newport Historical Society, pursuant to §§ 29-2-1 and 29-2-2,	
12	and \$25,000 be allocated to support the Rhode Island Black Heritage Society.	
13	<i>Office of Public Information</i>	
14	General Revenues	840,724
15	Receipted Receipts	25,000
16	Total - Office of Public Information	865,724
17	Grand Total - Secretary of State	14,541,522
18	<b>General Treasurer</b>	
19	<i>Treasury</i>	
20	General Revenues	
21	General Revenues	3,665,773
22	Federal Funds	365,134
23	Other Funds	
24	Temporary Disability Insurance Fund	246,415
25	Tuition Savings Program - Administration	388,916
26	Total -Treasury	4,666,238
27	<i>State Retirement System</i>	
28	Restricted Receipts	
29	Admin Expenses - State Retirement System	13,193,967
30	Retirement - Treasury Investment Operations	2,846,571
31	Defined Contribution - Administration	277,654
32	Total - State Retirement System	16,318,192
33	<i>Unclaimed Property</i>	
34	Restricted Receipts	3,338,043

1	<i>Crime Victim Compensation</i>	
2	General Revenues	934,450
3	Federal Funds	467,993
4	Restricted Receipts	250,000
5	Total - Crime Victim Compensation	1,652,443
6	Grand Total - General Treasurer	25,974,916
7	<b>Board of Elections</b>	
8	General Revenues	4,474,931
9	<b>Rhode Island Ethics Commission</b>	
10	General Revenues	2,419,632
11	<b>Office of Governor</b>	
12	General Revenues	
13	General Revenues	9,184,918
14	Contingency Fund	150,000
15	Grand Total - Office of Governor	9,334,918
16	<b>Commission for Human Rights</b>	
17	General Revenues	2,249,158
18	Federal Funds	523,529
19	Grand Total - Commission for Human Rights	2,772,687
20	<b>Public Utilities Commission</b>	
21	Federal Funds	753,555
22	Restricted Receipts	14,754,719
23	Grand Total - Public Utilities Commission	15,508,274
24	<b>Office of Health and Human Services</b>	
25	<i>Central Management</i>	
26	General Revenues	66,192,009
27	Federal Funds	
28	Federal Funds	206,795,238
29	Federal Funds- State Fiscal Recovery Fund	
30	Certified Community Behavioral Health Clinics	205,295
31	Restricted Receipts	15,463,598
32	Total - Central Management	288,656,140
33	<i>Medical Assistance</i>	
34	General Revenues	

1	Managed Care	465,070,108
2	Hospitals	125,666,740
3	Nursing Facilities	197,392,148
4	Home and Community Based Services	113,592,295
5	Other Services	154,371,882
6	Pharmacy	99,588,761
7	Rhody Health	247,802,234
8	Federal Funds	
9	Managed Care	661,156,183
10	Hospitals	269,959,756
11	Nursing Facilities	263,757,847
12	Home and Community Based Services	151,810,264
13	Other Services	783,136,325
14	Pharmacy	811,239
15	Rhody Health	343,929,314
16	Other Programs	26,978,394
17	Restricted Receipts	8,422,060
18	Total - Medical Assistance	3,913,445,550
19	Grand Total - Office of Health and Human Services	4,202,101,690
20	<b>Children, Youth and Families</b>	
21	<i>Central Management</i>	
22	General Revenues	18,147,159
23	The director of the department of children, youth and families shall provide to the speaker	
24	of the house and president of the senate at least every sixty (60) days beginning September 1, 2021,	
25	a report on its progress implementing the accreditation plan filed in accordance with § 42-72-5.3	
26	and any projected changes needed to effectuate that plan. The report shall, at minimum, provide	
27	data regarding recruitment and retention efforts including attaining and maintaining a diverse	
28	workforce, documentation of newly filled and vacated positions, and progress towards reducing	
29	worker caseloads.	
30	Federal Funds	15,237,654
31	Total - Central Management	33,384,813
32	<i>Children's Behavioral Health Services</i>	
33	General Revenues	7,464,500
34	Federal Funds	8,912,238

1	Total - Children's Behavioral Health Services	16,376,738
2	<i>Youth Development Services</i>	
3	General Revenues	24,822,021
4	Federal Funds	247,931
5	Restricted Receipts	1,500
6	Other Funds	
7	Rhode Island Capital Plan Funds	
8	Training School Asset Protection	250,000
9	Residential Treatment Facility	15,000,000
10	Total - Youth Development Services	40,321,452
11	<i>Child Welfare</i>	
12	General Revenues	212,351,378
13	Federal Funds	93,032,678
14	Restricted Receipts	1,533,471
15	Total - Child Welfare	306,917,527
16	<i>Higher Education Incentive Grants</i>	
17	General Revenues	200,000
18	Provided that these funds and any unexpended or unencumbered previous years' funding	
19	are to be used exclusively to fund awards to eligible youth.	
20	Grand Total - Children, Youth and Families	397,200,530

21 **Health**

22 *Central Management*

23	General Revenues	
24	General Revenues	2,588,732
25	Of this amount, \$50,000 is to support the Gloria Gemma Breast Cancer Resource	
26	Foundation and the organization's new survivorship and well-being center in Lincoln, RI.	
27	Federal Funds	4,884,431
28	Restricted Receipts	21,571,391

29       Provided that the disbursement of any indirect cost recoveries on federal grants budgeted  
30 in this line item that are derived from grants authorized under The Coronavirus Preparedness and  
31 Response Supplemental Appropriations Act (P.L. 116-123); The Families First Coronavirus  
32 Response Act (P.L. 116-127); The Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-  
33 136); The Paycheck Protection Program and Health Care Enhancement Act (P.L. 116-139); the  
34 Consolidated Appropriations Act, 2021 (P.L. 116-260); and the American Rescue Plan Act of 2021

1 (P.L. 117-2), are hereby subject to the review and prior approval of the director of management and  
 2 budget. No obligation or expenditure of these funds shall take place without such approval.

3	Total - Central Management	29,044,554
4	<i>Community Health and Equity</i>	
5	General Revenues	2,051,358
6	Federal Funds	88,096,432
7	Restricted Receipts	67,695,968
8	Total - Community Health and Equity	157,843,758
9	<i>Environmental Health</i>	
10	General Revenues	6,836,896
11	Federal Funds	14,433,189
12	Restricted Receipts	1,104,785
13	Total - Environmental Health	22,374,870
14	<i>Health Laboratories</i>	
15	General Revenues	9,514,520
16	Federal Funds	2,666,663
17	Other Funds	
18	Rhode Island Capital Plan Funds	
19	Health Laboratories & Medical Examiner Equipment	400,000
20	New Health Laboratory Building	8,363,883
21	Total - Health Laboratories	20,945,066
22	<i>State Medical Examiner</i>	
23	General Revenues	4,521,784
24	Federal Funds	67,325
25	Total – State Medical Examiner	4,589,109
26	<i>Healthcare Quality and Safety</i>	
27	General Revenues	7,868,321
28	Federal Funds	6,746,561
29	Restricted Receipts	1,199,564
30	Total – Healthcare Quality and Safety	15,814,446
31	<i>Policy, Information and Communications</i>	
32	General Revenues	2,785,613

33           Provided that \$200,000 of this amount and its corresponding federal match is used for loan  
 34 repayment assistance specifically for primary care physicians and pediatricians through the Health

1	Professional Loan Repayment Program authorized by § 23-14.1.	
2	Federal Funds	5,593,898
3	Restricted Receipts	842,433
4	Total - Policy, Information and Communications	9,221,944
5	<i>Emergency Preparedness and Infectious Disease</i>	
6	General Revenues	1,907,851
7	Federal Funds	15,196,529
8	Total – Emergency Preparedness and Infectious Disease	17,104,380
9	<i>COVID-19</i>	
10	Federal Funds	15,176,647
11	Grand Total - Health	292,114,774
12	<b>Human Services</b>	
13	<i>Central Management</i>	
14	General Revenues	7,600,831
15	Of this amount, \$400,000 is to support the domestic violence prevention fund to provide	
16	direct services through the Coalition Against Domestic Violence, \$25,000 for the Center for	
17	Southeast Asians, \$450,000 to support Project Reach activities provided by the RI Alliance of Boys	
18	and Girls Clubs, \$300,000 is for outreach and supportive services through Day One, \$550,000 is	
19	for food collection and distribution through the Rhode Island Community Food Bank, \$500,000 for	
20	services provided to the homeless at Crossroads Rhode Island, \$600,000 for the Community Action	
21	Fund, \$250,000 is for the Institute for the Study and Practice of Nonviolence’s Reduction Strategy,	
22	\$200,000 to provide operational support to the United Way’s 211 system, \$125,000 is to support	
23	services provided to the immigrant and refugee population through Higher Ground International,	
24	and \$50,000 is for services provided to refugees through the Refugee Dream Center and \$100,000	
25	for the Substance Use and Mental Health Leadership Council of RI.	
26	The director of the department of human services shall provide to the speaker of the house,	
27	president of the senate, and chairs of the house and senate finance committees at least every sixty	
28	(60) days beginning August 1, 2022, a report on its progress in recruiting and retaining customer	
29	serving staff. The report shall include: documentation of newly filled and vacated positions,	
30	including lateral transfers, position titles, civil service information, including numbers of eligible	
31	and available candidates, plans for future testing and numbers of eligible and available candidates	
32	resulting from such testing, impacts on caseload backlogs and call center wait times, as well as	
33	other pertinent information as determined by the director.	
34	Federal Funds	8,064,314

1	Of this amount, \$3.0 million is to sustain Early Head Start and Head Start programs.	
2	Restricted Receipts	300,000
3	Total - Central Management	15,965,145
4	<i>Child Support Enforcement</i>	
5	General Revenues	4,390,046
6	Federal Funds	10,229,053
7	Restricted Receipts	3,816,099
8	Total - Child Support Enforcement	18,435,198
9	<i>Individual and Family Support</i>	
10	General Revenues	35,233,643
11	Federal Funds	128,579,088
12	Restricted Receipts	115,000
13	Other Funds	
14	Rhode Island Capital Plan Funds	
15	Blind Vending Facilities	165,000
16	Total - Individual and Family Support	164,092,731
17	<i>Office of Veterans Services</i>	
18	General Revenues	33,499,864
19	Of this amount, \$200,000 is to provide support services through veterans' organizations,	
20	\$50,000 is to support Operation Stand Down, and \$100,000 is to support the Veterans Services	
21	Officers (VSO) program through the Veterans of Foreign Wars.	
22	Federal Funds	15,752,830
23	Restricted Receipts	1,725,342
24	Other Funds	
25	Rhode Island Capital Plan Funds	
26	Veterans Home Asset Protection	665,000
27	Veterans Memorial Cemetery Asset Protection	300,000
28	Total - Office of Veterans Services	51,943,036
29	<i>Health Care Eligibility</i>	
30	General Revenues	10,511,087
31	Federal Funds	16,662,419
32	Total - Health Care Eligibility	27,173,506
33	<i>Supplemental Security Income Program</i>	
34	General Revenues	16,638,000

1	<i>Rhode Island Works</i>	
2	General Revenues	9,891,538
3	Federal Funds	101,460,682
4	Total - Rhode Island Works	111,352,220

5	<i>Other Programs</i>	
6	General Revenues	2,242,640
7	Federal Funds	382,432,873
8	Restricted Receipts	8,000
9	Total - Other Programs	384,683,513

10	<i>Office of Healthy Aging</i>	
11	General Revenues	15,573,340

12           Of this amount, \$325,000 is to provide elder services, including respite, through the  
13 Diocese of Providence; \$40,000 is for ombudsman services provided by the Alliance for Long  
14 Term Care in accordance with chapter 66.7 of title 42; and \$1,600,000 is for Senior Services  
15 Support and \$680,000 is for elderly nutrition, of which \$630,000 is for Meals on Wheels.

16	Federal Funds	19,011,572
17	Restricted Receipt	46,200
18	Other Funds	
19	Intermodal Surface Transportation Fund	4,267,406

20           The Office shall reimburse the Rhode Island public transit authority for the elderly/disabled  
21 transportation program expenses no later than fifteen (15) days of the authority's submission of a  
22 request for payment.

23	Total - Office of Healthy Aging	38,898,518
24	Grand Total - Human Services	829,181,867

25 **Behavioral Healthcare, Developmental Disabilities and Hospitals**

26	<i>Central Management</i>	
27	General Revenues	8,058,892
28	Federal Funds	2,631,491
29	Restricted Receipts	559,071
30	Total - Central Management	11,249,454

31	<i>Services for the Developmentally Disabled</i>	
32	General Revenues	214,453,481

33           Provided that of this general revenue funding, an amount certified by the department shall  
34 be expended on certain community-based department of behavioral healthcare, developmental

1 disabilities and hospitals (BHDDH) developmental disability private provider and self-directed  
 2 consumer direct care service worker raises and associated payroll costs as authorized by BHDDH  
 3 and to finance the new services rates implemented by BHDDH pursuant to the Consent Decree  
 4 Addendum. Any increase for direct support staff and residential or other community-based setting  
 5 must first receive the approval of BHDDH.

6         Provided further that this general revenue funding, \$928,200 shall be expended on a  
 7 Transformation Fund to be used for I/DD integrated day activities and supported employment  
 8 services, or which a total of \$650,000 shall be expended specifically on those who self-direct for  
 9 creation of regional service advisement models and pool of substitute staff. All unexpended or  
 10 unencumbered balances of this designation at the end of the fiscal year shall be reappropriated to  
 11 the ensuing fiscal year and made immediately available for the same purpose.

12 Federal Funds 280,189,579

13         Provided that of this federal funding, an amount certified by the department shall be  
 14 expended on certain community-based department of behavioral healthcare, developmental  
 15 disabilities and hospitals (BHDDH) developmental disability private provider and self-directed  
 16 consumer direct care service worker raises and associated payroll costs as authorized by BHDDH  
 17 and to finance the new services rates implemented by BHDDH pursuant to the Consent Decree  
 18 Addendum. Any increase for direct support staff and residential or other community-based setting  
 19 must first receive the approval of BHDDH.

20         Provided further that this federal funding, \$371,800 shall be expended on a Transformation  
 21 Fund to be used for I/DD integrated day activities and supported employment services. All  
 22 unexpended or unencumbered balances of this designation at the end of the fiscal year shall be  
 23 reappropriated to the ensuing fiscal year and made immediately available for the same purpose.

24 Restricted Receipts 1,300,866

25 Other Funds

26         Rhode Island Capital Plan Funds

27         DD Residential Support 100,000

28         Total - Services for the Developmentally Disabled 496,043,926

29 *Behavioral Healthcare Services*

30 General Revenues 5,025,849

31 Federal Funds

32 Federal Funds 32,597,991

33         Provided that \$250,000 from Social Services Block Grant funds is awarded to The  
 34 Providence Center to coordinate with Oasis Wellness and Recovery Center for its support and

1	services program offered to individuals with behavioral health issues.	
2	Restricted Receipts	5,416,046
3	Provided that \$450,000 from the opioid stewardship fund is distributed equally to the seven	
4	regional substance abuse prevention task forces to fund priorities determined by each Task Force.	
5	Total - Behavioral Healthcare Services	43,039,886
6	<i>Hospital and Community Rehabilitative Services</i>	
7	General Revenues	55,323,206
8	Federal Funds	61,515,889
9	Restricted Receipts	3,034,700
10	Other Funds	
11	Rhode Island Capital Plan Funds	
12	Hospital Equipment	300,000
13	Total - Hospital and Community Rehabilitative Services	120,173,795
14	<i>State of RI Psychiatric Hospital</i>	
15	General Revenues	33,443,552
16	Restricted Receipts	144,000
17	Other Funds	
18	Rhode Island Capital Plan Funds	
19	RISPH Equipment	100,000
20	Total - State of RI Psychiatric Hospital	33,687,552
21	Grand Total - Behavioral Healthcare,	
22	Developmental Disabilities and Hospitals	704,194,613
23	<b>Office of the Child Advocate</b>	
24	General Revenues	2,264,613
25	<b>Commission on the Deaf and Hard of Hearing</b>	
26	General Revenues	786,233
27	Restricted Receipts	142,921
28	Grand Total - Comm. On Deaf and Hard-of-Hearing	929,154
29	<b>Governor's Commission on Disabilities</b>	
30	General Revenues	
31	General Revenues	845,249
32	Livable Home Modification Grant Program	765,278
33	Provided that this will be used for home modification and accessibility enhancements to	
34	construct, retrofit, and/or renovate residences to allow individuals to remain in community settings.	

1 This will be in consultation with the executive office of health and human services. All unexpended  
 2 or unencumbered balances, at the end of the fiscal year, shall be reappropriated to the ensuing fiscal  
 3 year, and made immediately available for the same purpose.

4	Federal Funds	340,067
5	Restricted Receipts	105,448
6	Grand Total - Governor's Commission on Disabilities	2,056,042

7 **Office of the Mental Health Advocate**

8	General Revenues	1,117,164
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9 **Elementary and Secondary Education**

10 *Administration of the Comprehensive Education Strategy*

11	General Revenues	33,946,454
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12 Provided that \$90,000 be allocated to support the hospital school at Hasbro Children's  
 13 Hospital pursuant to § 16-7-20 and that \$395,000 be allocated to support child opportunity zones  
 14 through agreements with the department of elementary and secondary education to strengthen  
 15 education, health and social services for students and their families as a strategy to accelerate  
 16 student achievement and further provided that \$450,000 and 3.0 full-time equivalent positions be  
 17 allocated to support a special education function to facilitate individualized education program  
 18 (IEP) and 504 services; and further provided that \$130,000 be allocated to City Year for the Whole  
 19 School Whole Child Program, which provides individualized support to at-risk students.

20 Provided that all unexpended or unencumbered balances as of June 30, 2026, relating to  
 21 the Learn365RI program are hereby reappropriated to the following fiscal year.

22	Federal Funds	
23	Federal Funds	255,155,437

24 Provided that \$684,000 from the department's administrative share of Individuals with  
 25 Disabilities Education Act funds be allocated to the Paul V. Sherlock Center on Disabilities to  
 26 support the Rhode Island Vision Education and Services Program.

27 Federal Funds – State Fiscal Recovery Fund

28	Adult Education Providers	128,373
29	Restricted Receipts	
30	Restricted Receipts	1,677,584
31	HRIC Adult Education Grants	3,500,000
32	Total - Admin. of the Comprehensive Ed. Strategy	294,407,848

33 *Davies Career and Technical School*

34	General Revenues	18,772,462
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1	Federal Funds	924,285
2	Restricted Receipts	5,229,338
3	Other Funds	
4	Rhode Island Capital Plan Funds	
5	Davies School HVAC	50,000
6	Davies School Asset Protection	750,000
7	Davies School Healthcare Classroom Renovations	25,477
8	Davies School Wing Renovation	30,000,000
9	Total - Davies Career and Technical School	55,751,562
10	<i>RI School for the Deaf</i>	
11	General Revenues	8,809,938
12	Federal Funds	271,830
13	Restricted Receipts	1,097,000
14	Other Funds	
15	Rhode Island Capital Plan Funds	
16	School for the Deaf Asset Protection	100,000
17	Total - RI School for the Deaf	10,278,768
18	<i>Metropolitan Career and Technical School</i>	
19	General Revenues	12,977,328
20	Other Funds	
21	Rhode Island Capital Plan Funds	
22	MET School Asset Protection	250,000
23	Total - Metropolitan Career and Technical School	13,227,328
24	<i>Education Aid</i>	
25	General Revenues	1,256,998,843
26	Provided that the criteria for the allocation of early childhood funds shall prioritize pre-	
27	kindergarten seats and classrooms for four-year-olds whose family income is at or below one	
28	hundred eighty-five percent (185%) of federal poverty guidelines and who reside in communities	
29	with higher concentrations of low performing schools.	
30	Restricted Receipts	38,952,936
31	Total - Education Aid	1,295,951,779
32	<i>Central Falls School District</i>	
33	General Revenues	53,688,083
34	<i>School Construction Aid</i>	

1	General Revenues	
2	School Housing Aid	119,887,755
3	<i>Teachers' Retirement</i>	
4	General Revenues	137,991,006
5	Grand Total - Elementary and Secondary Education	1,981,184,129
6	<b>Public Higher Education</b>	
7	<i>Office of Postsecondary Commissioner</i>	
8	General Revenues	34,342,126
9	Provided that \$455,000 shall be allocated to Onward We Learn pursuant to § 16-70-5,	
10	\$75,000 shall be allocated to Best Buddies Rhode Island to support its programs for children with	
11	developmental and intellectual disabilities. It is also provided that \$8,337,295 shall be allocated to	
12	the Rhode Island promise scholarship program; \$151,410 shall be used to support Rhode Island's	
13	membership in the New England Board of Higher Education; \$5,476,723 shall be allocated to the	
14	Rhode Island hope scholarship program; \$100,000 shall be allocated to the Rhode Island School	
15	for Progressive Education to support access to higher education opportunities for teachers of color,	
16	and \$50,000 shall be provided for College Visions.	
17	Federal Funds	
18	Federal Funds	5,582,208
19	Guaranty Agency Administration	60,000
20	Restricted Receipts	8,383,189
21	Other Funds	
22	Tuition Savings Program - Scholarships and Grants	3,400,000
23	Nursing Education Center - Operating	3,295,810
24	Rhode Island Capital Plan Funds	
25	WEC Expansion - Annex Site	1,220,000
26	Total - Office of Postsecondary Commissioner	56,283,333
27	<i>University of Rhode Island</i>	
28	General Revenues	
29	General Revenues	115,308,021
30	Provided that in order to leverage federal funding and support economic development,	
31	\$700,000 shall be allocated to the small business development center, \$125,000 shall be allocated	
32	to the Institute for Labor Studies & Research, \$50,000 shall be allocated to Special Olympics Rhode	
33	Island to support its mission of providing athletic opportunities for individuals with intellectual and	
34	developmental disabilities, and \$874,069 shall be used to support programming related to career	

1	readiness, career placement, internships, and work-based learning.	
2	Debt Service	31,526,482
3	RI State Forensics Laboratory	1,803,420
4	Other Funds	
5	University and College Funds	847,374,010
6	Debt - Dining Services	781,957
7	Debt - Education and General	5,076,811
8	Debt - Health Services	16,032
9	Debt - Housing Loan Funds	13,863,455
10	Debt - Memorial Union	758,853
11	Debt - Ryan Center	2,888,322
12	Debt - Parking Authority	889,077
13	URI Restricted Debt Service - Energy Conservation	536,169
14	URI Debt Service - Energy Conservation	1,956,906
15	Rhode Island Capital Plan Funds	
16	Asset Protection	14,606,536
17	Mechanical, Electric, and Plumbing Improvements	7,293,838
18	Fire Protection Academic Buildings	1,641,903
19	Bay Campus	8,146,722
20	Athletics Complex	33,942,707
21	Provided that total Rhode Island capital plan funds provide no more than 80.0 percent of	
22	the total project.	
23	Stormwater Management	4,252,678
24	PFAS Removal Water Treatment Plant	13,759,400
25	Campus Accessibility	2,300,000
26	Total - University of Rhode Island	1,108,723,299
27	Notwithstanding the provisions of § 35-3-15, all unexpended or unencumbered balances as	
28	of June 30, 2026 relating to the university of Rhode Island are hereby reappropriated to fiscal year	
29	2027.	
30	<i>Rhode Island College</i>	
31	General Revenues	
32	General Revenues	70,714,722
33	Provided that \$464,377 shall be used to support programming related to career readiness,	
34	career placement, internships, and work-based learning.	

1	Debt Service	7,933,336
2	Rhode Island Vision Education and Services Program	1,800,000
3	Other Funds	
4	University and College Funds	120,309,539
5	Debt - Education and General	1,478,585
6	Debt - Student Union	212,200
7	Debt - G.O. Debt Service	1,585,353
8	Debt - Energy Conservation	762,375
9	Rhode Island Capital Plan Funds	
10	Asset Protection	5,950,000
11	Infrastructure Modernization	5,675,000
12	Total - Rhode Island College	216,421,110

13 Notwithstanding the provisions of § 35-3-15, all unexpended or unencumbered balances as  
14 of June 30, 2026, relating to Rhode Island college are hereby reappropriated to fiscal year 2027.

15 *Community College of Rhode Island*

16 General Revenues

17	General Revenues	64,540,346
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18 Provided that \$391,175 shall be used to support programming related to career readiness,  
19 career placement, internships, and work-based learning.

20	Debt Service	1,097,898
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21	Restricted Receipts	953,442
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22 Other Funds

23	University and College Funds	114,885,691
24	Rhode Island Capital Plan Funds	
25	Asset Protection	3,469,452
26	Data, Cabling, and Power Infrastructure	5,150,000
27	Flanagan Campus Renovations	3,200,000
28	CCRI Renovation and Modernization Phase I	13,000,000
29	CCRI Renovation and Modernization Phase II - IV	6,100,000
30	CCRI Accessibility Improvements	290,000
31	Total - Community College of RI	212,686,829

32 Notwithstanding the provisions of § 35-3-15, all unexpended or unencumbered balances as  
33 of June 30, 2026, relating to the community college of Rhode Island are hereby reappropriated to  
34 fiscal year 2027.

1	Grand Total - Public Higher Education	1,594,114,571
2	<b>RI State Council on the Arts</b>	
3	General Revenues	
4	Operating Support	1,224,685
5	Grants	1,190,000
6	Provided that \$400,000 be provided to support the operational costs of WaterFire	
7	Providence art installations.	
8	Federal Funds	1,022,711
9	Restricted Receipts	115,058
10	Other Funds	
11	Art for Public Facilities	690,000
12	Grand Total - RI State Council on the Arts	4,242,454
13	<b>RI Atomic Energy Commission</b>	
14	General Revenues	1,278,282
15	Restricted Receipts	25,036
16	Other Funds	
17	URI Sponsored Research	361,177
18	Rhode Island Capital Plan Funds	
19	Asset Protection	50,000
20	Grand Total - RI Atomic Energy Commission	1,714,495
21	<b>RI Historical Preservation and Heritage Commission</b>	
22	General Revenues	1,986,751
23	Provided that \$30,000 support the operational costs of the Fort Adams Trust's restoration	
24	activities and that \$25,000 shall be allocated to Rhode Island Slave History Medallions.	
25	Federal Funds	822,451
26	Restricted Receipts	511,827
27	Other Funds	
28	RIDOT Project Review	144,602
29	Grand Total - RI Historical Preservation and Heritage Comm.	3,465,631
30	<b>Attorney General</b>	
31	<i>Criminal</i>	
32	General Revenues	23,147,524
33	Federal Funds	3,404,012
34	Restricted Receipts	2,096,085

1	Total - Criminal	28,647,621
2	<i>Civil</i>	
3	General Revenues	7,301,706
4	Federal Funds	100,000
5	Restricted Receipts	3,875,849
6	Total - Civil	11,277,555
7	<i>Bureau of Criminal Identification</i>	
8	General Revenues	2,440,742
9	Federal Funds	64,547
10	Restricted Receipts	1,329,498
11	Total - Bureau of Criminal Identification	3,834,787
12	<i>General</i>	
13	General Revenues	5,354,455
14	Other Funds	
15	Rhode Island Capital Plan Funds	
16	Building Renovations and Repairs	2,525,000
17	Total - General	7,879,455
18	Grand Total - Attorney General	51,639,418
19	<b>Corrections</b>	
20	<i>Central Management</i>	
21	General Revenues	25,069,359
22	<i>Parole Board</i>	
23	General Revenues	1,673,257
24	<i>Custody and Security</i>	
25	General Revenues	157,742,174
26	Federal Funds	1,371,846
27	Other Funds	
28	Rhode Island Capital Plan Funds	
29	Intake Service Center HVAC	10,272,500
30	Total - Custody and Security	169,386,520
31	<i>Institutional Support</i>	
32	General Revenues	39,456,199
33	Other Funds	
34	Rhode Island Capital Plan Funds	

1	Asset Protection	5,100,000
2	Correctional Facilities – Renovations	7,419,248
3	Total - Institutional Support	51,975,447
4	<i>Institutional Based Rehab/Population Management</i>	
5	General Revenues	14,739,884
6	Provided that \$1,050,000 be allocated to Crossroads Rhode Island for sex offender	
7	discharge planning.	
8	The director of the department of corrections shall provide to the speaker of the house and	
9	president of the senate at least every ninety (90) days beginning September 1, 2022, a report on	
10	efforts to modernize the correctional industries program. The report shall, at minimum, provide	
11	data on the past ninety (90) days regarding program participation; changes made in programming	
12	to more closely align with industry needs; new or terminated partnerships with employers,	
13	nonprofits, and advocacy groups; current program expenses and revenues; and the employment	
14	status of all persons on the day of discharge from department care who participated in the	
15	correctional industries program.	
16	Federal Funds	386,256
17	Restricted Receipts	1,300,000
18	Total - Institutional Based Rehab/Population Mgt.	16,426,140
19	<i>Healthcare Services</i>	
20	General Revenues	35,200,698
21	<i>Community Corrections</i>	
22	General Revenues	22,816,183
23	Restricted Receipts	3,091
24	Total - Community Corrections	22,819,274
25	Grand Total - Corrections	322,550,695
26	<b>Judiciary</b>	
27	<i>Supreme Court</i>	
28	General Revenues	
29	General Revenues	36,665,481
30	Provided however, that no more than \$1,430,073 in combined total shall be offset to the	
31	public defender’s office, the attorney general’s office, the department of corrections, the department	
32	of children, youth and families, and the department of public safety for square-footage occupancy	
33	costs in public courthouses and further provided that \$500,000 be allocated to the Rhode Island	
34	Coalition Against Domestic Violence for the domestic abuse court advocacy project pursuant to §	

1	12-29-7 and that \$90,000 be allocated to Rhode Island Legal Services, Inc. to provide housing and	
2	eviction defense to indigent individuals.	
3	Defense of Indigents	7,875,432
4	Federal Funds	205,395
5	Restricted Receipts	4,312,243
6	Other Funds	
7	Rhode Island Capital Plan Funds	
8	Judicial Complexes - HVAC	500,000
9	Judicial Complexes Asset Protection	1,500,000
10	Judicial Complexes Fan Coil Unit Replacements	500,000
11	Garrahy Courthouse Restoration	1,125,000
12	Total - Supreme Court	52,683,551
13	<i>Judicial Tenure and Discipline</i>	
14	General Revenues	188,686
15	<i>Superior Court</i>	
16	General Revenues	30,216,228
17	Restricted Receipts	325,000
18	Total - Superior Court	30,541,228
19	<i>Family Court</i>	
20	General Revenues	29,167,951
21	Federal Funds	5,392,549
22	Total - Family Court	34,560,500
23	<i>District Court</i>	
24	General Revenues	17,697,776
25	Federal Funds	696,951
26	Restricted Receipts	60,000
27	Total - District Court	18,454,727
28	<i>Traffic Tribunal</i>	
29	General Revenues	11,704,985
30	<i>Workers' Compensation Court</i>	
31	Restricted Receipts	11,090,756
32	Grand Total - Judiciary	159,224,433
33	<b>Military Staff</b>	
34	General Revenues	3,424,058

1	Federal Funds	28,982,412
2	Restricted Receipts	
3	RI Military Family Relief Fund	55,000
4	RING Counterdrug Program	11,000
5	Other Funds	
6	Rhode Island Capital Plan Funds	
7	Aviation Readiness Center	287,000
8	Asset Protection	2,564,675
9	Quonset Airport Runway Reconstruction	446,663
10	Counter-Drug Training Facility	1,025,250
11	Squadron Ops Facility (Air Guard)	600,000
12	Grand Total - Military Staff	37,396,058
13	<b>Public Safety</b>	
14	<i>Central Management</i>	
15	General Revenues	1,899,154
16	Provided that \$400,000 shall be allocated to support the Family Service of Rhode Island's	
17	GO Team program of on-scene support to children who are victims of violence and other traumas.	
18	Federal Funds	
19	Federal Funds	18,479,969
20	Federal Funds – State Fiscal Recovery Fund	
21	Support for Survivors of Domestic Violence	29,753
22	Restricted Receipts	738,584
23	Total - Central Management	21,147,460
24	<i>E-911 Emergency Telephone System</i>	
25	Restricted Receipts	10,730,138
26	<i>Security Services</i>	
27	General Revenues	33,685,555
28	<i>Municipal Police Training Academy</i>	
29	General Revenues	349,440
30	Federal Funds	417,455
31	Total - Municipal Police Training Academy	766,895
32	<i>State Police</i>	
33	General Revenues	90,634,305
34	Federal Funds	7,820,822

1	Restricted Receipts	2,845,158
2	Other Funds	
3	Airport Corporation Assistance	150,007
4	Road Construction Reimbursement	3,355,100
5	Weight and Measurement Reimbursement	402,401
6	Rhode Island Capital Plan Funds	
7	DPS Asset Protection	1,205,000
8	Southern Barracks	16,750,000
9	Training Academy Upgrades	1,550,000
10	Statewide Communications System Network	245,048
11	Total - State Police	124,957,841
12	Grand Total - Public Safety	191,287,889
13	<b>Office of Public Defender</b>	
14	General Revenues	18,178,679
15	Federal Funds	85,035
16	Grand Total - Office of Public Defender	18,263,714
17	<b>Emergency Management Agency</b>	
18	General Revenues	7,457,256
19	Federal Funds	34,906,616
20	Restricted Receipts	428,308
21	Other Funds	
22	Rhode Island Capital Plan Funds	
23	RI Statewide Communications Infrastructure	315,404
24	RI Statewide Communications Network Tower	550,000
25	Grand Total - Emergency Management Agency	43,657,584
26	<b>Environmental Management</b>	
27	<i>Office of the Director</i>	
28	General Revenues	9,446,875
29	Of this general revenue amount, \$180,000 is appropriated to the conservation districts and	
30	\$100,000 is appropriated to the Wildlife Rehabilitators Association of Rhode Island for a	
31	veterinarian at the Wildlife Clinic of Rhode Island.	
32	Federal Funds	354,975
33	Restricted Receipts	5,930,220
34	Total - Office of the Director	15,732,070

1	<i>Natural Resources</i>	
2	General Revenues	32,325,750
3	Provided that of this general revenue amount, \$150,000 is to be used for marine mammal	
4	response activities in conjunction with matching federal funds.	
5	Federal Funds	31,528,201
6	Restricted Receipts	6,185,022
7	Other Funds	
8	DOT Recreational Projects	762,000
9	Blackstone Bike Path Design	1,000,000
10	Rhode Island Capital Plan Funds	
11	Dam Repair	6,815,000
12	Fort Adams Rehabilitation	500,000
13	Port of Galilee	16,500,000
14	Newport Pier Upgrades	500,000
15	Recreation Facilities Asset Protection	750,000
16	Recreational Facilities Improvements	2,900,000
17	Natural Resources Office and Visitor's Center	1,836,709
18	Fish & Wildlife Maintenance Facilities	200,000
19	Marine Infrastructure/Pier Development	700,000
20	Total - Natural Resources	102,502,682
21	<i>Environmental Protection</i>	
22	General Revenues	16,607,743
23	Federal Funds	12,825,343
24	Restricted Receipts	12,660,382
25	Other Funds	
26	Transportation MOU	95,967
27	Total - Environmental Protection	42,189,435
28	Grand Total - Environmental Management	160,424,187
29	<b>Coastal Resources Management Council</b>	
30	General Revenues	3,704,812
31	Federal Funds	3,331,166
32	Restricted Receipts	624,768
33	Other Funds	
34	Rhode Island Capital Plan Funds	

1	South Coast Restoration Project	2,000,000
2	Grand Total - Coastal Resources Mgmt. Council	9,660,746
3	<b>Transportation</b>	
4	<i>Central Management</i>	
5	Federal Funds	13,777,360
6	Other Funds	
7	Gasoline Tax	9,004,830
8	Total - Central Management	22,782,190
9	<i>Management and Budget</i>	
10	Other Funds	
11	Gasoline Tax	3,839,065
12	<i>Infrastructure Engineering</i>	
13	Federal Funds	461,108,033
14	Restricted Receipts	6,066,037
15	Other Funds	
16	Gasoline Tax	77,805,846
17	Land Sale Revenue	6,239,422
18	Tolling Revenue	10,000,000
19	Rhode Island Capital Plan Funds	
20	Highway Improvement Program	95,617,814
21	Bike Path Asset Protection	400,000
22	RIPTA - Land and Buildings	6,905,927
23	RIPTA - Pawtucket/Central Falls Bus Hub Passenger Facility	1,500,000
24	RIPTA - Providence High-Capacity Transit Corridor Study	90,000
25	Total - Infrastructure Engineering	665,733,079
26	<i>Infrastructure Maintenance</i>	
27	Other Funds	
28	Gasoline Tax	39,230,935

29 Provided that of this amount, \$6,500,000 is appropriated to the Municipal Roads Grant  
30 Program known as RhodeRestore to provide funding to municipalities for the construction and  
31 maintenance of roads, sidewalks, and bridges.

32 The department of transportation will establish a municipal roadway database, which will  
33 include information concerning the name, condition, length, roadway infrastructure, and pedestrian  
34 features of each municipal roadway, updated annually by municipalities. The database will serve

1 as a comprehensive and transparent list of municipal roadway conditions.

2	Rhode Island Highway Maintenance Account	115,149,020
3	Rhode Island Capital Plan Funds	
4	Maintenance Capital Equipment Replacement	1,800,000
5	Maintenance Facilities Improvements	859,756
6	Welcome Center	150,000
7	Salt Storage Facilities	1,150,000
8	Train Station Asset Protection	500,000
9	Total - Infrastructure Maintenance	158,839,711
10	Grand Total - Transportation	851,194,045

11 **Statewide Totals**

12	General Revenues	5,743,054,676
13	Federal Funds	5,090,207,928
14	Restricted Receipts	446,197,209
15	Other Funds	2,936,594,811
16	Statewide Grand Total	14,216,054,624

17 SECTION 2. Each line appearing in section 1 of this article shall constitute an  
18 appropriation.

19 SECTION 3. Upon the transfer of any function of a department or agency to another  
20 department or agency, the governor is hereby authorized by means of executive order to transfer or  
21 reallocate, in whole or in part, the appropriations and the full-time equivalent limits affected  
22 thereby; provided, however, in accordance with § 42-6-5, when the duties or administrative  
23 functions of government are designated by law to be performed within a particular department or  
24 agency, no transfer of duties or functions and no re-allocation, in whole or part, or appropriations  
25 and full-time equivalent positions to any other department or agency shall be authorized.

26 SECTION 4. From the appropriation for contingency shall be paid such sums as may be  
27 required at the discretion of the governor to fund expenditures for which appropriations may not  
28 exist. Such contingency funds may also be used for expenditures in the several departments and  
29 agencies where appropriations are insufficient, or where such requirements are due to unforeseen  
30 conditions or are non-recurring items of an unusual nature. Said appropriations may also be used  
31 for the payment of bills incurred due to emergencies or to any offense against public peace and  
32 property, in accordance with the provisions of titles 11 and 45, as amended. All expenditures and  
33 transfers from this account shall be approved by the governor.

34 SECTION 5. The general assembly authorizes the state controller to establish the internal

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

10 Account	Expenditure Limit
11 State Assessed Fringe Benefit Internal Service Fund	37,255,808
12 Administration Central Utilities Internal Service Fund	30,366,642
13 State Central Mail Internal Service Fund	9,020,425
14 State Telecommunications Internal Service Fund	3,426,061
15 State Automotive Fleet Internal Service Fund	21,610,397
16 Surplus Property Internal Service Fund	44,789
17 Health Insurance Internal Service Fund	272,933,573
18 Other Post-Employment Benefits Fund	63,854,008
19 Capitol Police Internal Service Fund	1,659,403
20 Corrections Central Distribution Center Internal Service Fund	8,679,440
21 Correctional Industries Internal Service Fund	8,477,292
22 Secretary of State Record Center Internal Service Fund	1,231,684
23 Human Resources Internal Service Fund	18,711,878
24 DCAMM Facilities Internal Service Fund	40,492,965
25 Information Technology Internal Service Fund	70,587,805

26 SECTION 6. The director of the department of administration shall exercise his powers  
 27 under chapter 11 of title 42 to centralize state fleet operations under the department as it relates to  
 28 light and medium duty vehicle management, in accordance with best practices.

29 SECTION 7. Legislative Intent - The general assembly may provide a written "statement  
 30 of legislative intent" signed by the chairperson of the house finance committee and by the  
 31 chairperson of the senate finance committee to show the intended purpose of the appropriations  
 32 contained in section 1 of this article. The statement of legislative intent shall be kept on file in the  
 33 house finance committee and in the senate finance committee.

34 At least twenty (20) days prior to the issuance of a grant or the release of funds, which

1 grant or funds are listed on the legislative letter of intent, all department, agency, and corporation  
2 directors shall notify in writing the chairperson of the house finance committee and the chairperson  
3 of the senate finance committee of the approximate date when the funds are to be released or  
4 granted.

5 SECTION 8. Appropriation of Temporary Disability Insurance Funds -- There is hereby  
6 appropriated pursuant to §§ 28-39-5 and 28-39-8 all funds required to be disbursed for the benefit  
7 payments from the temporary disability insurance fund and temporary disability insurance reserve  
8 fund for the fiscal year ending June 30, 2026.

9 SECTION 9. Appropriation of Employment Security Funds -- There is hereby appropriated  
10 pursuant to § 28-42-19 all funds required to be disbursed for benefit payments from the employment  
11 security fund for the fiscal year ending June 30, 2026.

12 SECTION 10. Appropriation of Lottery Division Funds -- There is hereby appropriated to  
13 the lottery division any funds required to be disbursed by the lottery division for the purposes of  
14 paying commissions or transfers to the prize fund for the fiscal year ending June 30, 2026.

15 SECTION 11. Appropriation of CollegeBoundSaver Funds - There is hereby appropriated  
16 to the office of the general treasurer designated funds received under the collegeboundsaver  
17 program for transfer to the division of higher education assistance within the office of the  
18 postsecondary commissioner to support student financial aid for the fiscal year ending June 30,  
19 2026.

20 SECTION 12. Departments and agencies listed below may not exceed the number of full-  
21 time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do  
22 not include limited period positions or, seasonal or intermittent positions whose scheduled period  
23 of employment does not exceed twenty-six consecutive weeks or whose scheduled hours do not  
24 exceed nine hundred and twenty-five (925) hours, excluding overtime, in a one-year period. Nor  
25 do they include individuals engaged in training, the completion of which is a prerequisite of  
26 employment. Provided, however, that the governor or designee, speaker of the house of  
27 representatives or designee, and the president of the senate or designee may authorize an adjustment  
28 to any limitation. Prior to the authorization, the state budget officer shall make a detailed written  
29 recommendation to the governor, the speaker of the house, and the president of the senate. A copy  
30 of the recommendation and authorization to adjust shall be transmitted to the chairman of the house  
31 finance committee, senate finance committee, the house fiscal advisor, and the senate fiscal advisor.

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

**FY 2026 FTE POSITION AUTHORIZATION**

<b>Departments and Agencies</b>	<b>Full-Time Equivalent</b>
Administration	669.6
<p>Provided that no more than 419.1 of the total authorization would be limited to positions that support internal service fund programs.</p>	
Office of Energy Resources	20.0
Business Regulation	155.0
Rhode Island Cannabis Control Commission	28.0
Executive Office of Commerce	5.0
Housing	38.0
Labor and Training	461.7
Revenue	604.5
Legislature	298.5
Office of the Lieutenant Governor	8.0
Office of the Secretary of State	62.0
Office of the General Treasurer	92.0
Board of Elections	13.0
Rhode Island Ethics Commission	12.0
Office of the Governor	45.0
Commission for Human Rights	15.0
Public Utilities Commission	57.0
Office of Health and Human Services	243.0
Children, Youth and Families	713.5
Health	572.6
Human Services	779.0
Office of Veterans Services	267.0
Office of Healthy Aging	33.0
Behavioral Healthcare, Developmental Disabilities and Hospitals	1,223.4
<p>Provided that 18.0 of the total authorization would be limited to independent facilitators positions to comply with the Consent Decree Addendum.</p>	
Office of the Child Advocate	13.0
Commission on the Deaf and Hard of Hearing	4.0
Governor’s Commission on Disabilities	5.0
Office of the Mental Health Advocate	6.0

1	Elementary and Secondary Education	156.1
2	Provided that 3.0 of the total authorization would be available only for positions that are	
3	supported by the healthy environments advance learning grant at the school building authority.	
4	School for the Deaf	61.0
5	Davies Career and Technical School	125.0
6	Office of Postsecondary Commissioner	48.0
7	Provided that 1.0 of the total authorization would be available only for positions that are	
8	supported by third-party funds, 12.0 would be available only for positions at the state's higher	
9	education centers located in Woonsocket and Westerly, 10.0 would be available only for positions	
10	at the nursing education center, and 9.0 would be available for the longitudinal data systems	
11	program.	
12	University of Rhode Island	2,571.0
13	Provided that 353.8 of the total authorization would be available only for positions that are	
14	supported by third-party funds.	
15	Rhode Island College	949.2
16	Provided that 76.0 of the total authorization would be available only for positions that are	
17	supported by third-party funds.	
18	Community College of Rhode Island	849.1
19	Provided that 89.0 of the total authorization would be available only for positions that are	
20	supported by third-party funds.	
21	Rhode Island State Council on the Arts	10.0
22	RI Atomic Energy Commission	8.6
23	Historical Preservation and Heritage Commission	15.6
24	Office of the Attorney General	264.1
25	Corrections	1,461.0
26	Judicial	749.3
27	Military Staff	93.0
28	Emergency Management Agency	38.0
29	Public Safety	634.0
30	Office of the Public Defender	104.0
31	Environmental Management	439.0
32	Coastal Resources Management Council	32.0
33	Transportation	755.0
34	<b>Total</b>	<b>15,806.8</b>

1 No agency or department may employ contracted employee services where contract  
 2 employees would work under state employee supervisors without determination of need by the  
 3 director of administration acting upon positive recommendations by the budget officer and the  
 4 personnel administrator and fifteen (15) days after a public hearing.

5 Nor may any agency or department contract for services replacing work done by state  
 6 employees at that time without determination of need by the director of administration acting upon  
 7 the positive recommendations of the state budget officer and the personnel administrator and thirty  
 8 (30) days after a public hearing.

9 SECTION 13. The amounts reflected in this article include the appropriation of Rhode  
 10 Island capital plan funds for fiscal year 2026 and supersede appropriations provided for FY 2026  
 11 within Pub. L. 2024, ch. 117, art. 1, § 13.

12 The following amounts are hereby appropriated out of any money in the State’s Rhode  
 13 Island capital plan fund not otherwise appropriated to be expended during the fiscal years ending  
 14 June 30, 2027, June 30, 2028, June 30, 2029, and June 30, 2030. These amounts supersede  
 15 appropriations provided within Pub. L. 2024, ch. 117, art. 1, § 13.

16 For the purposes and functions hereinafter mentioned, the state controller is hereby  
 17 authorized and directed to draw the controller's orders upon the general treasurer for the payment  
 18 of such sums and such portions thereof as may be required by the controller upon receipt of properly  
 19 authenticated vouchers.

20		FY Ending	FY Ending	FY Ending	FY Ending
21	Project	06/30/2027	06/30/2028	06/30/2029	06/30/2030
22	DOA – 560 Jefferson Blvd Asset Protection	50,000	50,000	50,000	55,000
23	DOA – Arrigan Center	100,000	100,000	100,000	100,000
24	DOA – Big River Management Area	746,000	742,000	792,000	787,000
25	DOA – Cannon Building	3,925,000	4,225,000	4,225,000	1,750,000
26	DOA – Chapin Health Laboratory	300,000	0	0	0
27	DOA – Civic Center	1,250,000	1,075,000	1,500,000	1,475,000
28	DOA – Communities Facilities Asset Protection	125,000	125,000	125,000	125,000
29	DOA – Cranston Street Armory	100,000	100,000	100,000	100,000
30	DOA - DoIT Enterprise Operations Center	200,000	200,000	200,000	200,000
31	DOA – Environmental Compliance	225,000	225,000	225,000	225,000
32	DOA – Group Homes Consolidation	4,325,000	4,426,000	5,450,000	5,650,000
33	DOA - Medical Examiner's Office	50,000	50,000	50,000	50,000
34	DOA – Old State House	600,000	100,000	100,000	100,000

1	DOA - Pastore Campus Infrastructure	15,000,000	15,000,000	10,000,000	20,000,000
2	DOA – Pastore Hospital Buildings				
3	Asset Protection	1,000,000	1,250,000	2,150,000	2,500,000
4	DOA - Pastore Center Non-Hospital Buildings				
5	Asset Protection	500,000	500,000	500,000	12,700,000
6	DOA - Pastore Center Power Plant	3,500,000	0	0	0
7	DOA - Replacement of Fueling Tanks	620,000	100,000	100,000	0
8	DOA - RI Convention Center Authority	2,825,000	2,500,000	2,000,000	2,000,000
9	DOA – Shepard Building Upgrades	3,920,000	3,785,000	3,785,000	4,540,000
10	DOA – Security Measures State Buildings	950,000	850,000	650,000	650,000
11	DOA - State House Renovations	17,379,000	16,000,000	31,940,000	8,309,000
12	DOA – State Office Building	550,000	300,000	50,000	300,000
13	DOA – State Office Reorganization &				
14	Relocation	250,000	250,000	250,000	250,000
15	DOA – Veterans Auditorium	275,000	150,000	100,000	100,000
16	DOA – Washington County Government Center	150,000	150,000	150,000	150,000
17	DOA - William Powers Building	2,350,000	1,850,000	1,700,000	200,000
18	DOA - Zambarano Buildings and Campus	400,000	900,000	750,000	150,000
19	DOA – Zambarano LTAC Hospital	23,804,439	24,427,656	24,155,740	0
20	OER – Energy Efficiency	1,000,000	1,000,000	1,000,000	1,000,000
21	EOC – I-195 Redevelopment Commission	700,000	700,000	0	0
22	EOC – Quonset Infrastructure	2,500,000	0	0	0
23	SOS – Rhode Island Archives and History				
24	Center	4,500,000	0	0	0
25	DCYF – Training School Asset Protection	250,000	250,000	250,000	250,000
26	DOH – Health Laboratories & Medical				
27	Examiner Equipment	400,000	400,000	400,000	400,000
28	DHS – Blind Vending Facilities	165,000	165,000	165,000	165,000
29	DHS – Veterans Memorial Cemetery				
30	Asset Protection	250,000	300,000	250,000	300,000
31	DHS – Veterans Home Asset Protection	460,000	800,000	1,025,000	1,050,000
32	BHDDH – DD Residential Support	100,000	100,000	100,000	100,000
33	BHDDH – Hospital Equipment Asset Protection	300,000	300,000	300,000	300,000
34	BHDDH – RISPH Equipment	100,000	100,000	100,000	100,000

1	ELSEC – Davies School Asset Protection	750,000	500,000	500,000	525,000
2	ELSEC – Davies School HVAC	50,000	50,000	50,000	50,000
3	ELSEC - Davies School Wing Renovation	2,500,000	0	0	0
4	ELSEC – School for the Deaf Asset Protection	100,000	100,000	300,000	300,000
5	ELSEC – MET School Asset Protection	250,000	255,000	255,000	265,000
6	URI - Asset Protection	15,236,863	15,528,074	15,885,220	16,250,580
7	URI – Academic Building Improvements	4,542,055	2,350,000	0	0
8	URI – Campus Accessibility	1,700,000	1,000,000	1,000,000	1,000,000
9	URI - Athletics Complex	20,779,251	0	0	0
10	URI - Bay Campus Phase II	16,853,278	0	0	0
11	URI – PFAS Removal Water Treatment Plant	780,269	0	0	0
12	RIC - Asset Protection	6,500,000	6,632,000	6,850,000	6,850,000
13	RIC - Infrastructure Modernization	5,675,000	5,925,000	5,925,000	6,061,275
14	CCRI - Asset Protection	3,369,452	2,780,000	2,870,000	2,936,010
15	CCRI - Accessibility Improvements	125,000	720,000	590,000	0
16	CCRI – Data, Cabling, and Power Infrastructure	4,894,885	3,300,000	0	0
17	CCRI – Flanagan Campus Renovations	2,734,505	0	0	0
18	CCRI – Renovation and Modernization Phase I	10,784,928	4,000,000	0	0
19	CCRI – Renovation and Modernization				
20	Phase II -IV	2,400,000	600,000	0	0
21	AEC – Asset Protection	50,000	50,000	50,000	55,000
22	OAG – Building Renovations and Repairs	1,150,000	900,000	150,000	155,000
23	DOC – Asset Protection	4,100,000	4,100,000	4,100,000	4,100,000
24	Judiciary – Garrahy Courthouse Restoration	1,125,000	0	0	0
25	Judiciary – Judicial Complexes Asset Protection	1,500,000	1,500,000	1,500,000	1,500,000
26	Judiciary – Judicial Complexes HVAC	500,000	500,000	500,000	500,000
27	Judiciary – Judicial Complexes Fan Coil				
28	Replacements	750,000	850,000	500,000	500,000
29	Judiciary – Licht Window and masonry Repairs	0	1,500,000	1,545,000	0
30	Military Staff – Asset Protection	1,801,639	1,598,858	2,424,420	1,662,463
31	DPS – Asset Protection	1,335,000	710,000	725,000	300,000
32	DPS – Training Academy Upgrades	695,000	690,000	475,000	600,000
33	RIEMA – RISON Infrastructure Upgrade	15,000	15,000	0	0
34	DEM – Dam Repair	6,651,030	1,015,000	1,015,000	1,015,000

1	DEM – Facilities Asset Protection	750,000	765,000	765,000	765,000
2	DEM – Fish and Wildlife Facilities	200,000	200,000	200,000	200,000
3	DEM – Fort Adams Rehabilitation	500,000	500,000	500,000	500,000
4	DEM – Natural Resources Offices and				
5	Visitor's Center	1,836,709	0	0	0
6	DEM – Newport Pier Upgrades	500,000			
7	DEM – Port of Galilee	14,113,820	1,500,000	1,500,000	1,500,000
8	DEM – Recreational Facilities Improvements	3,338,551	3,260,000	2,750,000	2,500,000
9	CRMC – Confined Aquatic Dredged				
10	Material Disposal Cells	20,100,000	0	0	0
11	DOT – Fixed Guideway Commuter Rail	2,350,000	2,770,000	3,190,000	4,210,000
12	DOT - Highway Improvement Program	19,850,000	19,430,000	19,010,000	17,990,000
13	DOT – Bike Path Asset Protection	400,000	400,000	400,000	400,000
14	DOT – Maintenance Facility Improvements	500,000	1,375,000	500,000	500,000
15	DOT - Maintenance Capital Equipment				
16	Replacement	1,800,000	1,800,000	1,800,000	1,800,000
17	DOT - Salt Storage Facilities	1,150,000	1,500,000	1,500,000	1,500,000
18	DOT – Train Station Asset Protection	500,000	500,000	500,000	500,000
19	DOT – Welcome Center	150,000	150,000	150,000	150,000
20	DOT – RIPTA - Land and Buildings	4,496,992	3,162,119	3,162,119	812,500

21           SECTION 14. 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 15. For the Fiscal Year ending June 30, 2026, 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 committee,  
33 and the state budget officer.

34           SECTION 16. Appropriation of Economic Activity Taxes in accordance with the city of

1 Pawtucket downtown redevelopment statute -- There is hereby appropriated for the fiscal year  
2 ending June 30, 2026, all state economic activity taxes to be collected pursuant to § 45-33.4-4, as  
3 amended (including, but not limited to, the amount of tax revenues certified by the commerce  
4 corporation in accordance with § 45-33.4-1(13)), for the purposes of paying debt service on bonds,  
5 funding debt service reserves; paying costs of infrastructure improvements in and around the  
6 ballpark district, arts district, and the growth center district; funding future debt service on bonds;  
7 and funding a redevelopment revolving fund established in accordance with § 45-33-1.

8 SECTION 17. The appropriations from federal funds contained in section 1 shall not be  
9 construed to mean any federal funds or assistance appropriated, authorized, allocated or  
10 apportioned to the State of Rhode Island from the state fiscal recovery fund and capital projects  
11 fund enacted pursuant to the American Rescue Plan Act of 2021, P.L. 117-2 for fiscal year 2026  
12 except for those instances specifically designated.

13 The State fiscal recovery fund and capital projects fund appropriations herein shall be made  
14 in support of the following projects:

15 **Federal Funds - State Fiscal Recovery Fund**

16 **Department of Administration (DOA)**

17 DOA- Pandemic Recovery Office. These funds shall be allocated to finance the pandemic  
18 recovery office established within the department of administration.

19 **Executive Office of Health and Human Services (EOHHS)**

20 EOHHS - Certified Community Behavioral Clinics. These funds shall be allocated to a  
21 program to support certified community behavioral health clinics to bolster behavioral health  
22 supports, medical screening and monitoring, and social services to particularly vulnerable  
23 populations in response to a rise in mental health needs during the public health emergency.

24 **Rhode Island Department of Elementary and Secondary Education (ELSEC)**

25 RIDE - Adult Education Providers. These funds shall be directly distributed through the  
26 office of adult education to nonprofit adult education providers to expand access to educational  
27 programs and literary services.

28 **Department of Public Safety (DPS)**

29 DPS – Support for Survivors of Domestic Violence. These funds shall be allocated to  
30 invest in the nonprofit community to provide additional housing, clinical and mental health services  
31 to victims of domestic violence and sexual assault. This includes increased investments for therapy  
32 and counseling, housing assistance, job training, relocation aid and case management.

33 **Federal Funds - Capital Projects Fund**

34 **Department of Administration (DOA)**

1           DOA - CPF Administration. These funds shall be allocated to the department of  
2 administration to oversee the implementation of the capital projects fund award from the American  
3 Rescue Plan Act.

4           SECTION 18. Reappropriation of Funding for State Fiscal Recovery Fund and Capital  
5 Projects Fund. Notwithstanding any provision of general law, any unexpended and unencumbered  
6 federal funds from the state fiscal recovery fund and capital projects fund shall be reappropriated  
7 in the ensuing fiscal year and made available for the same purposes. However, any such  
8 reappropriations are subject to final approval by the general assembly as part of the supplemental  
9 appropriations act.

10          SECTION 19. The pandemic recovery office shall monitor the progress and performance  
11 of all programs financed by the state fiscal recovery fund and the capital projects fund. On or before  
12 October 31, 2023 through January 31, 2025, the office shall provide a report to the speaker of the  
13 house and senate president, with copies to the chairpersons of the house and senate finance  
14 committees, on a quarterly basis, identifying programs that are at risk of significant underspending  
15 or noncompliance with federal or state requirements. Commencing with the report due on April 30,  
16 2025, the report will be provided to the speaker of the house and senate president, with copies to  
17 the chairpersons of the house and senate finance committees, biannually thereafter until and  
18 including October 31, 2026. The report, at a minimum must include an assessment of how  
19 programs that are at risk can be remedied. In the event that any state fiscal recovery fund program  
20 would put the state at risk of forfeiture of federal funds, the governor may reclassify funding from  
21 the at-risk program to other eligible uses as determined by U.S. Treasury. The governor will notify  
22 the General Assembly within thirty (30) days of such reclassification.

23          SECTION 20. Notwithstanding any general laws to the contrary, the Rhode Island student  
24 loan authority shall transfer to the state controller by June 30, 2026, the sum of two million nine  
25 hundred thousand dollars (\$2,900,000).

26          SECTION 21. This article shall take effect as of July 1, 2025, except as otherwise provided  
27 herein.

1 **ARTICLE 2**

2 **RELATING TO STATE FUNDS**

3 SECTION 1. Section 24-18-7 of the General Laws in Chapter 24-18 entitled "Municipal  
4 Road and Bridge Revolving Fund" is hereby amended to read as follows:

5 **24-18-7. Procedure for project approval.**

6 (a) By September 1, 2013, the department shall promulgate rules and regulations  
7 establishing the project evaluation criteria and the process through which a city or town may submit  
8 an infrastructure plan. By December 31, 2013, the agency shall promulgate rules and regulations  
9 to effectuate the provisions of this chapter which may include, without limitation, forms for  
10 financial assistance applications, loan agreements, and other instruments. All rules and regulations  
11 promulgated pursuant to this chapter shall be promulgated in accordance with the provisions of  
12 chapter 35 of title 42.

13 (b) Cities and towns shall submit infrastructure plans to the department in accordance with  
14 the department's rules and regulations promulgated pursuant to subsection (a) of this section.

15 (c) The department shall evaluate all submitted infrastructure plans and, in accordance with  
16 the project evaluation criteria, identify all eligible projects, and after a public hearing, the  
17 department shall finalize and provide the agency and statewide planning with a project priority list.  
18 The agency shall not award financial assistance to any project not listed on the project priority list  
19 [other than as set forth in subsection \(f\) herein.](#)

20 (d) The agency shall not obligate more than fifty percent (50%) of available funding in any  
21 calendar year to any one city or town unless there are no other eligible projects on the project  
22 priority list.

23 (e) Upon issuance of the project priority list, the agency shall award financial assistance to  
24 cities and towns for approved projects. The agency may decline to award financial assistance to an  
25 approved project that the agency determines will have a substantial adverse effect on the interests  
26 of holders of bonds or other indebtedness of the agency or the interests of other participants in the  
27 financial assistance program, or for good and sufficient cause affecting the finances of the agency.  
28 All financial assistance shall be made pursuant to a loan agreement between the agency and the city  
29 or town, acting by and through the officer or officers, board, committee, or other body authorized  
30 by law, or otherwise its chief executive officer, according to terms and conditions as determined  
31 by the agency, and each loan shall be evidenced and secured by the issue to the agency of city or  
32 town obligations in fully marketable form in principal amount, bearing interest at the rate or rates  
33 specified in the applicable loan agreement, and shall otherwise bear such terms and conditions as  
34 authorized by this chapter and/or the loan agreement.

1 [\(f\) Notwithstanding any other provision of this chapter, the agency may provide financial](#)  
2 [assistance for an approved project without the necessity of the approved project being listed on a](#)  
3 [project priority list if the financial assistance for the approved project is to provide match to other](#)  
4 [federal, state, local or other funding for the approved project.](#)

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

7 **35-4-27. Indirect cost recoveries on restricted receipt accounts. [Effective January 1,**  
8 **2025.]**

9 Indirect cost recoveries of [fifteen percent \(15%\)](#) ~~ten percent (10%)~~ of cash receipts shall  
10 be transferred from all restricted receipt accounts, to be recorded as general revenues in the general  
11 fund. However, there shall be no transfer from cash receipts with restrictions received exclusively:  
12 (1) From contributions from nonprofit charitable organizations; (2) From the assessment of indirect  
13 cost-recovery rates on federal grant funds; or (3) Through transfers from state agencies to the  
14 department of administration for the payment of debt service. These indirect cost recoveries shall  
15 be applied to all accounts, unless prohibited by federal law or regulation, court order, or court  
16 settlement. The following restricted receipt accounts shall not be subject to the provisions of this  
17 section:

- 18 Executive Office of Health and Human Services
- 19 Organ Transplant Fund
- 20 HIV Care Grant Drug Rebates
- 21 Health System Transformation Project
- 22 Rhode Island Statewide Opioid Abatement Account
- 23 HCBS Support-ARPA
- 24 HCBS Admin Support-ARPA
- 25 Department of Human Services
- 26 Veterans' home — Restricted account
- 27 Veterans' home — Resident benefits
- 28 Pharmaceutical Rebates Account
- 29 Demand Side Management Grants
- 30 Veteran's Cemetery Memorial Fund
- 31 Donations — New Veterans' Home Construction
- 32 Commodity Supplemental Food Program-Claims
- 33 Department of Health
- 34 Pandemic medications and equipment account

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

1 RI Health Benefits Exchange  
2 Information Technology restricted receipt account  
3 Restore and replacement — Insurance coverage  
4 Convention Center Authority rental payments  
5 Investment Receipts — TANS  
6 OPEB System Restricted Receipt Account  
7 Car Rental Tax/Surcharge-Warwick Share  
8 Grants Management Administration  
9 ~~RGGI Executive Climate Change Coordinating Council Projects~~  
10 ~~Electric Vehicle Charging Stations Operating and Maintenance Account~~  
11 [Office of Energy Resources](#)  
12 [OER Reconciliation Funding](#)  
13 [RGGI Executive Climate Change Coordinating Council Projects](#)  
14 [Electric Vehicle Charging Stations Operating and Maintenance Account](#)  
15 [Clean Transportation Programs](#)  
16 Department of Housing  
17 Housing Resources and Homelessness Restricted Receipt Account  
18 Housing Production Fund  
19 Low-Income Housing Tax Credit Fund  
20 Department of Revenue  
21 DMV Modernization Project  
22 Jobs Tax Credit Redemption Fund  
23 Legislature  
24 Audit of federal assisted programs  
25 Department of Children, Youth and Families  
26 Children’s Trust Accounts — SSI  
27 Military Staff  
28 RI Military Family Relief Fund  
29 RI National Guard Counterdrug Program  
30 Treasury  
31 Admin. Expenses — State Retirement System  
32 Retirement — Treasury Investment Options  
33 Defined Contribution — Administration - RR  
34 Violent Crimes Compensation — Refunds

- 1 Treasury Research Fellowship
- 2 Business Regulation
- 3 Banking Division Reimbursement Account
- 4 Office of the Health Insurance Commissioner Reimbursement Account
- 5 Securities Division Reimbursement Account
- 6 Commercial Licensing and Racing and Athletics Division Reimbursement Account
- 7 Insurance Division Reimbursement Account
- 8 Historic Preservation Tax Credit Account
- 9 [Rhode Island Cannabis Control Commission](#)
- 10 Marijuana Trust Fund
- 11 Social Equity Assistance Fund
- 12 Judiciary
- 13 Arbitration Fund Restricted Receipt Account
- 14 Third-Party Grants
- 15 RI Judiciary Technology Surcharge Account
- 16 Department of Elementary and Secondary Education
- 17 Statewide Student Transportation Services Account
- 18 School for the Deaf Fee-for-Service Account
- 19 School for the Deaf — School Breakfast and Lunch Program
- 20 Davies Career and Technical School Local Education Aid Account
- 21 Davies — National School Breakfast & Lunch Program
- 22 School Construction Services
- 23 Office of the Postsecondary Commissioner
- 24 Higher Education and Industry Center
- 25 IGT STEM Scholarships
- 26 Department of Labor and Training
- 27 Job Development Fund
- 28 Contractor Training Restricted Receipt Account
- 29 Rhode Island Council on the Arts
- 30 Governors' Portrait Donation Fund
- 31 Statewide records management system account

32 SECTION 3. Section 35-6-1 of the General Laws in Chapter 35-6 entitled "Accounts and  
33 Control" is hereby amended to read as follows:

34 **35-6-1. Controller — Duties in general.**

1           **(a)** Within the department of administration there shall be a controller who shall be  
2 appointed by the director of administration pursuant to chapter 4 of title 36. The controller shall  
3 be responsible for accounting and expenditure control and shall be required to:

4           **(1)** Administer a comprehensive accounting and recording system that will classify the  
5 transactions of the state departments and agencies in accordance with the budget plan;

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

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

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

13          **(5)** Manage federal fiscal proposals and guidelines and serve as the state clearinghouse  
14 for the application of federal grants;

15          **(6)** Pre-audit all state receipts and expenditures;

16          **(7)** Prepare financial statements required by the several departments and agencies, by the  
17 governor, or by the general assembly;

18          **(8)** Approve the orders drawn on the general treasurer; provided, that the pre-audit of all  
19 expenditures under authority of the legislative department and the judicial department by the state  
20 controller shall be purely ministerial, concerned only with the legality of the expenditure and  
21 availability of the funds, and in no event shall the state controller interpose his or her judgment  
22 regarding the wisdom or expediency of any item or items of expenditure;

23          **(9)** Prepare and timely file, on behalf of the state, any and all reports required by the  
24 United States, including, but not limited to, the Internal Revenue Service, or required by any  
25 department or agency of the state, with respect to the state payroll; and

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

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

1           (ii) A comparison of actual expenditures with each of the actual appropriations, including  
2 supplemental appropriations and other adjustments provided for in the Rhode Island general laws;

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

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

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

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

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

16           (e) Upon issuance of the audited financial statement, the controller shall transfer fifty  
17 percent (50%) of all general revenues received in the completed fiscal year net of transfer to the  
18 state budget reserve and cash stabilization account as required by § 35-3-20 in excess of those  
19 estimates adopted for that year as contained in the final enacted budget to the employees'  
20 retirement system of the state of Rhode Island as defined in § 36-8-2 and fifty percent (50%) to  
21 the supplemental state budget reserve account as defined in § 35-3-20.2, except that excess  
22 revenues from fiscal year 2023 shall not be transferred to the supplemental state budget reserve  
23 account; and that excess revenues from fiscal year 2024 shall not be transferred to the employees'  
24 retirement system of the state of Rhode Island and the supplemental state budget reserve account.

25           (f) The controller shall implement a direct deposit payroll system for state employees.

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

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

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

1           (4) The controller shall promulgate rules and regulations as necessary for implementation  
2 and administration of the direct deposit system, which shall include limited exceptions to required  
3 participation.

4           [\(g\) The controller shall oversee the office of risk management \(§ 37-11-1 et seq.\)](#)

5           SECTION 4. Section 40.1-1-13 of the General Laws in Chapter 40.1-1 entitled  
6 “Department of Behavioral Healthcare, Developmental Disabilities and Hospitals” is hereby  
7 amended to read as follows:

8           **40.1-1-13. Powers and duties of the office.**

9           Notwithstanding any provision of the Rhode Island general laws to the contrary, the  
10 department of behavioral healthcare, developmental disabilities and hospitals shall have the  
11 following powers and duties:

12           (1) To establish and promulgate the overall plans, policies, objectives, and priorities for  
13 state substance abuse education, prevention, and treatment; provided, however, that the director  
14 shall obtain and consider input from all interested state departments and agencies prior to the  
15 promulgation of any such plans or policies;

16           (2) Evaluate and monitor all state grants and contracts to local substance abuse service  
17 providers;

18           (3) Develop, provide for, and coordinate the implementation of a comprehensive state plan  
19 for substance abuse education, prevention, and treatment;

20           (4) Ensure the collection, analysis, and dissemination of information for planning and  
21 evaluation of substance abuse services;

22           (5) Provide support, guidance, and technical assistance to individuals, local governments,  
23 community service providers, public and private organizations in their substance abuse education,  
24 prevention, and treatment activities;

25           (6) Confer with all interested department directors to coordinate the administration of state  
26 programs and policies that directly affect substance abuse treatment and prevention;

27           (7) Seek and receive funds from the federal government and private sources in order to  
28 further the purposes of this chapter;

29           (8) To act in conjunction with the executive office of health and human services as the  
30 state’s co-designated agency (42 U.S.C. § 300x-30(a)) for administering federal aid and for the  
31 purposes of the calculation of the expenditures relative to the substance abuse block grant and  
32 federal funding maintenance of effort. The department of behavioral healthcare, developmental  
33 disabilities and hospitals, as the state’s substance abuse authority, will have the sole responsibility  
34 for the planning, policy and implementation efforts as it relates to the requirements set forth in

1 pertinent substance abuse laws and regulations including 42 U.S.C. § 300x-21 et seq.;

2 (9) Propose, review, and/or approve, as appropriate, proposals, policies, or plans involving

3 insurance and managed care systems for substance abuse services in Rhode Island;

4 (10) To enter into, in compliance with the provisions of chapter 2 of title 37, contractual

5 relationships and memoranda of agreement as necessary for the purposes of this chapter;

6 (11) To license facilities and programs for the care and treatment of substance abusers and

7 for the prevention of substance abuse, and provide the list of licensed chemical dependency

8 professionals (LCDP) and licensed chemical dependency clinical supervisors (LCDCS) (licensed

9 by the department of health pursuant to chapter 69 of title 5) for use by state agencies including,

10 but not limited to, the adjudication office of the department of transportation, the district court and

11 superior court and the division of probation and parole for referral of individuals requiring

12 substance use disorder treatment;

13 (12) To promulgate rules and regulations necessary to carry out the requirements of this

14 chapter;

15 (13) Perform other acts and exercise any other powers necessary or convenient to carry out

16 the intent and purposes of this chapter;

17 (14) To exercise the authority and responsibilities relating to education, prevention, and

18 treatment of substance abuse, as contained in, but not limited to, the following chapters: chapters

19 1.10, 10.1, and 28.2 of title 23; chapters 21.2 and 21.3 of title 16; chapter 50.1 of title 42 [repealed];

20 chapter 109 of title 42; chapter 69 of title 5; and § 35-4-18;

21 (15) To establish a Medicare Part D restricted-receipt account in the hospitals and

22 community rehabilitation services program [and the Rhode Island state psychiatric hospital program](#)

23 to receive and expend Medicare Part D reimbursements from pharmacy benefit providers consistent

24 with the purposes of this chapter;

25 (16) To establish a RICLAS group home operations restricted-receipt account in the

26 services for the developmentally disabled program to receive and expend rental income from

27 RICLAS group clients for group home-related expenditures, including food, utilities, community

28 activities, and the maintenance of group homes;

29 (17) To establish a non-Medicaid, third-party payor restricted-receipt account in the

30 hospitals and community rehabilitation services program to receive and expend reimbursement

31 from non-Medicaid, third-party payors to fund hospital patient services that are not Medicaid

32 eligible; and

33 (18) To certify any and all recovery housing facilities directly, or through a contracted

34 entity, as defined by department guidelines, which includes adherence to using National Alliance

1 for Recovery Residences (NARR) standards. In accordance with a schedule to be determined by  
2 the department, all referrals from state agencies or state-funded facilities shall be to certified  
3 houses, and only certified recovery housing facilities shall be eligible to receive state funding to  
4 deliver recovery housing services. As of January 1, 2027, all recovery housing facilities shall be  
5 registered with the department and shall adhere to the NARR certification process.

6 SECTION 5. Section 45-12-33 of the General Laws in Chapter 45-12 entitled  
7 "Indebtedness of Towns and Cities" is hereby amended to read as follows:

8 **45-12-33. Borrowing for road and bridge, infrastructure, and school building**  
9 **projects.**

10 (a)(1) In addition to other authority previously granted, during calendar year 2014 a city  
11 or town may authorize the issuance of bonds, notes, or other evidences of indebtedness to  
12 evidence loans from the municipal road and bridge revolving fund administered by the ~~Rhode~~  
13 ~~Island clean water finance agency~~ [Rhode Island infrastructure bank](#) in accordance with chapter 18  
14 of title 24. [Beginning July 1, 2025, and thereafter, a city or town may authorize the issuance of](#)  
15 [bonds, notes, or other evidences of indebtedness to evidence loans from the municipal road and](#)  
16 [bridge revolving fund administered by the Rhode Island infrastructure bank in accordance with](#)  
17 [chapter 18 of title 24 to provide a match to other federal, state, local or other funding for an](#)  
18 [approved project from the municipal road and bridge revolving fund.](#)

19 (2) In addition to other authority previously granted, from July 1, 2015 to June 30, 2016,  
20 a city or town may authorize the issuance of bonds, notes, or other evidences of indebtedness to  
21 evidence loans from the efficient buildings fund administered by the Rhode Island ~~clean water~~  
22 ~~finance agency~~ infrastructure bank in accordance with chapter 12.2 of title 46 or the school  
23 building authority capital fund administered by the Rhode Island health and educational building  
24 corporation in accordance with chapter 38.2 of this title.

25 (b) These bonds, notes, or other evidences of indebtedness are subject to the maximum  
26 aggregate indebtedness permitted to be issued by any city or town under § 45-12-2.

27 (c) The denominations, maturities, interest rates, methods of sale, and other terms,  
28 conditions, and details of any bonds or notes issued under the provisions of this section may be  
29 fixed by resolution of the city or town council authorizing them, or if no provision is made in the  
30 resolution, by the treasurer or other officer authorized to issue the bonds, notes or evidences of  
31 indebtedness; provided, that the payment of principal shall be by sufficient annual payments that  
32 will extinguish the debt at maturity, the first of these annual payments to be made not later than  
33 three (3) years, and the last payment not later than twenty (20) years after the date of the bonds.

34 The bonds, notes, or other evidences of indebtedness may be issued under this section by

1 any political subdivision without obtaining the approval of its electors, notwithstanding the  
2 provisions of §§ 45-12-19 and 45-12-20 and notwithstanding any provision of its charter to the  
3 contrary.

4 SECTION 6. This article shall take effect upon passage.

1 **ARTICLE 3**

2 **RELATING TO GOVERNMENT REFORM AND REORGANIZATION**

3 SECTION 1. Sections 2-26-3, 2-26-4, 2-26-5, 2-26-6, 2-26-7, 2-26-8, 2-26-9, and 2-26-10  
4 of the General Laws in Chapter 2-26 entitled “Hemp Growth Act” are hereby amended to read as  
5 follows:

6 **2-26-3. Definitions.**

7 When used in this chapter, the following terms shall have the following meanings:

8 (1) “Applicant” means any person, firm, corporation, or other legal entity who or that, on  
9 his, her, or its own behalf, or on behalf of another, has applied for permission to engage in any act  
10 or activity that is regulated under the provisions of this chapter.

11 (2) “Cannabis” means all parts of the plant of the genus marijuana, also known as marijuana  
12 sativa L. whether growing or not; the seeds thereof; the resin extracted from any part of the plant;  
13 and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds,  
14 or resin regardless of cannabinoid content or cannabinoid potency including “marijuana” and  
15 “industrial hemp” or “industrial hemp products” which satisfy the requirements of this chapter.

16 (3) “Cannabidiol” or “CBD” means cannabidiol (CBD) derived from a hemp plant as  
17 defined in § 2-26-3, not including products derived from exempt cannabis plant material as defined  
18 in 21 C.F.R. § 1308.35.

19 (4) ~~“Department” means the office of cannabis regulation within the department of~~  
20 ~~business regulation~~ “Cannabis control commission” or “commission” means the Rhode Island  
21 cannabis control commission established by § 21-28.11-4.

22 (5) “Division” means the division of agriculture in the department of environmental  
23 management.

24 (6) “Grower” means a person or entity who or that produces hemp for commercial  
25 purposes.

26 (7) “Handler” means a person or entity who or that produces or processes hemp or  
27 agricultural hemp seed into commodities or who manufactures hemp products.

28 (8) “Hemp” or “industrial hemp” means the plant Cannabis sativa L. and any part of that  
29 plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts,  
30 and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of  
31 not more than three-tenths percent (0.3%) on a dry weight or per volume basis regardless of  
32 moisture content, and which satisfies the requirements of this chapter.

33 (9) “Hemp-derived consumable CBD product” means any product meant for ingestion,  
34 including, but not limited to, concentrates, extracts, and cannabis-infused foods and products,

1 which contains cannabidiol derived from a hemp plant as defined in this section, which shall only  
2 be sold to persons age twenty-one (21) or older, and which shall not include products derived from  
3 exempt cannabis plant material as defined in 21 C.F.R. § 1308.35.

4 (10) “Hemp products” or “industrial hemp products” means all products made from the  
5 plants, including, but not limited to, concentrated oil, cloth, cordage, fiber, food, fuel, hemp-derived  
6 consumable CBD products, paint, paper, construction materials, plastics, seed, seed meal, seed oil,  
7 and seed certified for cultivation, which satisfy the requirements of this chapter.

8 (11) “Licensed CBD distributor” means a person licensed to distribute hemp-derived  
9 consumable CBD products pursuant to this chapter.

10 (12) “Licensed CBD retailer” means a person licensed to sell hemp-derived consumable  
11 CBD products pursuant to this chapter.

12 (13) “Cannabis office” or “office” means the cannabis office established by § 21-28.11-  
13 18.1.

14 ~~(13)~~ 14 “THC” means tetrahydrocannabinol, the principal psychoactive constituent of  
15 cannabis.

16 ~~(14)~~ 15 “THCA” means tetrahydrocannabinol acid.

17 **2-26-4. Hemp an agricultural product.**

18 Hemp is an agricultural product that may be grown as a crop, produced, possessed,  
19 distributed, sold at retail, and commercially traded pursuant to the provisions of this chapter.

20 Hemp is subject to primary regulation by the ~~department~~ commission. The division may assist the  
21 ~~department~~ commission in the regulation of hemp growth and production.

22 **2-26-5. Authority over licensing and sales.**

23 (a) The ~~department~~ commission shall prescribe rules and regulations for the licensing and  
24 regulation of hemp growers, handlers, licensed CBD distributors, and licensed CBD retailers and  
25 persons employed by the applicant not inconsistent with law, to carry into effect the provision of  
26 this chapter and shall be responsible for the enforcement of the licensing.

27 (b) All growers, handlers, licensed CBD distributors, and licensed CBD retailers must  
28 have a hemp license issued by the ~~department~~ commission. All production, distribution, and retail  
29 sale of hemp-derived consumable CBD products must be consistent with any applicable state or  
30 local food processing and safety regulations, and the applicant shall be responsible to ensure its  
31 compliance with the regulations and any applicable food safety licensing requirements, including,  
32 but not limited to, those promulgated by the department of health.

33 (c) The application for a hemp license shall include, but not be limited to, the following:

34 (1)(i) The name and address of the applicant who will supervise, manage, or direct the

1 growing and handling of hemp and the names and addresses of any person or entity partnering or  
2 providing consulting services regarding the growing or handling of hemp; and

3 (ii) The name and address of the applicant who will supervise, manage, or direct the  
4 distribution or sale of hemp-derived consumable CBD products, and names and addresses of any  
5 person or entity partnering or providing consulting services regarding the distribution or sale of  
6 hemp-derived CBD products.

7 (2) A certificate of analysis that the seeds or plants obtained for cultivation are of a type  
8 and variety that do not exceed the maximum concentration of delta-9 THC, as set forth in § 2-26-  
9 3; any seeds that are obtained from a federal agency are presumed not to exceed the maximum  
10 concentration and do not require a certificate of analysis.

11 (3)(i) The location of the facility, including the Global Positioning System location, and  
12 other field reference information as may be required by the ~~department~~ [commission](#) with a  
13 tracking program and security layout to ensure that all hemp grown is tracked and monitored  
14 from seed to distribution outlets; and

15 (ii) The location of the facility and other information as may be required by the  
16 ~~department~~ [commission](#) as to where the distribution or sale of hemp-derived consumable CBD  
17 products will occur.

18 (4) An explanation of the seed-to-sale tracking, cultivation method, extraction method,  
19 and certificate of analysis or certificate of analysis for the standard hemp seeds or hemp product if  
20 required by the ~~department~~ [commission](#).

21 (5) Verification, prior to planting any seed, that the plant to be grown is of a type and  
22 variety of hemp that will produce a delta-9 THC concentration of no more than three-tenths of  
23 one percent (0.3%) on a dry-weight basis.

24 (6) Documentation that the licensee and/or its agents have entered into a purchase  
25 agreement with a hemp handler, processor, distributor, or retailer.

26 (7) All applicants:

27 (i) Shall apply to the state police, attorney general, or local law enforcement for a  
28 National Criminal Identification records check that shall include fingerprints submitted to the  
29 Federal Bureau of Investigation. Upon the discovery of a disqualifying conviction defined in  
30 subsections (c)(7)(iv) and (c)(7)(v), and in accordance with the rules promulgated by the  
31 ~~department~~ [commission](#), the state police shall inform the applicant, in writing, of the nature of the  
32 conviction, and the state police shall notify the ~~department~~ [commission](#), in writing, without  
33 disclosing the nature of the conviction, that a conviction has been found;

34 (ii) In those situations in which no conviction has been found, the state police shall

1 inform the applicant and the ~~department~~ [commission](#), in writing, of this fact;

2 (iii) All applicants shall be responsible for any expense associated with the criminal  
3 background check with fingerprints.

4 (iv) Any applicant who has been convicted of any felony offense under chapter 28 of title  
5 21, or any person who has been convicted of murder; manslaughter; first-degree sexual assault;  
6 second-degree sexual assault; first-degree child molestation; second-degree child molestation;  
7 kidnapping; first-degree arson; second-degree arson; mayhem; robbery; burglary; breaking and  
8 entering; assault with a dangerous weapon; or any assault and battery punishable as a felony or  
9 assault with intent to commit any offense punishable as a felony, shall, [subject to § 28-5.1-14](#), be  
10 disqualified from holding any license or permit under this chapter. The ~~department~~ [commission](#)  
11 shall notify any applicant, in writing, of a denial of a license pursuant to this subsection.

12 (v) For purposes of this section, “conviction” means, in addition to judgments of  
13 conviction entered by a court subsequent to a finding of guilty, or plea of guilty, those instances  
14 where the defendant has entered a plea of nolo contendere and has received a jail sentence or a  
15 suspended jail sentence, or those instances wherein the defendant has entered into a deferred  
16 sentence agreement with the Rhode Island attorney general and the period of deferment has not  
17 been completed.

18 (8) Any other information as set forth in rules and regulations as required by the  
19 ~~department~~ [commission](#).

20 (d) [Deleted by P.L. 2019, ch. 88, art. 15, § 1.]

21 (e) The ~~department~~ [commission](#) shall issue a hemp license to the grower or handler  
22 applicant if he, she, or it meets the requirements of this chapter, upon the applicant paying a  
23 licensure fee of two thousand five hundred dollars (\$2,500). The license shall be renewed every  
24 two (2) years upon payment of a two thousand five hundred dollar (\$2,500) renewal fee. Any  
25 licensee convicted of any disqualifying offense described in subsection (c)(7)(iv) shall, [subject to](#)  
26 [§ 28-5.1-14](#), have his, her, or its license revoked. All license fees shall be directed to the  
27 ~~department~~ [commission](#) to help defray the cost of enforcement. The ~~department~~ [commission](#) shall  
28 collect a nonrefundable application fee of two hundred fifty dollars (\$250) for each application to  
29 obtain a license.

30 (f) Any grower or handler license applicant or license holder may also apply for and be  
31 issued one (1) CBD distributor and/or one (1) CBD retailer license at no additional cost, provided  
32 their grower or handler license is issued or renewed. CBD distributor and CBD retailer licenses  
33 shall be renewed each year at no additional fee provided the applicant also holds or renews a  
34 grower and/or handler license.

1 (g) For applicants who do not hold, renew, or receive a grower or handler license, CBD  
2 distributor and CBD retailer licenses shall have a licensure fee of five hundred dollars (\$500).  
3 The licenses shall be renewed each year upon approval by the ~~department~~ [commission](#) and  
4 payment of a five hundred dollar (\$500) renewal fee.

5 **2-26-6. Rulemaking authority.**

6 (a) The ~~department~~ [commission](#) shall adopt rules to provide for the implementation of  
7 this chapter, which shall include rules to require hemp to be tested during growth for THC levels  
8 and to require inspection of hemp during sowing, growing season, harvest, storage, and  
9 processing. Included in these rules should be a system requiring the licensee to submit crop  
10 samples to an approved testing facility, as determined by the ~~department~~ [commission](#) for testing  
11 and verification of compliance with the limits on delta-9 THC concentration.

12 (b) The ~~department~~ [commission](#) shall prescribe rules and regulations for all operational  
13 requirements for licensed growers, handlers, CBD distributors, and retailers, and to ensure  
14 consistency in manufactured products and appropriate packaging, labeling, and placement with  
15 respect to retail sales not inconsistent with law, to carry in effect the provisions of this chapter.

16 (c) The ~~department~~ [commission](#) shall not adopt, under this or any other section, a rule  
17 that would prohibit a person or entity to grow, distribute, or sell hemp based solely on the legal  
18 status of hemp under federal law.

19 (d) The ~~department~~ [commission](#) may adopt rules and regulations based on federal law  
20 provided those rules and regulations are designed to comply with federal guidance and mitigate  
21 federal enforcement against the licenses issued under this chapter.

22 (e) [Deleted by P.L. 2020, ch. 1, § 2 and P.L. 2020, ch. 2, § 2.]

23 **2-26-7. Licensure.**

24 (a) Except as provided in this section, ~~beginning sixty (60) days after the effective date of~~  
25 ~~this chapter,~~ the ~~department~~ [commission](#) shall accept the application for licensure to cultivate  
26 hemp submitted by the applicant.

27 (b) A person or entity, licensed by the ~~department~~ [commission](#) pursuant to this chapter,  
28 shall allow hemp crops, throughout sowing, year-long growing seasons, harvest storage, and  
29 processing, manufacturing, and retail facilities to be inspected and tested by and at the discretion  
30 of the ~~department~~ [commission](#) and as required pursuant to any applicable state or local food  
31 processing and safety regulations, including, but not limited to those, promulgated by the Rhode  
32 Island department of health.

33 **2-26-8. Methods of extraction.**

34 (a) The ~~department~~ [commission](#) shall adopt rules regarding permissible methods of

1 extraction.

2 (b) No butane method of extraction shall be permitted by the ~~department~~ [commission](#).

3 **2-26-9. Research and educational growth by institutions of higher education.**

4 (a) The ~~department~~ [commission](#) is authorized to certify any higher educational institution  
5 in Rhode Island to grow or handle, or assist in growing or handling, industrial hemp for the  
6 purpose of agricultural or academic research where such higher educational institution submits  
7 the following to the ~~department~~ [commission](#):

8 (1) The location where the higher educational institution intends to grow or cultivate the  
9 industrial hemp;

10 (2) The higher educational institution's research plan; and

11 (3) The name of the employee of the higher educational institution who will supervise the  
12 hemp growth, cultivation, and research.

13 (b) Growth for purposes of agricultural and educational research by a higher educational  
14 institution shall not be subject to the licensing requirements set forth in § 2-26-5.

15 (c) The applicant is encouraged to partner with an institution of higher learning within the  
16 state of Rhode Island to develop best practices for growing and handling hemp.

17 (d) The ~~department~~ [commission](#) shall maintain a list of each higher education institution  
18 certified to grow or cultivate industrial hemp under this chapter.

19 **2-26-10. Enforcement of violations of chapter.**

20 (a) Notwithstanding any other provision of this chapter, if the ~~director of the department~~  
21 [chairperson of the commission](#), or his or her designee, has cause to believe that a violation of any  
22 provision of this chapter or any regulations promulgated hereunder has occurred by a licensee  
23 who or that is under the ~~department's~~ [commission's](#) jurisdiction pursuant to this chapter, or that  
24 any person or entity is conducting any activities requiring licensure by the ~~department~~  
25 [commission](#) under this chapter or the regulations promulgated hereunder without such licensure,  
26 the ~~director~~ [chairperson](#), or his or her designee, may, in accordance with the requirements of the  
27 administrative procedures act, chapter 35 of title 42:

28 (1) Revoke or suspend a license;

29 (2) Levy an administrative penalty in an amount established pursuant to regulations  
30 promulgated by the ~~department~~ [commission](#);

31 (3) Order the violator to cease and desist such actions;

32 (4) Require a licensee or person or entity conducting any activities requiring licensure  
33 under this chapter to take such actions as are necessary to comply with this chapter and the  
34 regulations promulgated thereunder; or

1 (5) Any combination of the above penalties.

2 (b) If the ~~director of the department~~ chairperson of the commission finds that public  
3 health, safety, or welfare requires emergency action, and incorporates a finding to that effect in  
4 his or her order, summary suspension of license and/or cease and desist may be ordered pending  
5 proceedings for revocation or other action.

6 SECTION 2. Sections 5-43-1 and 5-43-2 of the General Laws in Chapter 5-43 entitled  
7 “Instruction in Jiu-Jitsu or Karate” are hereby repealed.

8 ~~**5-43-1. City and town licensing power.**~~

9 ~~The city and town councils of the several cities and towns may license schools and other~~  
10 ~~institutions offering instruction in jiu jitsu and karate. The fee for this license shall not exceed~~  
11 ~~twenty five dollars (\$25.00); provided, that nonprofit organizations and governmental agencies~~  
12 ~~shall be exempt from paying that fee.~~

13 ~~**5-43-2. Penalty for violations.**~~

14 ~~Any city or town issuing licenses under this chapter may impose a fine not in excess of~~  
15 ~~twenty dollars (\$20.00) upon anyone convicted of offering instruction in jiu jitsu or karate without~~  
16 ~~that license.~~

17 SECTION 3. Section 16-32-2 of the General Laws in Chapter 16-32 entitled "University  
18 of Rhode Island [See Title 16 Chapter 97—The Rhode Island Board of Education Act]" is hereby  
19 amended to read as follows:

20 **16-32-2. Board of Trustees established.**

21 (a) There is hereby created a board of trustees for the university of Rhode Island, sometimes  
22 referred to as the “board” or “board of trustees,” which shall be and is constituted a public  
23 corporation, empowered to sue and be sued in its own name; to borrow money; to compromise and  
24 settle claims; to have a seal; and to make and execute contracts and other instruments necessary or  
25 convenient to the exercise of its powers; and to exercise all the powers, in addition to those  
26 specifically enumerated in this chapter, usually appertaining to public corporations entrusted with  
27 control of postsecondary educational institutions and functions. Upon its organization, the board  
28 shall be vested with the legal title to all property, real and personal, now owned by and/or under  
29 the control or in the custody of the council on postsecondary education for the use of the university  
30 of Rhode Island, including all its departments, divisions, and branches, sometimes referred to as  
31 the property.

32 (b) The board is empowered to hold and operate the property in trust for the state; to  
33 acquire, hold, and dispose of the property and other like property as deemed necessary for the  
34 execution of its corporate purposes. The board is made successor to all powers, rights, duties, and

1 privileges for the university of Rhode Island formerly belonging to the council on postsecondary  
2 education pertaining to postsecondary education and the board of governors for higher education.

3 (c) The board shall be the employer of record for the university. It shall retain all authority  
4 formerly vested in the council on postsecondary education and the board of education regarding  
5 the employment of faculty and staff at the university of Rhode Island. The board shall appoint the  
6 president of the university and shall review their performance on an annual basis.

7 (1) The board is empowered to enter into contracts and agreements with the council on  
8 postsecondary education and/or the department of administration related to employee benefits,  
9 including but not limited to retirement benefits, health, dental, vision and life insurance, disability  
10 insurance, workers' compensation, and tuition waivers to maximize the state's and university's  
11 purchasing and investment portfolio and educational opportunities for the benefit of its employees.

12 (2) The board is empowered to enter into collective bargaining agreements as appropriate  
13 with its employees and all existing collective bargaining agreements in effect when the board is  
14 established pursuant to § 16-32-2.2 shall be transferred from the council on postsecondary  
15 education to the board.

16 (d) The board shall make rules and regulations for the control and use of all public  
17 properties and highways under its care, and for violations of those rules and regulations; penalties,  
18 up to one hundred dollars (\$100) and costs for any one offense, may be imposed by any district  
19 court or police court in the city or town where the violation occurs; and, in general, the board shall  
20 take all actions necessary for the proper execution of the powers and duties granted to, and imposed  
21 upon, the board by the terms of this chapter.

22 (e) The board shall make rules and regulations pursuant to chapter 2 of title 37 to implement  
23 its responsibilities as a public agency for procurement purposes as defined in § 37-2-7(16).

24 (1) Notwithstanding the provisions of § 37-2-22, small procurements made by the board  
25 and the university shall not exceed an aggregate amount of fifty thousand dollars (\$50,000) for  
26 construction and ten thousand dollars (\$10,000) for all other purchases, regardless of the source of  
27 funding, and shall be made in accordance with small purchase regulations promulgated by the  
28 board. These thresholds may be increased annually through an amendment to the small purchase  
29 regulations promulgated by the board of trustees, to reflect the annual increase in the federal  
30 Consumer Price Index published by the United States Department of Labor from the date of any  
31 prior adjustment.

32 (f) The board shall evaluate data on which to base performance of the university as  
33 described in subsection (g) of this section which shall be defined by the president of the university.  
34 These measures may include and incorporate outcomes or goals from multiple, previous years. The

1 lack of information from previous years, however, will not affect the use of performance-based  
2 measures.

3 (g) The university of Rhode Island shall have unique measures consistent with its purpose,  
4 role, scope, and mission. The board shall provide faculty and students an opportunity to provide  
5 input on the development of performance measures.

6 (1) The performance-based measures shall include, but not be limited to, the following  
7 metrics:

8 (i) The number and percentage, including growth in relation to enrollment and prior years  
9 of bachelor's degrees awarded to first-time, full-time students within four (4) years and six (6)  
10 years, including summer graduates;

11 (ii) The number of degrees awarded that are tied to Rhode Island's high demand, high-  
12 wage employment opportunities consistent with the institution's mission;

13 (iii) One metric that applies only to the university, in consultation with the president, which  
14 shall consider faculty, staff, and student input; and

15 (iv) Any other metrics that are deemed appropriate by the board.

16 (2) Weight may be assigned to any of the aforementioned metrics to reinforce the mission  
17 of the university, the economic needs of the state, and the socio-economic status of the students.

18 (h) The board shall hold the university accountable for developing and implementing  
19 transfer pathways for students from the community college of Rhode Island and Rhode Island  
20 college.

21 (i) The board shall adopt a process requiring every academic program at the university to  
22 accept for credit the advanced placement subject test scores of students who obtain a three (3) or  
23 better in any advanced placement course.

24 (j) The board shall supervise, coordinate, and/or authorize audits, civil and administrative  
25 investigations, and inspections or oversight reviews, when necessary, relating to expenditure of  
26 state or federal funds, or to any and all university programs and operations, as well as the  
27 procurement of any supplies, services, or construction, by the university. In the course of an audit  
28 or investigation, the board authorized auditor(s) shall review statutes and regulations of the  
29 university and shall determine if the university is in compliance and shall make recommendations  
30 concerning the efficiency of operations, and the effect of such statutes or regulations on internal  
31 controls and the prevention and detection of fraud, waste, and abuse. The board authorized  
32 auditor(s) may recommend policies or procedures that may strengthen internal controls, or assist in  
33 the prevention or detection of fraud, waste, and abuse or mismanagement. Any audits conducted  
34 shall be transmitted to the office of internal audit [and program integrity](#) established in chapter 7.1

1 of title 35.

2 SECTION 4. Sections 21-28.11-4 and 21-28.11-10.1 of the General Laws in Chapter 21-  
3 28.11 entitled “The Rhode Island Cannabis Act” are hereby amended to read as follows:

4 **21-28.11-4. Cannabis control commission.**

5 **(a) Establishment of commission.** There is hereby established an independent  
6 commission known as the Rhode Island Cannabis Control Commission (commission). The  
7 purpose of the commission is to oversee the regulation, licensing and control of adult use and  
8 medical cannabis and upon transfer of powers pursuant to the provisions of § 21-28.11-10.1, to  
9 exercise primary responsibility to oversee the regulation, licensing and control of all cannabis and  
10 marijuana use to include medical marijuana.

11 **(b) Appointment of commissioners.** The Rhode Island Cannabis Control Commission  
12 shall consist of three (3) voting commissioners as follows:

13 **(1)** The governor shall appoint, with the advice and consent of the senate, the three (3)  
14 voting members of the commission. The speaker of the house shall, within thirty (30) days of the  
15 effective date of this chapter, submit to the governor a list of three (3) individuals that the  
16 governor shall give due consideration in appointing one individual from this list. The governor  
17 shall appoint the other two (2) commissioners without regard to the list submitted by the speaker  
18 of the house. The governor shall designate one of the members to serve as chairperson of the  
19 commission. Within forty (40) days of the effective date of this chapter, the governor shall submit  
20 to the senate for advice and consent the list of three (3) individuals for appointment to the  
21 commission along with the governor’s designation of chairperson.

22 **(2)** Prior to appointment to the commission, a background investigation shall be  
23 conducted into the financial stability, integrity and responsibility of each appointee, including the  
24 appointee’s reputation for good character, and honesty. No commissioner or commissioner’s  
25 spouse, or child shall have any interest whatsoever in any entity regulated by the commission.

26 **(c) Commissioner requirements.** Each commissioner shall be a resident of the state  
27 within ninety (90) days of appointment, and while serving on the commission, shall not:

28 **(1)** Hold, or be a candidate for, federal, state or local elected office;

29 **(2)** Hold an appointed office or other employment in a federal, state or local government;

30 or

31 **(3)** Serve as an official in a political party.

32 **(d) Term Limits.** Term limits on the initial commissioners shall be as follows: The  
33 appointee chosen after consideration of the list provided to the governor by the speaker of the  
34 house shall serve an initial term of three (3) years and shall be eligible for reappointment in

1 accordance with this section. Of the appointees chosen by the governor without regard to the list  
2 submitted by the speaker of the house, one shall serve an initial term of two (2) years, and one  
3 shall serve an initial term of one year and both shall be eligible for reappointment in accordance  
4 with this section.

5 (1) Each initial commissioner is eligible for reappointment for one six (6) year term or  
6 until a successor is appointed. Each subsequent commissioner shall serve for a term of six (6)  
7 years or until a successor is appointed. Every person appointed or reappointed to fill a vacancy on  
8 the cannabis control commission shall be appointed in the manner established pursuant to this  
9 section.

10 (2) If a vacancy is created prior to the expiration of any commissioner's term, said  
11 vacancy shall be filled in the manner established pursuant to this section. Any person appointed to  
12 fill said vacancy shall complete the commissioner's unexpired term and shall then be eligible for  
13 reappointment for one additional term pursuant to this section.

14 (e) **Compensation.** The chairperson of the commission shall devote their full time  
15 attention to the duties of the commission. Upon confirmation, the chairperson shall become a  
16 state employee and shall receive a salary as determined by the governor subject to appropriation  
17 by the general assembly. The remaining commissioners shall not be state employees but shall  
18 receive a monthly stipend as determined by the governor, subject to appropriation by the general  
19 assembly, and shall devote sufficient time and attention to the commission to adequately perform  
20 their duties.

21 (f) **Records.** The commission shall keep a record of the proceedings of the commission  
22 and the chair shall be the custodian and keeper of the records of all books, documents and papers  
23 filed by the commission and of its minute book. The chair shall cause copies to be made of all  
24 minutes and other records and documents of the commission and shall certify that such copies are  
25 true copies and all persons dealing with the commission may rely upon such certification. These  
26 records shall also be subject to the provisions of title 38, "public records." The chair shall have  
27 and exercise supervision and control over all the affairs of the commission. The chair shall  
28 preside at all hearings at which the chair is present and shall designate a commissioner to act as  
29 chair in the chair's absence. To promote efficiency in administration, the chair shall make such  
30 division or re-division of the work of the commission among the commissioners, as the chair  
31 deems expedient.

32 (g) **Conduct of hearings.** The commissioners shall, if so directed by the chair, participate  
33 in the hearing and decision of any matter before the commission.

34 (1) For purposes of this section, "formal matter", as so designated by the chair, shall

1 include all non-procedural matters to include, but not limited to, hearings subject to the provisions  
2 of chapter 35 of title 42 (the “administrative procedures act”) and all decisions relative to the  
3 awarding of a license or to the denial or revocation of licenses. A majority of the commissioners  
4 is required to ~~hear and~~ approve all formal matters.

5 (2) For purposes of this section, “procedural matters”, as so designated by the chair,  
6 include scheduling, inclusion of agenda items, administrative compliance decisions, ministerial  
7 matters, routine clerical functions, and any other act delegated by the commission to be  
8 performed by an employee of the commission or the cannabis office. Any procedural or  
9 administrative matter may be heard, examined and investigated by a single commissioner or an  
10 employee of the commission or the cannabis office as designated and assigned by the chair, with  
11 the concurrence of one other commissioner. If designated by the commission or the cannabis  
12 office, the designated employee shall make a report in writing relative to the hearing, examination  
13 and investigation of every procedural or administrative matter. For the purposes of hearing,  
14 examining and investigating any procedural or administrative matter, the designated employee  
15 shall have all of the powers conferred upon a commissioner by this section. Any procedural or  
16 administrative decision made by a single commissioner or designated employee may be appealed  
17 within ten (10) days of issuance of the decision for a hearing before the full commission.

18 [\(3\) The commission may designate a hearing officer to conduct hearings and make](#)  
19 [recommendations of decision to the commission in contested cases consistent with chapter 35 of](#)  
20 [title 42.](#)

21 (h) **Ethics.** The provisions of chapter 14 of title 36, the state code of ethics, shall apply to  
22 the commissioners and to employees operating under the jurisdiction of the commission to  
23 include, but not limited to, personnel of the cannabis office; provided, however, that the  
24 commission may promulgate an internal code of ethics for all members and employees that may  
25 be more restrictive than the provisions of chapter 14 of title 36. A copy of any internal code of  
26 ethics adopted or as amended shall be filed with the state ethics commission. The internal code  
27 may include provisions reasonably necessary to carry out the purposes of this chapter.

28 (i) **Public body.** The cannabis control commission shall be a public body for the purposes  
29 of chapter 46 of title 42 (the “open meetings act”).

30 (j) **Finance.** The commission shall, for the purposes of compliance with state finance  
31 law, and subject to appropriation by the general assembly, operate as an independent state agency  
32 and shall be subject to the laws applicable to agencies under the control of the governor;  
33 provided, however, that the chairperson may identify any additional instructions or actions  
34 necessary for the department of administration to manage fiscal operations in the state accounting

1 system and meet statewide and other governmental accounting and audit standards. The  
2 commission shall properly classify the commission's operating and capital expenditures, and shall  
3 not include any salaries of employees in the commission's capital expenditures. Unless otherwise  
4 exempted by law, the commission shall participate in any other available state administrative  
5 services including, but not limited to, the state payroll system, the state retirement system, and  
6 state purchases.

7 **(k) Prohibition on discrimination.** The commission and all personnel and employees  
8 operating under the jurisdiction of the commission to include, but not limited to, personnel of the  
9 cannabis office, shall not unlawfully discriminate by considering race, color, religion, sex, sexual  
10 orientation, gender identity or expression, age, national origin, or disability in granting, denying,  
11 or revoking a license, nor shall any person, corporation, or business firm which is licensed  
12 pursuant to the provisions of this chapter unlawfully discriminate against or segregate any person  
13 based on these grounds. All businesses licensed by the commission shall operate on a  
14 nondiscriminatory basis, according to equal employment treatment and access to their services to  
15 all persons, unless otherwise exempted by the laws of the state. Any licensee who fails to comply  
16 with this policy is subject to any disciplinary action that is consistent with the legal authority and  
17 rules and regulations of the commission. The commission shall cooperate with the state equal  
18 opportunity office to prevent any person, corporation, or business firm from unlawfully  
19 discriminating because of race, color, religion, sex, sexual orientation, gender identity or  
20 expression, age, national origin, or disability or from participating in any practice which may  
21 have a disparate effect on any protected class within the population. The state equal opportunity  
22 office shall monitor the equal employment opportunity activities and affirmative action plans of  
23 the commission.

24 **21-28.11-10.1. Transitional period and transfer of authority.**

25 **(a)** To protect public health and public safety, upon the effective date of this chapter  
26 [May 25, 2022] until final issuance of the commission's rules and regulations promulgated  
27 pursuant to the provisions of this chapter, there shall exist a transitional period of regulatory and  
28 enforcement authority regarding the production, possession, regulation, distribution, sale, and use  
29 of cannabis relating to the sale by hybrid cannabis retailers of adult use cannabis pursuant to § 21-  
30 28.11-10.

31 **(b)** During the transitional period, the office of cannabis regulation shall prescribe such  
32 forms, procedures, and requirements as necessary to facilitate the acquisition of hybrid retail and  
33 cultivation licenses by compassion centers and cultivators licensed pursuant to chapter 28.6 of  
34 this title.

1 (c) Such forms, procedures, and requirements shall be posted on the website of the office  
2 of cannabis regulation no later than October 15, 2022, at which time an application period will  
3 commence. Applications shall be received, reviewed, and approved on a rolling basis provided  
4 that in no case shall an approved hybrid retailer begin adult use sales before December 1, 2022.

5 (d) The forms, procedures, and requirements prescribed by the office of cannabis  
6 regulation shall incorporate, but shall not be limited to, the following:

7 (1) Requirements pertaining to the physical premises of hybrid retail licensees. Where  
8 physically possible these shall include prospective licensee plans to physically separate marijuana  
9 and marijuana products designated for adult use and medical sales, respectively, in inventory,  
10 storage, and customer-facing floor and display areas; plans to physically separate sales areas for  
11 adult use and medical sales, which may be provided by a temporary or semi-permanent physical  
12 barrier; plans to provide and maintain a patient consultation area that will allow privacy for  
13 confidential consultation with qualifying patients; and plans to prioritize patient and caregiver  
14 identification verification and physical entry into retail areas in the event of capacity or other  
15 constraints; however, if the premises of a hybrid retail licensee does not allow the licensee to  
16 meet the requirements of this subsection or would cause undue hardship on the licensee, the  
17 office of cannabis regulation may authorize the hybrid retail licensee to conduct adult use sales at  
18 an adjunct location. In authorizing any such adjunct location, the office shall require, at a  
19 minimum, the following:

20 (i) The adjunct location must be physically located within the same municipality and  
21 geographic zone;

22 (ii) The adjunct location must comply with all municipal zoning requirements and obtain  
23 municipal approval;

24 (iii) The approval of any adjunct location will not cause undue hardship upon another  
25 licensed cannabis retailer; and

26 (iv) In the instance that an adjunct location is approved by the office, the hybrid cannabis  
27 retailer shall not be permitted to engage in the sale of cannabis for adult use at more than one  
28 premises.

29 (2) Requirements pertaining to inventory, product, and sales tracking. These shall include  
30 prospective licensee submission of plans to electronically separate finished marijuana products  
31 designated for medical or adult use sales in hybrid licensees' inventory and sales tracking  
32 systems. If prospective hybrid licensees are conducting cultivation activities, they shall submit  
33 plans to distinguish between sales of marijuana or finished marijuana products at wholesale based  
34 on designation for medical or adult use sales.

1           **(3)** Requirements relating to the maintenance of medical marijuana program service  
2 levels. These shall include prospective licensee submission of comprehensive policies and  
3 procedures detailing plans to maintain a sufficient quantity and variety of medical marijuana  
4 products, and if substitutions of medical marijuana products with adult use marijuana products are  
5 to be made, a justification for such substitutions. Prospective hybrid licensees shall also be  
6 required to designate an individual who will be primarily responsible for maintenance of medical  
7 marijuana program service levels and ongoing compliance with existing program requirements,  
8 rules, and regulations.

9           **(4)** Requirements relating to operating plans, policies, and procedures. These shall  
10 include prospective licensee submission, maintenance of, and adherence to a set of written  
11 standard operating procedures that encompass both adult use and medical marijuana service lines.  
12 These operating plans and procedures shall take the form of an updated operations manual as  
13 currently required under medical marijuana program regulations and shall include, but not be  
14 limited to, policies and procedures relating to the maintenance of medical marijuana program  
15 service levels as defined in this section.

16           **(5)** Requirements relating to the advertising of cannabis and cannabis products by hybrid  
17 cannabis retailers who have been permitted to sell adult use cannabis pursuant to the provisions of  
18 this chapter.

19           **(e)** Notwithstanding the foregoing provisions of this section, all prospective and approved  
20 applicants for hybrid cannabis retailer and cannabis cultivator licenses under this chapter shall  
21 maintain compliance with the existing provisions of chapter 28.6 of this title of the general laws  
22 and the regulations promulgated thereunder until final issuance of the commission's rules and  
23 regulations, including, but not limited to, existing restrictions and requirements related to  
24 financial disclosures; registration of owners, managers, key persons, agents, and employees;  
25 product testing; packaging and labeling; transportation; and home delivery.

26           **(f)** Forms, procedures, and requirements relating to this transitional period may be  
27 amended by the office of cannabis regulation or the commission up until the final issuance of the  
28 commission's regulations pursuant to the provisions of this chapter at which time the forms,  
29 procedures, and requirements will be superseded by the commission's final rules and regulations.

30           **(g)** Upon final issuance of the commission's rules and regulations, the following shall  
31 occur:

32           **(1)** All powers, duties and responsibilities of the department of business regulation and  
33 the office of cannabis regulation with respect to the regulation, administration and enforcement of  
34 the provisions of chapter 28.6 of this title [and chapter 26 of title 2](#) shall be transferred to the

1 commission or as designated by the commission to the cannabis office.

2 (2) All powers, duties and responsibilities of the department of environmental  
3 management with respect to regulation, administration and enforcement of chapter 28.6 of this  
4 title shall be transferred to the commission or as designated by the commission to the cannabis  
5 office.

6 (3) All powers, duties and responsibilities of the department of health with respect to  
7 regulation, administration and enforcement of chapter 28.6 of this title shall be transferred to the  
8 commission or as designated by the commission to the cannabis office, except for the following:

9 (i) Administration of registry identification cards to qualified patients; and

10 (ii) Powers delegated to the department pursuant to this chapter or by rules and  
11 regulations of the commission.

12 (4) There shall be established a “cannabis office” with the powers, duties and  
13 responsibilities authorized pursuant to § 21-28.11-18.1.

14 (5) All powers exercised by state agencies, departments and offices pursuant to the  
15 provisions of subsections (a) and (b) of this section relating to transitional period authority shall  
16 cease.

17 (h) Upon final issuance of the commission’s rules and regulations, whenever the term  
18 “office of cannabis regulation” appears in any general law or regulation, the term shall mean the  
19 “cannabis office” as defined in this chapter.

20 SECTION 5. Chapter 23-24.12 of the General Laws entitled “Proper  
21 Management of Unused Paint” is hereby amended by adding thereto the following section:

22 **23-24.12-7. Discontinuation of program.**

23 (a) Effective August 1, 2025, collections of the paint stewardship assessment in  
24 effect pursuant to this chapter shall be discontinued. Any proposed program expenditures by the  
25 representative organization after that date shall be subject to approval by the department.

26 (b) No later than September 30, 2025, the representative organization shall  
27 submit to the department for review and approval a plan to wind down and discontinue the paint  
28 stewardship program. The plan shall include a financial audit of the paint stewardship program as  
29 of August 1, 2025, conducted by an independent auditor in accordance with generally accepted  
30 auditing standards. The department, in consultation with the department of revenue, may approve  
31 the plan as submitted or approve it with conditions as determined by the department. Upon  
32 approval of the plan the representative organization shall immediately begin implementation.

33 (c) No later than December 31, 2025, the representative organization shall  
34 transfer any remaining program funds to the Rhode Island resource recovery corporation for use

1 [in educating the public about the discontinuation of the program and the available options for](#)  
2 [safely disposing of paint.](#)

3 SECTION 6. Effective January 1, 2026, Chapter 23-24.12 of the General Laws  
4 entitled “Proper Management of Unused Paint” is hereby repealed in its entirety.

5 ~~CHAPTER 23-24.12~~

6 ~~Proper Management of Unused Paint~~

7 ~~**23-24.12-1. Purpose.**~~

8 ~~(a) To establish a cost-effective, convenient, statewide system for the collection,~~  
9 ~~recycling and reuse of post-consumer paint.~~

10 ~~(b) To develop a comprehensive strategy, with the cooperation of state entities,~~  
11 ~~producers, and retailers, for the proper management of post-consumer paint in a safe and~~  
12 ~~environmentally sound manner.~~

13 ~~(c) To provide fiscal and regulatory consistency for all producers of paint that~~  
14 ~~participate in the collection system authorized in this chapter.~~

15 ~~(d) To establish effective collection, recycling, management and education~~  
16 ~~programs resulting in collection of amounts of unused paint consistent with the goals and targets~~  
17 ~~established pursuant to this chapter.~~

18 ~~**23-24.12-2. Management of unused architectural paint—Definitions.**~~

19 ~~(1) “Architectural paint” means interior and exterior architectural coatings sold in~~  
20 ~~containers of five (5) gallons or less. Architectural paint does not include industrial, original~~  
21 ~~equipment or specialty coatings.~~

22 ~~(2) “Department” means the department of environmental management.~~

23 ~~(3) “Director” means the director of the department of environmental~~  
24 ~~management.~~

25 ~~(4) “Distributor” means a company that has a contractual relationship with one or~~  
26 ~~more producers to market and sell architectural paint to retailers in this state.~~

27 ~~(5) “Environmentally sound management practices” means procedures for the~~  
28 ~~collection, storage, transportation, reuse, recycling and disposal of architectural paint, to be~~  
29 ~~implemented by the representative organization or such representative organization’s contracted~~  
30 ~~partners to ensure compliance with all applicable federal, state and local laws, regulations and~~  
31 ~~ordinances and the protection of human health and the environment. Environmentally sound~~  
32 ~~management practices include, but are not limited to, record-keeping, the tracking and~~  
33 ~~documenting of the use and disposition of post-consumer paint in and outside of this state, and~~  
34 ~~environmental liability coverage for professional services and for the operations of the contractors~~

1 ~~working on behalf of the representative organization.~~

2 ~~(6) "Paint stewardship assessment" means the amount added to the purchase~~  
3 ~~price of architectural paint sold in this state that is necessary to cover the cost of collecting,~~  
4 ~~transporting and processing post-consumer paint by the representative organization pursuant to~~  
5 ~~the paint stewardship program.~~

6 ~~(7) "Post-consumer paint" means architectural paint that is not used and that is no~~  
7 ~~longer wanted by a purchaser of architectural paint.~~

8 ~~(8) "Producer" means a manufacturer of architectural paint who sells, offers for~~  
9 ~~sale, distributes or contracts to distribute architectural paint in this state.~~

10 ~~(9) "Recycling" means any process by which discarded products, components~~  
11 ~~and by-products are transformed into new, usable or marketable materials in a manner in which~~  
12 ~~the original products may lose their identity.~~

13 ~~(10) "Representative organization" means the nonprofit organization created by~~  
14 ~~producers to implement the paint stewardship program described in § 23-24.11-3.~~

15 ~~(11) "Retailer" means any person who offers architectural paint for sale at retail~~  
16 ~~in this state.~~

17 ~~(12) "Reuse" means the return of a product into the economic stream for use in~~  
18 ~~the same kind of application as the product was originally intended to be used, without a change~~  
19 ~~in the product's identity.~~

20 ~~(13) "Sell" or "sale" means any transfer of title for consideration including, but~~  
21 ~~not limited to, remote sales conducted through sales outlets, catalogues, the Internet or any other~~  
22 ~~similar electronic means.~~

23 **23-24.12-3. Establishment of paint stewardship program.**

24 ~~(a) On or before March 1, 2014, each producer shall join the representative~~  
25 ~~organization and such representative organization shall submit a plan for the establishment of a~~  
26 ~~paint stewardship program to the department for approval. The program shall minimize the public~~  
27 ~~sector involvement in the management of post-consumer paint by reducing the generation of post-~~  
28 ~~consumer paint, negotiating agreements to collect, transport, reuse, recycle, and/or burn for~~  
29 ~~energy recovery at an appropriately licensed facility post-consumer paint using environmentally~~  
30 ~~sound management practices.~~

31 ~~(b) The program shall also provide for convenient and available state-wide~~  
32 ~~collection of post-consumer paint that, at a minimum, provides for collection rates and~~  
33 ~~convenience greater than the collection programs available to consumers prior to such paint~~  
34 ~~stewardship program; propose a paint stewardship assessment; include a funding mechanism that~~

1 ~~requires each producer who participates in the representative organization to remit to the~~  
2 ~~representative organization payment of the paint stewardship assessment for each container of~~  
3 ~~architectural paint sold within the state; include an education and outreach program to help ensure~~  
4 ~~the success of the program; and, work with the department and Rhode Island commerce~~  
5 ~~corporation to identify ways in which the state can motivate local infrastructure investment,~~  
6 ~~business development and job creation related to the collection, transportation and processing of~~  
7 ~~post-consumer paint.~~

8 ~~(c) The plan submitted to the department pursuant to this section shall:~~

9 ~~(1) Identify each producer participating in the paint stewardship program and the~~  
10 ~~brands of architectural paint sold in this state covered by the program;~~

11 ~~(2) Identify how the representative organization will provide convenient,~~  
12 ~~statewide accessibility to the program;~~

13 ~~(3) Set forth the process by which an independent auditor will be selected and~~  
14 ~~identify the criteria used by the representative organization in selecting independent auditor;~~

15 ~~(4) Identify, in detail, the educational and outreach program that will be~~  
16 ~~implemented to inform consumers and retailers of the program and how to participate;~~

17 ~~(5) Identify the methods and procedures under which the paint stewardship~~  
18 ~~program will be coordinated with the Rhode Island resource recovery corporation;~~

19 ~~(6) Identify, in detail, the operational plans for interacting with retailers on the~~  
20 ~~proper handling and management of post-consumer paint;~~

21 ~~(7) Include the proposed, audited paint assessment as identified in this section;~~

22 ~~(8) Include the targeted annual collection rate;~~

23 ~~(9) Include a description of the intended treatment, storage, transportation and~~  
24 ~~disposal options and methods for the collected post-consumer paint; and~~

25 ~~(10) Be accompanied by a fee in the amount of two thousand five hundred dollars~~  
26 ~~(\$2,500) to be deposited into the environmental response fund to cover the review of said plan by~~  
27 ~~the department.~~

28 ~~(d) Not later than sixty (60) days after submission of a plan pursuant to this~~  
29 ~~section, the department shall make a determination whether to:~~

30 ~~(1) Approve the plan as submitted;~~

31 ~~(2) Approve the plan with conditions; or~~

32 ~~(3) Deny the plan.~~

33 ~~(e) Not later than three (3) months after the date the plan is approved, the~~  
34 ~~representative organization shall implement the paint stewardship program.~~

1                   ~~(f) On or before March 1, 2014, the representative organization shall propose a~~  
2 ~~uniform paint stewardship assessment for all architectural paint sold in this state. Such proposed~~  
3 ~~paint stewardship assessment shall be reviewed by an independent auditor to assure that such~~  
4 ~~assessment is consistent with the budget of the paint stewardship program described in this~~  
5 ~~section and such independent auditor shall recommend an amount for such paint stewardship~~  
6 ~~assessment to the department. The department shall be responsible for the approval of such paint~~  
7 ~~stewardship assessment based upon the independent auditor's recommendation. If the paint~~  
8 ~~stewardship assessment previously approved by the department pursuant to this section is~~  
9 ~~proposed to be changed, the representative organization shall submit the new, adjusted uniform~~  
10 ~~paint stewardship assessment to an independent auditor for review. After such review has been~~  
11 ~~completed, the representative organization shall submit the results of said auditor's review and a~~  
12 ~~proposal to amend the paint stewardship assessment to the department for review. The department~~  
13 ~~shall review and approve, in writing, the adjusted paint stewardship assessment before the new~~  
14 ~~assessment can be implemented. Any proposed changes to the paint stewardship assessment shall~~  
15 ~~be submitted to the department no later than sixty (60) days prior to the date the representative~~  
16 ~~organization anticipates the adjusted assessment to take effect.~~

17                   ~~(g) On and after the date of implementation of the paint stewardship program~~  
18 ~~pursuant to this section, the paint stewardship assessment shall be added to the cost of all~~  
19 ~~architectural paint sold to retailers and distributors in this state by each producer. On and after~~  
20 ~~such implementation date, each retailer or distributor, as applicable, shall add the amount of such~~  
21 ~~paint stewardship assessment to the purchase price of all architectural paint sold in this state.~~

22                   ~~(h) Any retailer may participate, on a voluntary basis, as a paint collection point~~  
23 ~~pursuant to such paint stewardship program and in accordance with any applicable provision of~~  
24 ~~law or regulation.~~

25                   ~~(i) Each producer and the representative organization shall be immune from~~  
26 ~~liability for any claim of a violation of antitrust law or unfair trade practice if such conduct is a~~  
27 ~~violation of antitrust law, to the extent such producer or representative organization is exercising~~  
28 ~~authority pursuant to the provisions of this section.~~

29                   ~~(j) Not later than the implementation date of the paint stewardship program, the~~  
30 ~~department shall list the names of participating producers the brands of architectural paint~~  
31 ~~covered by such paint stewardship program and the cost of the approved paint stewardship~~  
32 ~~assessment on its website.~~

33                   ~~(k)(1) On and after the implementation date of the paint stewardship program, no~~  
34 ~~producer, distributor or retailer shall sell or offer for sale architectural paint to any person in this~~

1 ~~state if the producer of such architectural paint is not a member of the representative organization.~~

2 ~~(2) No retailer or distributor shall be found to be in violation of the provisions of~~

3 ~~this section if, on the date the architectural paint was ordered from the producer or its agent, the~~

4 ~~producer or the subject brand of architectural paint was listed on the department's website in~~

5 ~~accordance with the provisions of this section.~~

6 ~~(1) Producers or the representative organization shall provide retailers with~~

7 ~~educational materials regarding the paint stewardship assessment and paint stewardship program~~

8 ~~to be distributed at the point of sale to the consumer. Such materials shall include, but not be~~

9 ~~limited to, information regarding available end-of-life management options for architectural paint~~

10 ~~offered through the paint stewardship program and information that notifies consumers that a~~

11 ~~charge for the operation of such paint stewardship program is included in the purchase price of all~~

12 ~~architectural paint sold in this state.~~

13 ~~(m) On or before October 15, 2015, and annually thereafter, the representative~~

14 ~~organization shall submit a report to the director of the department of environmental management~~

15 ~~that details the paint stewardship program. Said report shall include a copy of the independent~~

16 ~~audit detailed in subdivision (4) below. Such annual report shall include, but not be limited to:~~

17 ~~(1) A detailed description of the methods used to collect, transport and process~~

18 ~~post-consumer paint in this state;~~

19 ~~(2) The overall volume of post-consumer paint collected in this state;~~

20 ~~(3) The volume and type of post-consumer paint collected in this state by method~~

21 ~~of disposition, including reuse, recycling and other methods of processing or disposal;~~

22 ~~(4) The total cost of implementing the program, as determined by an independent~~

23 ~~financial audit, as performed by an independent auditor;~~

24 ~~(5) An evaluation of the adequacy of the program's funding mechanism;~~

25 ~~(6) Samples of all educational materials provided to consumers of architectural~~

26 ~~paint and participating retailers; and~~

27 ~~(7) A detailed list of efforts undertaken and an evaluation of the methods used to~~

28 ~~disseminate such materials including recommendations, if any, for how the educational~~

29 ~~component of the program can be improved.~~

30 ~~(n) The representative organization shall update the plan, as needed, when there~~

31 ~~are changes proposed to the current program. A new plan or amendment will be required to be~~

32 ~~submitted to the department for approval when:~~

33 ~~(1) There is a change to the amount of the assessment; or~~

34 ~~(2) There is an addition to the products covered under the program; or~~

1 ~~(3) There is a revision of the product stewardship organization's goals; or~~  
2 ~~(4) Every four (4) years, if requested, in writing, by the department the~~  
3 ~~representative organization shall notify the department annually, in writing, if there are no~~  
4 ~~changes proposed to the program and the representative organization intends to continue~~  
5 ~~implementation of the program as previously approved by the department.~~

6 **23-24.12-4. Regulations.**

7 The department shall promulgate regulations recognizing conditionally exempt small  
8 quantity generators of hazardous waste consistent with federal Environmental Protection Agency  
9 standards. The department is hereby authorized to promulgate additional rules and regulations as  
10 necessary to implement and carry out the provisions of this chapter.

11 **23-24.12-5. Violations.**

12 A violation of any of the provisions of this chapter or any rule or regulation  
13 promulgated pursuant to § 23-24.11-4 shall be punishable by a civil penalty not to exceed one  
14 thousand dollars (\$1,000). In the case of a second and any subsequent violation, the civil penalty  
15 shall not exceed five thousand dollars (\$5,000) for each violation.

16 **23-24.12-6. Reporting to the general assembly.**

17 Not later than January 15, 2016, and biennially thereafter, the director shall  
18 submit a report to the general assembly that describes the results and activities of the paint  
19 stewardship program as enacted pursuant to this chapter including any recommendations to  
20 improve the functioning and efficiency of the paint collection program, as necessary.

21 SECTION 7. Section 28-42-51 of the General Laws in Chapter 28-42 entitled  
22 "Employment Security — General Provisions" is hereby amended to read as follows:

23 **28-42-51. Additional functions and duties of director of administration.**

24 In addition to and/or in lieu of the sections enumerated in § 28-42-50, the director of  
25 administration shall perform, at the department of labor and training, in the manner and to the  
26 extent that the director may prescribe, the following functions and duties:

27 (1) Establish and maintain a current system of internal financial controls and checks  
28 necessary to insure the proper handling of accounts in connection with the employment security  
29 fund and the employment security administration account created by this chapter, by conducting a  
30 continuous pre-audit or a continuous post-audit or by conducting a combination of both (pre-audit  
31 or post-audit). The cost of these post-audit activities by the office of internal audit and program  
32 integrity in the department of administration shall be reimbursed in full by the department;

33 (2) Establish and maintain any methods, procedures, and systems of accounting that may  
34 be deemed necessary; those records and accounts to be considered, for all purposes, the official

1 records of the state and department;

2 (3) Prepare and furnish financial and any other reports that may be required; and

3 (4) Perform any other related functions and duties that may be required by chapters 42 —  
4 44 of this title.

5 SECTION 8. Section 35-1.1-4 of the General Laws in Chapter 35-1.1 entitled "Office of  
6 Management and Budget" is hereby amended to read as follows:

7 **35-1.1-4. Offices and functions assigned to the office of management and budget —**  
8 **Powers and duties.**

9 (a) The offices assigned to the office of management and budget include the budget  
10 office, the office of regulatory reform, the performance management office, and the office of  
11 internal audit and program integrity.

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

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

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

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

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

26 SECTION 9. Section 35-3-24.1 of the General Laws in Chapter 35-3 entitled "State  
27 Budget" is hereby amended to read as follows:

28 **35-3-24.1. Program performance measurement.**

29 (a) Beginning with the fiscal year ending June 30, 1997, the governor shall submit, as  
30 part of each budget submitted to the general assembly pursuant to § 35-3-7, performance  
31 objectives for each program in the budget for the ensuing fiscal year, estimated performance data  
32 for the fiscal year in which the budget is submitted, and actual performance data for the preceding  
33 two (2) completed fiscal years. Performance data shall include efforts at achieving equal  
34 opportunity hiring goals as defined in the department's annual affirmative action plan. The

1 governor shall, in addition, recommend appropriate standards against which to measure program  
2 performance. Performance in prior years may be used as a standard where appropriate. These  
3 performance standards shall be stated in terms of results obtained.

4 (b) The governor may submit, in lieu of any part of the information required to be  
5 submitted pursuant to subsection (a), an explanation of why the information cannot as a practical  
6 matter be submitted.

7 (c)(1) The office of management and budget shall be responsible for managing and  
8 collecting program performance measures on behalf of the governor. The office is authorized to  
9 conduct performance reviews and audits of agencies to determine the manner and extent to which  
10 executive branch agencies achieve intended objectives and outcomes.

11 (2) In order to collect performance measures from agencies, review performance, and  
12 provide recommendations, the office of budget and management is authorized to coordinate with  
13 the office of internal audit [and program integrity](#) regarding the findings and recommendations  
14 that result from audits conducted by the office.

15 (3) In order to facilitate the office of management and budget's performance reviews,  
16 agencies must generate and provide timely access to records, reports, analyses, audits, reviews,  
17 documents, papers, recommendations, contractual deliverables, or other materials available  
18 relating to agency programs and operations.

19 (4) In order to ensure alignment of executive branch agency operations with the state's  
20 priorities, the office of management and budget may produce, with all necessary cooperation  
21 from executive branch agencies, analyses and recommendations to improve program  
22 performance, conduct evidence-based budgeting, and respond to sudden shifts in policy  
23 environments.

24 (5) In order to gain insight into performance or outcomes and inform policymaking and  
25 program evaluation, the office of management and budget may lead, manage, and/or coordinate  
26 interagency and cross-system collaboration or integration initiatives.

27 SECTION 10. Section 35-7-15 of the General Laws in Chapter 35-7 entitled "Post Audit  
28 of Accounts" is hereby amended to read as follows:

29 **35-7-15. Audit of information security systems.**

30 (a) The general assembly recognizes that the security of government computer systems is  
31 essential to ensuring the stability and integrity of vital information gathered and stored by the  
32 government for the benefit of the citizenry and the breach of security over computer systems  
33 presents a risk to the health, safety, and welfare of the public. It is the intent of the legislature to  
34 ensure that government computer systems and information residing on these systems are

1 protected from unauthorized access, compromise, sabotage, hacking, viruses, destruction, illegal  
2 use, cyber attack, or any other act that might jeopardize or harm the computer systems and the  
3 information stored on them.

4 (b) In conjunction with the powers and duties outlined in this chapter, the office of  
5 internal audit [and program integrity](#) may conduct reviews and assessments of the various  
6 government computer systems and the security systems established to safeguard these computer  
7 systems. Computer systems subject to this section shall include systems that pertain to federal,  
8 state, or local programs, and quasi-governmental bodies, and the computer systems of any entity  
9 or program that is subject to audit by the office of internal audit [and program integrity](#). The office  
10 of internal audit ~~s~~ [and program integrity](#)'s review may include an assessment of system  
11 vulnerability, network penetration, potential security breaches, and susceptibility to cyber attack  
12 and cyber fraud.

13 (c) The office of internal audit [and program integrity](#)'s findings shall be deemed public  
14 records and available for public inspection; provided, however, in the event the review indicates a  
15 computer system is vulnerable, or security over the system is otherwise deficient, reasonably  
16 segregable portions of the findings shall be subject to public inspection after the redaction of any  
17 information, the disclosure of which, would endanger the security of the system or reveal the  
18 specific nature of the vulnerabilities found. Notwithstanding any other provision of law to the  
19 contrary, the work papers developed in connection with the review of computer systems and the  
20 security over those systems authorized by this section shall not be deemed public records and are  
21 not subject to disclosure.

22 (d) In order to maintain the integrity of the computer system, the office of internal audit  
23 [and program integrity](#) may procure the services of specialists in information security systems or  
24 other contractors deemed necessary in conducting reviews under this section, and in procuring  
25 those services shall be exempt from the requirements of the state purchasing law or regulation.

26 (e) Any outside contractor or vendor hired to provide services in the review of the  
27 security of a computer system shall be bound by the confidentiality provisions of this section.

28 SECTION 11. TITLE 35 of the General Laws entitled "Public Finance" is hereby  
29 amended as follows:

#### 30 CHAPTER 7.1

#### 31 The Office of Internal Audit [and Program Integrity](#)

32 SECTION 12. Sections 35-7.1-1, 35-7.1-2, 35-7.1-3, 35-7.1-4, 35-7.1-6, 35-7.1-8, and  
33 35-7.1-10 of the General Laws in Chapter 35-7.1 entitled "The Office of Internal Audit" are  
34 hereby amended to read as follows:

1 **35-7.1-1. Establishment of the office of internal audit and program integrity.**

2 (a) There is hereby established within the office of management and budget an office of  
3 internal audit and program integrity. Within the office of internal audit and program integrity,  
4 there shall be a chief, appointed by the director of administration, who shall be the administrative  
5 head of the office. The person so selected to be the chief shall be selected without regard to  
6 political affiliation and with a demonstrated ability in the following areas: accounting, auditing,  
7 financial analysis, investigation, management analysis, and public administration. The office of  
8 internal audit and program integrity will report to the office of management and budget director.  
9 Any reference in general law to the “bureau of audits” or “office of internal audit” shall mean the  
10 office of internal audit and program integrity.

11 (b) The purpose of the office is to prevent and detect fraud, waste, abuse, and  
12 mismanagement in the expenditure of public funds including:

13 (1) All state programs and operations;

14 (2) The procurement of any supplies, services, or construction by state agencies, bureaus,  
15 divisions, sections, departments, offices, commissions, institutions, and activities of the state; and

16 (3) The procurement or expenditure of public funds by organizations or individuals.

17 ~~(b)~~ (c) The chief of the office of internal audit and program integrity shall not hold, or be a  
18 candidate for, any elective or any other appointed public office while a chief. No current chief  
19 shall hold a position in any political party or political committee, or, aside from voting, actively  
20 engage in the political campaign of any candidate for public office that may cause a real or  
21 perceived conflict of interest, or participate as a board member of any entity that receives state or  
22 federal funding.

23 ~~(c)~~ (d) No employee of the office of internal audit and program integrity shall hold, or be a  
24 candidate for, any elective public office while an employee, nor shall he/she hold a position in  
25 any political party or political committee or, aside from voting, actively engage in a political  
26 campaign of any candidate for public office that may cause a real or perceived conflict of interest,  
27 or participate as a board member of any not for profit entity that receives state or federal funding.

28 ~~(d)~~ ~~Purposes and scope.~~ The office of internal audit and program integrity is authorized  
29 to conduct audits of any state department, state agency, or private entity that is a recipient of state  
30 funding or state grants. In addition, the office of internal audit and program integrity is  
31 authorized, but not limited to, evaluating the efficiency of operations and internal controls,  
32 preventing and detecting fraud, waste, abuse, or mismanagement in the expenditure of public  
33 funds, whether federal, state, or local, that are related to any and all state programs and operations  
34 as well as the procurement of any goods, services, or construction, by public bodies. As deemed

1 necessary or expedient by the office of internal audit [and program integrity](#), audits may be made  
2 relative to the financial affairs or the economy and efficiency of management of each department,  
3 agency or public body. The office of internal audit [and program integrity](#) shall determine which  
4 such audits shall be performed in accordance with a risk-based evaluation.

5 (ef) “Public body” or “public bodies” under this chapter shall mean state agencies,  
6 bureaus, divisions, departments, offices, commissions, boards, institutions, including the public  
7 institutions of higher education, districts, authorities, quasi-agencies, or political subdivisions  
8 created by the general assembly, or the governor. “Public body” shall also include any city and  
9 town within the state of Rhode Island but municipal audits under this chapter shall only cover the  
10 expenditure of state or federal funds distributed by the state. Audits and investigations of public  
11 bodies may include the expenditures by nongovernmental agencies of federal, state, and local  
12 public funds.

13 **35-7.1-2. Duties.**

14 (a) The chief of internal audit [and program integrity](#) shall supervise, coordinate, and/or  
15 conduct audits, civil and administrative investigations, and inspections or oversight reviews,  
16 when necessary, relating to expenditure of state or federal funds, or to any and all state programs  
17 and operations, as well as the procurement of any supplies, services, or construction, by public  
18 bodies. In the course of an audit or investigation, the office of internal audit [and program integrity](#)  
19 shall review statutes and regulations of the public body and shall determine if such a public body  
20 is in compliance and shall make recommendations concerning the efficiency of operations, and  
21 the effect of such statutes or regulations on internal controls and the prevention and detection of  
22 fraud, waste and abuse. The chief of internal audit [and program integrity](#) may recommend  
23 policies or procedures that may strengthen internal controls, or assist in the prevention or  
24 detection of fraud, waste, and abuse or mismanagement.

25 (b) The person, or persons, with legal authority for any public body may request the  
26 assistance of the office of internal audit [and program integrity](#). Any such request must include the  
27 scope of services requested and the work to be performed. In such events, the chief, with the  
28 approval of the director of management and budget, may assign personnel to conduct, supervise,  
29 or coordinate such activity as deemed necessary and appropriate to perform his/her duties in a  
30 diligent and prudent manner. The expenses for any such assistance requested by the public body  
31 shall be reimbursed by the public body to the office of internal audit [and program integrity](#). The  
32 chief may recommend policies for the conduct, supervision, or coordination of the relationship,  
33 between state and other state, local governmental agencies as well as federal governmental  
34 agencies and nongovernmental entities with respect to all matters relating to the prevention and

1 detection of fraud, waste, abuse or mismanagement in or relating to any and all programs and  
2 activities of the state of Rhode Island.

3 (c) When it is determined by the office of internal audit [and program integrity](#) that an  
4 audit is necessary because there is sufficient evidence to believe that there may have been fiscal  
5 impropriety, wrongdoing, or fiscal mismanagement by any agent, employee, board member, or  
6 commissioner of any public body, the office of internal audit [and program integrity](#) may conduct  
7 a forensic examination of such entity. All costs associated with the forensic examination shall be  
8 paid, as deemed appropriate, either by the examined entity or by an appropriation by the general  
9 assembly. Such costs shall include, but not be limited to, the following expenses:

10 (1) One hundred percent (100%) of the total salaries and benefits paid to the examining  
11 personnel of the office of internal audit [and program integrity](#) engaged in those examinations;

12 (2) All costs associated with the procurement of a forensic consultant;

13 (3) All costs associated with a consultant that provides expertise pertinent to the  
14 examinee's operations;

15 (4) All reasonable administrative and technology costs related to the forensic examination  
16 process. Technology costs shall include the actual cost of software and hardware utilized in the  
17 examination process and the cost of training examination personnel in the proper use of the  
18 software and hardware.

19 [\(d\) The chief of internal audit and program integrity, or their designee, may investigate](#)  
20 [reports of any person who, either prior to, or at the time of, or subsequent to the application for](#)  
21 [public assistance:](#)

22 [\(1\) Willfully makes a false statement or misrepresentation;](#)

23 [\(2\) Impersonates someone else;](#)

24 [\(3\) Willfully fails to disclose a material fact regarding eligibility or other fraudulent](#)  
25 [means; or](#)

26 [\(4\) Secures, aids, or abets, or attempts to secure, aid, or abet, others in securing public](#)  
27 [assistance \(including Supplemental Nutrition Assistance Program \(SNAP\) or Medicaid\) through](#)  
28 [fraudulent actions.](#)

29 [\(e\) The chief of internal audit and program integrity, or their designee, is authorized to:](#)

30 [\(1\) Coordinate, conduct, and/or support investigations aimed at preventing detecting,](#)  
31 [fraud, waste, abuse, and mismanagement in public assistance programs;](#)

32 [\(2\) Coordinate and support state and local efforts to investigate and eliminate fraud in](#)  
33 [public assistance programs;](#)

34 [\(3\) Work to recover both state and federal funds related to fraudulent activities.](#)

1 (f) In the course of these investigations, the office of internal audit and program integrity  
2 shall collaborate with local law enforcement agencies, the Rhode Island department of human  
3 services, the Rhode Island state police, the Rhode Island attorney general, or other local, state,  
4 and federal entities as needed to complete the investigations.

5 (g) The office shall identify methods to implement innovative technology and data  
6 sharing in order to detect, analyze, and prevent fraud, waste, and abuse.

7 **35-7.1-3. Investigations or management advisory and consulting services upon**  
8 **request of governor or general assembly.**

9 The office of internal audit and program integrity may, upon the written request of the  
10 governor or of the general assembly, conduct audits, provide management advisory and  
11 consulting services, or conduct investigations relative to the financial affairs or the economy and  
12 efficiency of management, or both, of any public bodies as defined in § 35-7.1-1(e). The office of  
13 internal audit and program integrity may, from time to time, make such investigations and  
14 additional reports to the governor, the director of the department of administration, the director of  
15 the office of management and budget, and the general assembly as deemed necessary or  
16 advisable.

17 **35-7.1-4. Management advisory and consulting services provided to public bodies.**

18 When requested in writing by a public body to the chief, the office of internal audit and  
19 program integrity may provide management advisory or consulting services to the public body.  
20 Any such request must include the scope of services requested and a schedule for the work to be  
21 performed.

22 **35-7.1-6. Inspection of records, ~~and~~ papers, and witness testimony – Investigations**  
23 **and Subpoenas.**

24 (a) The chief, in carrying out the duties outlined in this chapter, shall have access to all  
25 records, reports, audits, reviews, papers, books, documents, recommendations, correspondence,  
26 including information relative to the purchase of goods or services or anticipated purchase of  
27 goods or services, from any agent, contractor, or vendor by any public body, as defined in § 35-  
28 7.1-1(e), and any other data and material that is maintained by or available to any public body  
29 regardless of the media in which it is maintained which is in any way related to the programs and  
30 operations with respect to public bodies.

31 (b) The chief may request information and records, cooperation, and assistance from any  
32 state, or local governmental agency as may be necessary for carrying out his/her duties and  
33 responsibilities. Upon receipt of such request, each person in charge of the public body shall  
34 furnish to the chief, or his/her authorized agent or representative, such information and records,

1 cooperation and assistance, including information relative to the purchase of goods or services or  
2 anticipated purchase of goods or services from any contractor or vendor by any public body,  
3 within ten (10) business days of receipt of the chief's request. If the public body is unable to  
4 comply with the request for records and/or information within (10) business days, the public body  
5 must notify the chief, prior to the expiration of the ten (10) business days, in writing as to the  
6 reason, or reasons, why the request cannot be fulfilled within this time and whether additional  
7 time is necessary.

8 (c) The chief may initiate and conduct audits, investigations, and compliance reviews and  
9 shall prepare detailed findings, conclusions, and recommendations concerning the administration  
10 of programs or operations, and internal controls over processes of public bodies.

11 (d) The chief shall have direct and prompt access to any public body, its agents, officers,  
12 and employees when necessary for any purpose pertaining to the performance of his/her duties  
13 and responsibilities under this chapter.

14 (e) In furtherance of carrying out any of the duties of this chapter, the chief may request,  
15 with the written approval of the director of the department of administration and through an  
16 administrative subpoena, the attendance and testimony of witnesses and the production of books,  
17 records, and other evidence relevant to an active fraud investigation as described in this chapter.  
18 The subpoena shall specify the time, date, and place where the witness is to respond. Within  
19 twenty (20) days after the service of the subpoena or at any time before the return date specified  
20 in the subpoena, whichever period is shorter, the person served may file in a state superior court  
21 and serve upon the unit and the attorney general a civil petition for an order of the court  
22 modifying or setting aside the subpoena. The petition shall specify each ground upon which the  
23 petitioner is seeking relief. If a person neglects or refuses to comply with any request to provide  
24 testimony or produce books, records, and other evidence relevant to an investigation, the office of  
25 internal audit and program integrity or the attorney general may petition the superior court for an  
26 order compelling the person to answer the request. Books, records, and other evidence obtained  
27 through an administrative subpoena that are not used in a court proceeding shall be destroyed as  
28 soon as practicable.

29 **35-7.1-8. Reports to the state police.**

30 In carrying out his/her duties and responsibilities, the chief shall report to the Rhode  
31 Island state police whenever the chief has reasonable grounds to believe there has been a  
32 violation of federal or state criminal law. The chief shall also refer findings to the state ethics  
33 commission, or to any other federal, state, or local agency with an interest in said findings, in the  
34 discretion of the chief. Any referrals made under this section shall not be made public by the

1 office of internal audit [and program integrity](#).

2 **35-7.1-10. [Audit and](#) Annual ~~and interim~~ reports.**

3 (a) The office of internal audit [and program integrity](#) shall prepare an annual report  
4 summarizing the activities of the office of internal audit [and program integrity](#) for the prior fiscal  
5 year. The office of internal audit [and program integrity](#) may also prepare interim performance  
6 reports. These reports shall be presented to the director of management and budget. The annual  
7 reports shall be posted on the office's website.

8 (b) The annual report shall include, but not be limited to: a general description of  
9 significant problems in the areas of efficiencies, internal controls, fraud, waste, and abuse within  
10 programs and operations within the jurisdiction of the office; a general description of the  
11 recommendations for corrective actions made by the office during the reporting period with  
12 respect to significant deficiencies in the areas of efficiencies, internal controls, fraud, waste, and  
13 abuse; the identification of each significant recommendation described in previous annual reports  
14 on which corrective action has not been completed; a summary of matters referred to prosecuting  
15 authorities; a summary of any matters concerning the recovery of monies as a result of an audit  
16 finding or civil suit or a referral to another agency for the purposes of such suit; a list of all audit  
17 reports completed by the office during the reporting period; and a statement of recommendations  
18 of amendment to this chapter or the rules, regulations, or procedures governing the office of  
19 internal audit [and program integrity](#) that would improve the effectiveness or the operations of the  
20 office.

21 (c) The annual report of the office of internal audit [and program integrity](#) shall be made  
22 public on the day of filing.

23 (d) [At the conclusion of each formal audit, the office of internal audit and program](#)  
24 [integrity shall produce an audit report which contains, but is not limited to, the scope of the audit,](#)  
25 [findings, and recommendations.](#) Within twenty (20) calendar days following the date of the  
26 issuance of the management-response copy of the draft audit report, the head of the department,  
27 agency, public body, or private entity audited shall respond, in writing, to each recommendation  
28 made in the audit report. This response shall address the department's, agency's, or public body's  
29 or private entity's plan of corrective action, the party responsible to implement the corrective  
30 action plan, and the anticipated date to complete the implementation of the corrective action; and,  
31 if applicable, the reasons for disagreement with any recommendation proposed in the audit report  
32 and justification of management's acceptance of risk. The office of internal audit [and program](#)  
33 [integrity](#) may perform follow-up procedures for the purpose of determining whether the  
34 department, agency, public body, or private entity has implemented, in an efficient and effective

1 manner, its plan of correction action for the recommendations proposed in the audit report or  
2 addressed the risk discussed in the audit report.

3 (e) Copies of each audit report, inclusive of management’s responses noted in subsection  
4 (d) shall be submitted to the chairpersons of the house finance committee, and the senate finance  
5 committee and posted on the office’s website.

6 SECTION 13. Chapter 35-7.1 of the General Laws entitled “The Office of Internal  
7 Audit” is hereby amended by adding thereto the following section:

8 **35-7.1-11. Civil actions.**

9 The chief of the office of internal audit and program integrity shall have the  
10 authority to initiate civil recovery actions. In any case where the office of internal audit and  
11 program integrity has discovered fraudulent acts and believes that civil recovery proceedings may  
12 be appropriate, the chief may authorize the initiation of appropriate civil proceedings or refer the  
13 case to the appropriate state agency for civil recovery.

14 SECTION 14. Effective January 1, 2026, section 37-2-12 of the General Laws in Chapter  
15 37-2 entitled "State Purchases" is hereby amended to read as follows:

16 **37-2-12. Centralization of the procurement authority.**

17 (a) All rights, powers, duties, and authority relating to the procurement of supplies,  
18 services, and construction, and the management, control, warehousing, sale, and disposal of  
19 supplies, services, and construction now vested in or exercised by any state agency under the  
20 several statutes relating thereto are hereby transferred to the chief purchasing officer as provided  
21 in this chapter, subject to the provisions of § 37-2-54. A public agency does not have to utilize the  
22 centralized purchasing of the state but the public agency, through its existing internal purchasing  
23 function, shall adhere to the general principles, policies and practices set forth in this chapter.

24 (b) The chief purchasing officer, as defined in § 37-2-7(3)(i), may establish, charge, and  
25 collect from state contractors, ~~listed on master price agreements, an statewide contract~~  
26 administrative fee not to exceed one-third of one percent (0.334%) of the total value of the annual  
27 spend against a contract awarded to a state contractor. All ~~statewide~~ contract administrative fees  
28 collected pursuant to this subsection shall be deposited into a restricted-receipt account within the  
29 general fund designated as the “division of purchases administrative-fee account” and shall be  
30 used for the purposes of implementing, maintaining, or operating technology for the submission  
31 and processing of bids, online vendor registration, bid notification, and other costs related to state  
32 procurement including staffing. On or before January 15, 2019, and annually thereafter on or  
33 before January 15, the chief purchasing officer or designee shall file a report with the governor,  
34 the speaker of the house, and the president of the senate detailing:

- 1 (i) The total amount of funds collected and deposited into the division of purchases  
2 administrative-fee account for the most recently completed fiscal year;
- 3 (ii) The account balance as of the date of the report;
- 4 (iii) An itemization of all expenditures and other uses of said funds from said account for  
5 the most recently completed fiscal year; and
- 6 (iv) An annual evaluation as to the appropriateness of the amount of the contract  
7 administrative fee ~~on master price agreements~~.

8 (c) Subject to the approval of the director of the department of administration, the state  
9 controller is authorized to offset any currently recorded outstanding liability on the part of  
10 developmental disability organizations (DDOs) to repay previously authorized startup capital  
11 advances against the proceeds from the sale of group homes within a fiscal year prior to any sale  
12 proceeds being deposited into the information technology restricted receipt account established  
13 pursuant to § 42-11-2.5(a).

14 SECTION 15. Chapter 42-6.2 of the General Laws entitled "2021 Act on Climate" is  
15 hereby amended by adding thereto the following section:

16 **42-6.2-13. State Facilities Benchmarking and Performance Standards Program**

17 **(a) Definitions**

18 **(1) "Department" shall mean all state departments enumerated in R.I. Gen. Laws § 42-6-3**  
19 **and shall additionally include the executive office of health and human services, the executive**  
20 **office of commerce, and the department of housing.**

21 **(2) "State-owned, state-occupied facilities" shall mean buildings owned by the state that**  
22 **primarily contain offices or other administrative workspace for state employees and are at least**  
23 **25,000 gross square feet.**

24 **(b) State Facilities Energy Usage Reporting**

25 **(1) State departments, coordinated and supported by the office of energy resources, shall**  
26 **be required to measure and report monthly energy usage by energy source for their respective**  
27 **state-owned, state-occupied facilities, as well as the gross square footage for each building.**

28 **(2) Beginning March 31, 2026, and recurring annually thereafter, departments,**  
29 **coordinated and supported by the office of energy resources, shall report energy use data by**  
30 **source for state-owned, state-occupied facilities for the preceding calendar year through the office**  
31 **of energy resources. No later than 180 days from the March 31 reporting deadline each year, the**  
32 **office of energy resources shall compile and publish each facility's energy use data by fuel and**  
33 **total emissions.**

34 **(c) State Facilities Benchmarking and Performance Standards Program**

1 (1) Utilizing the data due March 31, 2027, in subsection (b)(2), the office of energy  
2 resources shall, with consultation from departments, develop and publish performance standards  
3 for state-owned, state-occupied facilities by March 31, 2028. The office of energy resources must  
4 receive approval from the executive climate change coordinating council before publishing the  
5 performance standards and before publishing any revision to the standards thereafter. The  
6 performance standards published must include:

7 (i) An annualized emissions standard based on energy usage for each state-owned, state-  
8 occupied facility as necessary, to achieve by specified dates;

9 (ii) A schedule for compliance terminating in 2050; and

10 (iii) The cost-benefit analysis used to determine which state-owned, state-occupied  
11 facilities are assigned performance standards, as set forth in subsection (c)(2) below.

12 (2) The performance standards shall be determined by evaluating:

13 (i) The total amount of emissions reductions that could be achieved while maintaining  
14 state operations;

15 (ii) The relative contribution of the emissions reductions to decadal targets established by  
16 R.I. Gen. Laws § 42-6.2-2 compared to other strategies, programs, and actions established by the  
17 executive climate change coordinating council in its plan due December 31, 2025 in accordance  
18 with subsection (2)(i) of R.I. Gen. Laws § 42-6.2-2; and

19 (iii) The fiscal impacts of achieving the performance standards.

20 (3) The departments shall meet the performance standards set in accordance with  
21 subsection (c)(2). No later than 90 days after each specified compliance date established in  
22 accordance with subsection (c)(1), the office of energy resources shall publish a performance  
23 standards compliance report demonstrating the status of each state-owned, state-occupied facility  
24 subject to a performance standard. In the event that a state-owned, state-occupied facility fails to  
25 meet a performance standard, the office of energy resources must include a corrective action plan  
26 due within 90 days of the compliance deadline.

27 (4) Subsections (c)(1), (c)(2), and (c)(3) shall not apply to state-owned, state-occupied  
28 facilities for which the executive climate change coordinating council determines are not suitable  
29 candidates for achieving greenhouse gas emission reductions due to economic infeasibility or  
30 unique operational or physical limitations. Any such determinations shall be published in addition  
31 to the standards required in subsection (c)(2).

32 (d) Implementation

33 (1) The executive climate change coordinating council may allocate funds from the  
34 restricted receipt account established in R.I. Gen. Laws § 42-6.2-3.1 as necessary for the

1 [implementation of this program.](#)

2 [\(2\) State departments shall work with the office of energy resources to develop a](#)  
3 [methodology for reporting and/or setting building performance standards for state-owned, state-](#)  
4 [occupied facilities that are within a campus served by a central utility plant and do not have](#)  
5 [submetering capabilities.](#)

6 SECTION 16. Section 42-7-8 of the General Laws in Chapter 42-7 entitled "Executive  
7 Department" is hereby amended to read as follows:

8 **42-7-8. American Recovery and Reinvestment Act administration expenses.**

9 (a) There is hereby created restricted receipt accounts, within the office of the governor,  
10 for the office of economic recovery and reinvestment, and within the department of  
11 administration for the office of internal audit [and program integrity](#) and the division of  
12 purchasing, to be known as ARRA administrative expense accounts. Payments from the accounts  
13 shall be limited to expenses for administrative oversight of American Recovery and Reinvestment  
14 Act (ARRA) funds. The governor's office of economic recovery and reinvestment is authorized  
15 by OMB memorandum 09-18 to receive up to one-half percent (0.5%) of stimulus funding to  
16 cover oversight expenses.

17 (b) All amounts deposited in the ARRA administration accounts shall be exempt from the  
18 indirect cost recovery provisions of § 35-4-27.

19 (c) It is hereby provided, at the end of the American Recovery and Reinvestment Act  
20 oversight period, balances from the ARRA administrative accounts shall revert to general  
21 revenues.

22 SECTION 17. Section 42-11-2.9 of the General Laws in Chapter 42-11 entitled  
23 "Department of Administration" is hereby amended to read as follows:

24 **[42-11-2.9. Division of capital asset management and maintenance established.](#)**

25 (a) Establishment. Within the department of administration there shall be established the  
26 division of capital asset management and maintenance ("DCAMM"). Any prior references to the  
27 division of facilities management and/or capital projects, if any, shall now mean DCAMM.  
28 Within the DCAMM there shall be a director of DCAMM who shall be in the classified service  
29 and shall be appointed by the director of administration. The director of DCAMM shall have the  
30 following responsibilities:

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

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

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

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

6 (c) Duties and responsibilities of DCAMM. DCAMM shall have the following duties  
7 and responsibilities:

8 (1) To oversee all new construction and rehabilitation projects on state property, not  
9 including property otherwise assigned outside of the executive department by Rhode Island  
10 general laws or under the control and supervision of the judicial branch;

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

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

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

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

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

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

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

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

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

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

32 (iii) Capital equipment replacement;

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

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

1 (vi) Responding to facilities emergencies;  
2 (vii) Managing traffic flow on state property;  
3 (viii) Grounds keeping/landscaping/snow-removal services;  
4 (ix) Maintenance and protection of artwork and historic artifacts;  
5 (x) On or before August 31, 2022, and each April 1 thereafter to submit to the division of  
6 municipal finance a comprehensive list of all real property owned by the state as of the preceding  
7 December 31 to facilitate the purposes of § 45-13-5.1. The comprehensive list and all other  
8 information provided shall be in a format prescribed by the division of municipal finance. The  
9 division of municipal finance shall subsequently provide to DCAMM a certified list of all  
10 properties eligible under § 45-13-5.1 for identification in the statewide database established under  
11 subsection (d) of this section. Any changes to the comprehensive list of all real property owned  
12 by the state after the list has been supplied to the division of municipal finance shall require  
13 notification to the division of municipal finance within thirty (30) days;

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

15 (d)(1) All state agencies shall participate in a statewide database and/or information  
16 system for capital assets, that shall be established and maintained by DCAMM.

17 (2) Beginning January 1, 2023, all state agencies, departments, boards, commissions,  
18 corporations, authorities, quasi-state agencies, councils, or other political subdivisions that utilize  
19 real property shall provide DCAMM any information, documentary and otherwise, that may be  
20 necessary or desirable to facilitate the purposes of subsection (c)(3)(x) of this section by March 1  
21 annually, or subsection (d)(1) of this section as required by DCAMM. The administrative head of  
22 each submitting entity shall attest to the accuracy and completeness of the information in writing.

23 (e) Offices and boards assigned to DCAMM. DCAMM shall oversee the following  
24 boards, offices, and functions:

25 (1) Office of planning, design, and construction (PDC);

26 (2) Office of facilities management and maintenance (OFMM);

27 (3) [Deleted by P.L. 2018, ch. 47, art. 3, § 7.]

28 (4) [Deleted by P.L. 2018, ch. 47, art. 3, § 7.]

29 ~~(5) Office of risk management (§ 37-11-1 et seq.);~~

30 (6) [Deleted by P.L. 2018, ch. 47, art. 3, § 7.]

31 (7) Office of state fleet operations (§ 42-11-2.4(d)).

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

33 (1) Exercise their respective powers and duties in accordance with their statutory

34 authority and the general policy established by the director of DCAMM or in accordance with the

1 powers and authorities conferred upon the director of DCAMM by this section;

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

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

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

9 SECTION 18. Section 42-13-2 of the General Laws in Chapter 42-13 entitled  
10 "Department of Transportation" is hereby amended to read as follows:

11 **42-13-2. Organization and functions of the department.**

12 (a) The department shall be organized in accordance with a project management-based  
13 program and shall utilize an asset management system.

14 (1) A project management-based program manages the delivery of the department's  
15 portfolio of transportation improvement projects from project conception to the project  
16 completion. Project management activities include:

17 (i) Managing and reporting on the delivery status of portfolio projects;

18 (ii) Developing overall workload and budget for the portfolio;

19 (iii) Developing and implementing the tools to estimate the resources necessary to deliver  
20 the projects; and

21 (iv) Developing and implementing processes and tools to improve the management of the  
22 projects.

23 (2) Asset management is the process used for managing transportation infrastructure by  
24 improving decision making for resource allocation. Asset management activities include a  
25 systemic process based on economic, engineering, and business principles which includes the  
26 following functions:

27 (i) Completing a comprehensive inventory of system assets;

28 (ii) Monitoring system performance; and

29 (iii) Performing analysis utilizing accurate data for managing various assets within the  
30 transportation network.

31 (b) The director of transportation shall appoint a chief operating officer to oversee the  
32 day-to-day operations of the department.

33 (c) The department shall be organized into such divisions as are described in this section  
34 and such other divisions, subdivisions, and agencies as the director shall find are necessary to

1 carry out the responsibilities of the department, including: division of finance; division of  
2 planning; division of project management; division of operations and maintenance; office of civil  
3 rights; office of safety; office of external affairs; office of legal; office of personnel; office of  
4 information services.

5 (d) The director may assign such other responsibilities as he or she shall find appropriate  
6 and may reassign functions other than as set out in this section if he or she finds the reassignment  
7 necessary to the proper and efficient functioning of the department or of the state's transportation  
8 system.

9 (e) The department shall submit a report annually no later than March 31 to the speaker  
10 of the house, the president of the senate, and the house and senate fiscal advisors concerning the  
11 status of the ten-year (10) transportation plan.

12 (f) Any functions, duties, and staff relating to the Rhode Island department of  
13 transportation's external audit section shall be transferred to the Rhode Island department of  
14 administration's office of internal audit [and program integrity](#), or its successor, upon passage  
15 [Feb. 11, 2016].

16 (1) The chief of the office of internal audit [and program integrity](#), or its successor, who  
17 shall be the administrative head of the office of internal audit [and program integrity](#), or its  
18 successor, shall supervise, coordinate, and/or conduct audits, civil and administrative  
19 investigations, and inspections or oversight reviews, when necessary, relating to programs and  
20 operations listed in § 42-13-2.

21 (2) The office of internal audit ~~s~~ [and program integrity's](#) (or its successor's) authorization  
22 shall include, but not be limited to, evaluating the efficiency of operations and internal controls,  
23 preventing and detecting fraud, waste, abuse or mismanagement in the expenditure of public  
24 funds, whether state, federal or those revenues collected by the use of tolls and related to any and  
25 all transportation-related programs and operations as well as the procurement of any supplies,  
26 services, or construction, by the department of transportation or related institutions of the  
27 department of transportation. Investigations may include the expenditures by nongovernmental  
28 agencies of federal, state, and local public funds. As deemed necessary or expedient by the office  
29 of internal audit [and program integrity](#), or its successor, audits may be made relative to the  
30 financial affairs or the economy and efficiency of management of the department of  
31 transportation or related institutions.

32 SECTION 19. Section 42-64-38 of the General Laws in Chapter 42-64 entitled "Rhode  
33 Island Commerce Corporation" is hereby amended to read as follows:

34 **42-64-38. Audit of the corporation.**

1 (a) Commencing July 1, 2014, and every five (5) years thereafter, the corporation shall be  
2 subject to a performance audit, conducted in compliance with the generally accepted governmental  
3 auditing standards, by the office of internal audit [and program integrity](#) or a certified public  
4 accounting firm qualified in performance audits.

5 (b) If the audit is not directly performed by his or her office, the selection of the auditor  
6 and the scope of the audit shall be subject to the approval of the chief of the office of internal audit  
7 [and program integrity](#).

8 (c) The audit shall be conducted in conformance with § 35-7-3(b) through (d) [repealed].

9 (d) The results of the audit shall be made public upon completion, posted on the websites  
10 of the office of internal audit [and program integrity](#) and the corporation.

11 (e) The corporation shall be responsible for all costs associated with the audit.

12 SECTION 20. Sections 42-140-3, 42-140-7 and 42-140-8 of the General Laws in Chapter  
13 42-140 entitled "Rhode Island Energy Resources Act" are hereby amended to read as follows:

14 **42-140-3. Purposes.**

15 The purposes of the office shall be to:

16 (1) Develop and put into effect plans and programs to promote, encourage, and assist the  
17 provision of energy resources for Rhode Island in a manner that enhances economic well-being,  
18 social equity, and environmental quality;

19 (2) Monitor, forecast, and report on energy use, energy prices, and energy demand and  
20 supply forecasts, and make findings and recommendations with regard to energy supply diversity,  
21 reliability, and procurement, including least-cost procurement;

22 (3) Develop and to put into effect plans and programs to promote, encourage and assist  
23 the efficient and productive use of energy resources in Rhode Island, and to coordinate energy  
24 programs for natural gas, electricity, and heating oil to maximize the aggregate benefits of  
25 conservation and efficiency of investments;

26 (4) Monitor and report technological developments that may result in new and/or  
27 improved sources of energy supply, increased energy efficiency, and reduced environmental  
28 impacts from energy supply, transmission, and distribution;

29 (5) Administer the programs, duties, and responsibilities heretofore exercised by the state  
30 energy office, except as these may be assigned by executive order or the general laws to other  
31 departments and agencies of state government;

32 (6) Develop, recommend and, as appropriate, implement integrated and/or comprehensive  
33 strategies, including at regional and federal levels, to secure Rhode Island's interest in energy  
34 resources, their supply and efficient use, and as necessary to interact with persons, private sector,

1 nonprofit, regional, federal entities and departments and agencies of other states to effectuate this  
2 purpose;

3 (7) Cooperate with agencies, departments, corporations, and entities of the state and of  
4 political subdivisions of the state in achieving its purposes;

5 (8) Cooperate with and assist the state planning council and the division of state planning  
6 in developing, maintaining, and implementing state guide plan elements pertaining to energy and  
7 renewable energy;

8 (9) Coordinate the energy efficiency, ~~renewable energy~~, least cost procurement, and  
9 systems reliability plans and programs with the energy efficiency resource management council;  
10 ~~and the renewable energy coordinating board;~~

11 (10) Participate in, monitor implementation of, and provide technical assistance for the  
12 low-income home energy assistance program enhancement plan established pursuant to § 39-1-  
13 27.12;

14 (11) Participate in and monitor the distributed generation standard contracts program  
15 pursuant to chapter 26.2 of title 39;

16 (12) Coordinate opportunities with and enter into contracts and/or agreements with the  
17 commerce corporation associated with the energy efficiency, least-cost procurement, system  
18 reliability, and renewable energy fund programs;

19 (13) Provide support and information to the division of planning and the state planning  
20 council in development of a ten-year (10) Rhode Island Energy Guide Plan, which shall be  
21 reviewed and amended if necessary every five (5) years;

22 ~~(14) Provide funding support if necessary to the renewable energy coordinating board  
23 and/or the advisory council to carry out the objectives pursuant to chapter 140.3 of this title  
24 [repealed];~~

25 ~~(15)~~ Advise and provide technical assistance to state and federally funded energy  
26 program to support:

27 (i) The federal low-income home energy assistance program which provides heating  
28 assistance to eligible low-income persons and any state funded or privately funded heating  
29 assistance program of a similar nature assigned to it for administration;

30 (ii) The weatherization assistance program which offers home weatherization grants and  
31 heating system upgrades to eligible persons of low-income;

32 (iii) The emergency fuel program which provides oil deliveries to families experiencing a  
33 heating emergency;

34 (iv) The energy conservation program, which offers service and programs to all sectors;

1 and

2 (v) [Deleted by P.L. 2008, ch. 228, § 2, and P.L. 2008, ch. 422, § 2.]

3 ~~(16)~~ (15) Advise the commerce corporation in the development of standards and rules for  
4 the solicitation and award of renewable energy program investment funds in accordance with §  
5 42-64-13.2;

6 ~~(17)~~ (16) Develop, recommend, and evaluate energy programs for state facilities and  
7 operations in order to achieve and demonstrate the benefits of energy-efficiency, diversification  
8 of energy supplies, energy conservation, and demand management; and

9 ~~(18)~~ (17) Advise the governor and the general assembly with regard to energy resources  
10 and all matters relevant to achieving the purposes of the office.

11 **42-140-7. Conduct of activities.**

12 ~~(a)~~ To the extent reasonable and practical, the conduct of activities under the provisions  
13 of this chapter shall be open and inclusive. ~~the commissioner and the council shall seek in~~  
14 ~~addressing the purposes of the office to involve the research and analytic capacities of institutions~~  
15 ~~of higher education within the state, industry, advocacy groups, and regional entities, and shall~~  
16 ~~seek input from stakeholders including, but not limited to, residential and commercial energy~~  
17 ~~users.~~

18 ~~(b)~~ ~~The commissioner shall transmit any unencumbered funds from the renewable energy~~  
19 ~~program under chapter 2 of title 39 to the commerce corporation to be administered in accordance~~  
20 ~~with the provisions of § 39-2-1.2.~~

21 **42-140-8. Annual report.**

22 The commissioner shall report annually, on or before ~~June 30~~ ~~March 1~~ of each year, to  
23 the governor, the president of the senate, and the speaker of the house with regard to the status of  
24 energy supplies, markets, and conditions, the effectiveness of energy programs, and the activities  
25 of the office. ~~including the council, and such other matters related to energy as the commissioner~~  
26 ~~or the council may deem appropriate.~~

27 SECTION 21. Section 42-155-7 of the General Laws in Chapter 42-155 entitled "Quasi-  
28 Public Corporations Accountability and Transparency Act" is hereby amended to read as follows:

29 **42-155-7. Audit of quasi-public corporations.**

30 (a) Commencing January 1, 2015, and every five (5) years thereafter, each quasi-public  
31 corporation shall be subject to a performance audit, conducted in compliance with the generally  
32 acceptable governmental auditing standards or the standards for the professional practice of  
33 internal auditing, by the chief of the office of internal audit and program integrity. The chief, in  
34 collaboration with the quasi-public corporation, shall determine the scope of the audit. To assist

1 in the performance of an audit, the chief, in collaboration with the quasi-public corporation, may  
2 procure the services of a certified public accounting firm, which shall be a subcontractor of the  
3 office of internal audit [and program integrity](#), and shall be under the direct supervision of the  
4 office of internal audit [and program integrity](#). The chief of the office of internal audit [and](#)  
5 [program integrity](#) shall establish a rotating schedule identifying the year in which each quasi-  
6 public corporation shall be audited. The schedule shall be posted on the website of the office of  
7 internal audit [and program integrity](#).

8 (b) The audit shall be conducted in conformance with chapter 7 of title 35 ("Post Audit of  
9 Accounts").

10 (c) Each quasi-public corporation shall be responsible for costs associated with its own  
11 audit. The chief and each quasi-public corporation shall agree upon reasonable costs for the audit,  
12 not to exceed seventy-five thousand dollars (\$75,000), that shall be remitted to the office of  
13 internal audit [and program integrity](#).

14 (d) The results of the audit shall be made public upon completion and posted on the  
15 websites of the office of internal audit [and program integrity](#) and the quasi-public corporation.

16 (e) For purposes of this section, a performance audit shall mean an independent  
17 examination of a program, function, operation, or the management systems and procedures of a  
18 governmental or nonprofit entity to assess whether the entity is achieving economy, efficiency,  
19 and effectiveness in the employment of all available resources.

20 SECTION 22. Section 42-157-6 of the General Laws in Chapter 42-157 entitled "Rhode  
21 Island Health Benefit Exchange" is hereby amended to read as follows:

22 **42-157-6. Audit.**

23 (a) Annually, the exchange shall cause to have a financial and/or performance audit of its  
24 functions and operations performed in compliance with the generally accepted governmental  
25 auditing standards and conducted by the state office of internal audit [and program integrity](#) or a  
26 certified public accounting firm qualified in performance audits.

27 (b) If the audit is not directly performed by the state office of internal audit [and program](#)  
28 [integrity](#), the selection of the auditor and the scope of the audit shall be subject to the approval of  
29 the state office of internal audit [and program integrity](#).

30 (c) The results of the audit shall be made public upon completion, posted on the  
31 department's website and otherwise made available for public inspection.

32 SECTION 23. The title of Chapter 42-165 of the General Laws entitled "Rhode Island  
33 Longitudinal Data Systems Act" is hereby amended to read as follows:

34 **CHAPTER 42-165**

CHAPTER 42-165

RHODE ISLAND INTEGRATED DATA SYSTEMS ACT

SECTION 24. Sections 42-165-1, 42-165-2, 42-165-3, 42-165-4, 42-165-5, 42-165-6, 42-165-7 of the General Laws in Chapter 42-165 entitled "Rhode Island Integrated Data Systems Act" are hereby amended to read as follows:

**42-165-1. Rhode Island longitudinal data system act.**

This chapter shall be known and may be cited as the "Rhode Island ~~Longitudinal~~ Integrated Data System Act."

**42-165-2. Findings.**

(a) Purpose. The Rhode Island ~~Longitudinal-Integrated~~ Data System (~~RILDS~~RIIDS) "DATA RI" is Rhode Island's statewide ~~longitudinal~~ integrated data system that integrates and links individual or unit-level data. The purpose of the ~~RILDS~~RIIDS is to connect federated data across sectors and over time to support research aligned with the state's priorities; inform policymaking and program evaluation; and improve the well-being of all Rhode Islanders.

(b) The general assembly finds and declares that:

(1) The state is committed to maintaining a longitudinal data system that the public, researchers, and policymakers can use to analyze and assess Rhode Islanders' aggregate progress from early learning programs through postsecondary education and into employment; and

(2) A national collaborative effort among federal and state policymakers, state officials, and national education organizations has defined the essential components of a statewide longitudinal data system; and

(3) The RI Longitudinal Data System (RILDS)~~DataHUB~~ is the state education and workforce longitudinal data system, aligned to the U.S. Department of Education's Statewide Longitudinal Data System (SLDS) grant program and the U.S. Department of Labor's Workforce Data Quality Initiative grant program.

(4) The Ecosystem is the state's health and human services integrated data system focused on improving the outcomes of these related programs and starting from the base of the Medicaid program.

(5) The Ecosystem, the RILDS and individual programs can be connected in a federated manner that enables programs to retain control of their data but also allows secure sharing of data when there is an approved data analysis project.

(6) Unified governance across the Ecosystem and RILDS will allow more efficient and secure operation of the state's data infrastructure.

1            [42-165-3. Definitions.](#)

2            For the purpose of this chapter, the following terms shall have the following meanings  
3 unless the context clearly requires otherwise:

4            (1) “Participating agency” means the Rhode Island department of education, the office of  
5 the postsecondary commissioner, the Rhode Island department of labor and training, [executive](#)  
6 [office of health and human services](#), and any agency that has executed a memorandum of  
7 understanding for recurring participation in the Rhode Island ~~longitudinal~~integrated data system.

8            (2) “Rhode Island Longitudinal Data System” (RILDS) formerly known as the RI  
9 DataHUB operated by DataSpark, is the current statewide longitudinal data system ~~and will~~  
10 ~~be~~located for budgetary purposes in the office of the postsecondary commissioner.

11            (3) [“The Ecosystem” is the executive office of health and human services integrated data](#)  
12 [system.](#) ~~“Rhode Island Longitudinal Data System Center” (Center) is comprised of the current~~  
13 ~~entity known as DataSpark and whatever other resources as necessary to accomplish the powers~~  
14 ~~and duties prescribed herein.~~

15            (4) “State and federal privacy laws” means all applicable state and federal privacy laws and  
16 accompanying regulations, including but not limited to the federal Family Educational Rights and  
17 Privacy Act and its accompanying regulations (“FERPA”), Health Insurance Portability and  
18 Accountability Act (“HIPAA”), R.I. Gen. Laws § 28-42-38, 20 C.F.R. § 603.1 et seq., and any  
19 other privacy measures that apply to the personally identifiable information that is used by the  
20 center and/or becomes part of the RILDS, [the Ecosystem or RIIDS](#) hereunder.

21            (5) ~~“Statewide Rhode Island~~ [integrated data system](#) ~~or “integrated data system”~~ or  
22 ~~“RIIDS”~~ means ~~an~~ [the state](#) individual-, family- or unit-level data system that links and integrates  
23 records from state datasets from all major education, economic, health, human service, labor, and  
24 public safety programs [including the RILDS, the Ecosystem and any other data repositories](#)  
25 [accepted by the RIIDS governing board.](#)

26            (6) “Statewide longitudinal data system” or “longitudinal data system” or “SLDS” means  
27 an individual- or unit-level data system that links and integrates records from state datasets  
28 including but not limited to early childhood and prekindergarten, through elementary, secondary,  
29 and postsecondary education, and into the workforce from participating agencies and entities.

30            [42-165-4. Creation.](#)

31            (a) The ~~RILDS-RIIDS~~ [“DATA RI”](#) is hereby established ~~within the office of the~~  
32 ~~postsecondary commissioner~~ and is granted and authorized to use all the powers set forth in this  
33 chapter.

34            (b) Functions. The ~~RILDS-RIIDS~~ [“DATA RI”](#) shall:

1 (1) Transmit, store, enable access to, permit the use, and dispose of linked data and  
2 information in accordance with the National Institute of Standards and Technology (NIST)  
3 Cybersecurity Framework and associated NIST 800-53 security controls commensurate with data  
4 sensitivity level and in accordance with all applicable state and privacy laws and state security  
5 policies;

6 (2) Serve as a central repository of the state’s inter-agency, longitudinal, linked and  
7 individual data;

8 (3) Enable the integration, linkage, and management of information;

9 (4) Report on and provide public access to aggregate data to, among other things, address  
10 inequities in access, opportunities, and outcomes and improve student and educator decision-  
11 making;

12 (5) Provide clarity to university and other researchers on the process to request data and  
13 what data is available to request; and

14 (6) Nothing in this chapter shall negate or otherwise adversely affect the validity and legal  
15 enforceability of any existing data sharing and/or research agreements executed between and  
16 among the state’s participating agencies and the state’s ~~statewide longitudinal data system~~ RILDS  
17 or Ecosystem.

#### 18 42-165-5. Governing board.

19 (a) Composition of board. The ~~RILDS~~ RIIDS “DATA RI” will be governed by the Rhode  
20 Island ~~longitudinal~~ Integrated data system governing board (the board).

21 (1) The board shall be composed of:

22 (i) The director of the department of administration or designee ~~who serves as one co-chair;~~

23 (ii) The directors of any participating agencies as described in § 42-165-3 and § 42-165-6,  
24 or their designee;

25 (iii) The director of the office of management and budget or designee;

26 (iv) The chief digital officer or designee;

27 (v) The director of the center, as set forth in § 42-165-7;

28 (vi) The secretary of health and human services or designee who serves as one co-chair;

29 and

30 (vii) The commissioner of postsecondary education or designee who serves as one co-chair.

31 (2) The board shall be overseen by two co-chairs. ~~As The~~ co-chairs, ~~the director of~~  
32 ~~administration or designee~~ shall be responsible for overseeing and directing the policy duties and  
33 responsibilities of the board. ~~The other co chair shall be the commissioner of postsecondary~~  
34 ~~education who shall be responsible for~~ and overseeing, supervising, and directing the operational

1 duties of the center and its personnel.

2 (b) Powers and duties. The board shall:

3 (1) In consultation with the center and Ecosystem, and in accordance with federal and state  
4 privacy law, approve policies regarding how data requests from state and local agencies, the Rhode  
5 Island general assembly, universities, third-party researchers, and the public will be managed;

6 (2) In consultation with the center and the Ecosystem, approve policies regarding the  
7 publishing of reports and other information that should be available to public stakeholders;

8 (3) Approve standards implemented by the center and Ecosystem for the security, privacy,  
9 access to, and confidentiality of data, including policies to comply with the Family Educational  
10 Rights and Privacy Act, Health Insurance Portability and Accountability Act, R.I. Gen. Laws § 28-  
11 42-38, 20 C.F.R. § 603.1 et seq., and any other privacy measures, as required by law, state policy,  
12 or the board;

13 (4) Perform other functions that are necessary to ensure the successful continuation,  
14 management, and expansion of the ~~RILDS~~RIIDS;

15 (5) Establish a data governance committee to work with the center and Ecosystem on an  
16 ongoing basis to among other responsibilities, approve data requests;

17 (6) Oversee and collaborate with the data governance committee, the Ecosystem and the  
18 center as set forth in § 42-165-7; ~~and~~

19 (7) Serve as the single governing board for the RILDS and the Ecosystem;

20 (8) Set the strategic direction for RIIDS to ensure it:

21 (i) Improves transparency and public accessibility of data, including increasing the  
22 availability of dashboards, plain language summaries; public data catalogs of research and reports;

23 (ii) Enhances data availability for internal state use, ensuring data is accessible to state  
24 analysts to conduct broad analysis of state programs, thereby improving the State's understanding  
25 of the operation and impact of its programs; and

26 (iii) improves data availability for external researchers. Data shall be made available to  
27 researchers to the greatest extent possible limited to allow evidence-based improvements to state  
28 programs; and

29 ~~(7) By November 1, 2023, provide a plan to the governor, the house, and the senate on how~~  
30 ~~to establish a statewide integrated data system. The plan should consider elements such as:~~

31 ~~(i) The role an IDS can play in improving the operation of programs; reducing fraud, waste,~~  
32 ~~and abuse; and establishing a state culture of program evaluation;~~

33 ~~(ii) Providing state agencies with evaluation services and providing state analysts access~~  
34 ~~to data based on their role;~~

- ~~(iii) Providing researchers with access to state data;~~
- ~~(iv) The importance of data privacy and security;~~
- ~~(v) The importance of public transparency and the role of the state transparency portal;~~
- ~~(vi) The creation of a state chief data officer;~~
- ~~(vii) Sustainable funding and governance for the IDS;~~
- ~~(viii) The role of data federation; and~~
- ~~(ix) The timeline for implementing the IDS.~~

(9) The center or the Ecosystem is considered to be an agent of the executive state agency sharing government information for a particular data project and is an authorized receiver of government information under the statutory or administrative law that governs the government information. Interagency data sharing under this chapter does not constitute a disclosure or release under any statutory or administrative law that governs the government information.

**42-165-6. Participating agencies.**

(a) Participating agencies shall transfer data, as applicable, to the RILDS in accordance with the data security policies as approved by the board, and pursuant to the requirements of state and federal privacy laws and policies.

(b) Any agencies providing data on a recurring basis to the RILDS shall provide a representative to the board and be governed in the same manner as the initial agencies and entities and shall be subject to applicable board policies.

(c) All Rhode Island state agencies shall:

(1) Participate in the RIIDS to the extent practical;

(2) Identify datasets of greatest value for policy analysis efforts and investigate the feasibility of making them available for the federated data system and other internal policy analysis efforts; and

(3) Share data to the greatest extent possible as practical and permissible under law.

**42-165-7. The Rhode Island longitudinal data system center.**

(a) Purpose. The purpose of the center is to manage and operate the RILDS and conduct research and evaluate programs regarding federal, state, and local programs and policies. The center shall be managed by an executive director (hereafter the “director”) responsible for the daily management and operations of the center. The director will also be responsible for interfacing and collaborating between the board and the data governance committee, as well as external communications and agreements. The director shall be a non-classified employee of the council on postsecondary education under the supervision of and subject to the authority of the commissioner of postsecondary education.

1 (b) Powers and duties. The duties of the center shall be to:

2 (1) Act as an authorized representative, research partner, and business associate of the  
3 state's agencies, including those responsible for education and workforce, under and in accordance  
4 with the requirements of applicable federal and state statutes and/or state and federal privacy laws  
5 and state security policies;

6 (2) Enter into memoranda of understanding with state agencies, nonprofits, universities,  
7 subnational governments, and other entities for the purposes of data sharing and analysis;

8 (3) Coordinate with participating agencies and other entities to ensure the integrity and  
9 quality of data being collected, including implementing the data quality and metadata policies  
10 approved by the board;

11 (4) Advance research and allow policymakers to explore critical research policy questions  
12 and to measure investments in education and workforce development;

13 (5) In consultation with the board, identify the state's critical research and policy questions;

14 (6) Provide analysis and reports that assist with evaluating programs and measuring  
15 investments, subject to the policies approved by the board;

16 (7) Implement policies and procedures approved by the board that govern the security,  
17 privacy, access to, and confidentiality of the data, in accordance with relevant federal and state  
18 privacy laws;

19 (8) Ensure that information contained in and available through the RILDS is kept secure,  
20 and that individual privacy is protected, and maintain insurance coverage;

21 (9) Respond to approved research data requests in accordance with the policies and  
22 procedures approved by the board;

23 (10) Enter into contracts or other agreements with appropriate entities, including but not  
24 limited to universities, and federal, state, and local agencies, to the extent necessary to carry out its  
25 duties and responsibilities only if such contracts or agreements incorporate adequate protections  
26 with respect to the privacy and security of any information to be shared, and are approved, in  
27 writing, by the applicable agency whose data or information is to be shared, and are allowable  
28 under applicable state and federal privacy laws; and

29 (11) Maintain staff necessary to carry out the above duties as provided for in the state  
30 budget. Staff at the center shall be non-classified employees of the council on postsecondary  
31 education, under the supervision of and subject to the authority of the commissioner of  
32 postsecondary education. The non-SLDS activity of the center shall also be under the supervision  
33 and authority of the commissioner of postsecondary education and the council on postsecondary  
34 education. The council on postsecondary education, its office of the postsecondary commissioner,

1 and its employees shall be included under the limitation of damages for tort liability for the State  
2 set out in § 9-31-1 et seq., for all actions involving the center regarding the RILDS and/or SLDS  
3 and for any other activity of the center regarding its receipt, storage, sharing, and transmission of  
4 data as part of its non-SLDS operations and activities.

5 (12) The council on postsecondary education shall be the employer of public record for the  
6 Center.

7 (c) Funding. Appropriations made pursuant to this chapter shall be used exclusively for the  
8 development and operation of RILDS, [RIIDS or the Ecosystem](#).

9 (1) The board and the center may implement a data request fee policy to compensate for  
10 excessive use of the data system, to recover costs that would otherwise typically be borne by the  
11 requesting data researcher, or both. A data request fee policy implemented pursuant to this section  
12 shall be reviewed and approved by the board, revised periodically, and made publicly available and  
13 posted in a prominent location on the ~~RILDS's~~ [RIIDS's](#) internet website.

14 (2) The center may receive funding for its operation of the RILDS from the following  
15 sources:

16 (i) State appropriations;

17 (ii) Federal grants;

18 (iii) User fees; and

19 (iv) Any other grants or contributions from public agencies or other entities.

20 (3) There is hereby established a restricted receipt account in the general fund of the state  
21 and housed in the budget of the office of postsecondary commissioner entitled "longitudinal data  
22 system — non-federal grants." The express purpose of this account is to record receipts and  
23 expenditures of the program herein described and established within this chapter.

24 SECTION 25. Section 44-1-14 of the General Laws in Chapter 44-1 entitled "State Tax  
25 Officials" is hereby amended to read as follows:

26 **44-1-14. Disclosure of information to tax officials of federal government or other  
27 states, or to other persons.**

28 Notwithstanding any other provision of law:

29 (1) The tax administrator may make available: (i) To the taxing officials of any other states  
30 or of the federal government for tax purposes only, any information that the administrator may  
31 consider proper contained in tax reports or returns or any audit or the report of any investigation  
32 made with respect to them, filed pursuant to the tax laws of this state; provided, that other states or  
33 the federal government grant like privileges to the taxing officials of this state; and/or (ii) To an  
34 officer or employee of the office of internal audit [and program integrity](#) of the Rhode Island

1 department of administration, any information that the administrator may consider proper contained  
2 in tax reports or returns or any audit or the report of any investigation made with respect to them,  
3 filed pursuant to the tax laws of this state, to whom disclosure is necessary for the purposes of fraud  
4 detection and prevention in any state or federal program.

5 (2) The tax administrator shall not permit any federal return or federal return information  
6 to be inspected by, or disclosed to, an individual who is the chief executive officer of the state or  
7 any person other than:

8 (i) To another employee of the tax division for the purpose of, and only to the extent  
9 necessary in, the administration of the state tax laws for which the tax division is responsible;

10 (ii) To another officer or employee of the state to whom the disclosure is necessary in  
11 connection with processing, storage, and transmission of those returns and return information and  
12 solely for purposes of state tax administration;

13 (iii) To another person for the purpose of, but only to the extent necessary in, the  
14 programming, maintenance, repair, testing, and procurement of equipment used in processing or  
15 transmission of those returns and return information; or

16 (iv) To a legal representative of the tax division, personally and directly engaged in, and  
17 solely for use in, preparation for a civil or criminal proceeding (or investigation which may result  
18 in a proceeding) before a state administrative body, grand jury, or court in a matter involving state  
19 tax administration, but only if:

20 (A) The taxpayer is or may be a party to the proceeding;

21 (B) The treatment of an item reflected on the return is or may be related to the resolution  
22 of an issue in the proceeding or investigation; or

23 (C) The return or return information relates, or may relate, to a transactional relationship  
24 between a person who is or may be a party to the proceeding and the taxpayer that affects or may  
25 affect the resolution of an issue in a proceeding or investigation.

26 SECTION 26. This article shall take effect upon passage, except Section 6 and Section 14,  
27 which shall take effect on January 1, 2026.

1 **ARTICLE 4**

2 **RELATING TO DEBT MANAGEMENT ACT CONCURRENT RESOLUTION**

3 SECTION 1. This article shall serve as the concurrent resolution of approval required  
4 pursuant to Rhode Island General Law § 35-18-1, *et seq.* for the financing of the below described  
5 projects.

6 SECTION 2. Section 3, Article 4 of Chapter 162 of the 2021 Public Laws is hereby  
7 amended to read as follows:

8 Section 3. University of Rhode Island – Combined Health & Counseling Center – Auxiliary  
9 Enterprise

10 WHEREAS, The University of Rhode Island board of trustees and the university have a  
11 long-standing commitment to the health and wellness of their students; and

12 WHEREAS, The university has a desire to create a one-stop center to address the physical,  
13 emotional, and mental health of its students; and

14 WHEREAS, The University of Rhode Island board of trustees and the University of Rhode  
15 Island are proposing a project which involves the construction of a new Combined Health &  
16 Counseling Center to meet the ongoing and growing health needs of their students; and

17 WHEREAS, The university engaged a qualified architectural firm, which has completed  
18 ~~an advanced planning study~~ schematic design for this new building; and

19 WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the  
20 general assembly to provide its consent to the issuance or incurring by the state of Rhode Island  
21 and other public agencies of certain obligations including financing guarantees or other agreements;  
22 and

23 WHEREAS, The design and construction associated with this work of an auxiliary  
24 enterprise building will be financed through the Rhode Island health and educational building  
25 corporation (~~RIHEBC~~) revenue bonds, with an expected term of thirty (30) years; and

26 WHEREAS, The total project costs associated with completion of the project through the  
27 proposed financing method is ~~twenty-nine million dollars (\$29,000,000)~~ thirty-three million six  
28 hundred thousand dollars (\$33,600,000), including the cost of issuance. Debt service payments  
29 would be supported by revenues derived from student fees associated with the respective auxiliary  
30 enterprises of the University of Rhode Island occupying said facility. Total debt service on the  
31 bonds is not expected to exceed ~~sixty-three million three hundred thousand dollars (\$63,300,000)~~  
32 seventy-eight million dollars (\$78,000,000) in the aggregate based on an average interest rate of  
33 six and one half (6.5%) percent; now, therefore be it

34 RESOLVED, That this general assembly hereby approves financing in an amount not to  
35 exceed ~~twenty-nine million dollars (\$29,000,000)~~ thirty-three million six hundred thousand dollars  
36 (\$33,600,000) for the combined health & counseling center project for the auxiliary enterprise

1 building on the University of Rhode Island campus; and be it further

2 RESOLVED, That, this concurrent ~~joint~~ resolution shall take effect upon passage.

3 SECTION 3. Section 2, Article 4 of Chapter 162 of the 2021 Public Laws is hereby  
4 amended to read as follows:

5 Section 2. University of Rhode Island – Memorial Union – Auxiliary Enterprise

6 WHEREAS, The University of Rhode Island board of trustees and the university have a  
7 long-standing commitment to the overall development of their students; and

8 WHEREAS, The university believes that the memorial union celebrates life at URI and  
9 acts as the nexus for campus community, student engagement, and leadership. It is an intersection  
10 connecting the academic core of campus and the campus's socially active residential community.  
11 The student union at the university is an integral part of the educational ecosystem that shapes the  
12 student experience; and

13 WHEREAS, The University of Rhode Island board of trustees and the University of Rhode  
14 Island are proposing a project that involves the renovation and expansion of the memorial union to  
15 meet the ongoing and growing needs of their students; and

16 WHEREAS, The university engaged a qualified architectural firm, which has completed  
17 an advanced planning study for this renovation; and

18 WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the  
19 general assembly to provide its consent to the issuance or incurring by the state of Rhode Island  
20 and other public agencies of certain obligations including financing guarantees or other agreements;  
21 and

22 WHEREAS, The design and construction associated with this work of an auxiliary  
23 enterprise building will be financed through the Rhode Island health and educational building  
24 corporation (~~RIHEBC~~) revenue bonds, with an expected term of thirty (30) years; and

25 WHEREAS, The total project costs associated with completion of the project through the  
26 proposed financing method is ~~fifty-seven million six hundred thousand dollars (\$57,600,000)~~, one  
27 hundred eighteen million dollars (\$118,000,000), including the cost of issuance. Debt service  
28 payments would be supported by revenues derived from student fees and retail lease payments  
29 associated with the respective auxiliary enterprises of the University of Rhode Island occupying  
30 said facility. Total debt service on the bonds is not expected to exceed ~~one hundred twenty five~~  
31 ~~million six hundred thousand dollars (\$125,600,000)~~ two hundred seventy-two million  
32 (\$272,000,000) in the aggregate based on an average interest rate of six and one half (6.5%) percent;  
33 now, therefore be it

34 RESOLVED, That this General Assembly hereby approves financing in an amount not to

1 exceed is ~~fifty seven million six hundred thousand dollars (\$57,600,000)~~ one hundred eighteen  
2 million dollars (\$118,000,000) for the Memorial Union project for the auxiliary enterprise building  
3 on the University of Rhode Island campus; and be it further

4 RESOLVED, That this concurrent ~~joint~~ resolution shall take effect upon passage.

5 SECTION 4. This article shall take effect upon passage.

1 **ARTICLE 5**

2 **RELATING TO TAXES AND FEES**

3 SECTION 1. Sections 28-43-8.1 and 28-43-29 of the General Laws in Chapter 28-43  
4 entitled "Employment Security – Contributions" are hereby amended to read as follows:

5 **28-43-8.1. Time and manner of payment of employer contributions.**

6 Contributions and assessments required under this chapter for each year shall be paid by  
7 each employer in the manner and at the times that the director may prescribe.

8 **28-43-29. Liability for contributions and election of reimbursement.**

9 (a) Any nonprofit organization or governmental entity that is or becomes subject  
10 to chapters 42 – 44 of this title on or after January 1, 1978, shall pay contributions under the  
11 provisions of chapters 42 – 44 of this title, unless it elects, in accordance with this section, to pay  
12 to the director for the employment security fund the full amount of regular benefits paid plus the  
13 full amount of the extended benefits paid, less any federal payments to the state under § 204 of the  
14 Federal-State Extended Unemployment Compensation Act of 1970, that are attributable to service  
15 in the employ of that nonprofit organization or governmental entity to individuals for weeks of  
16 unemployment that begin during the effective period of that election; provided, that for weeks of  
17 unemployment beginning on or after January 1, 1979, governmental entities that have elected  
18 reimbursement shall be responsible for reimbursing the employment security fund for the full  
19 amount of extended benefits paid that is attributable to service in the employ of those entities.

20 (b) Any nonprofit organization or governmental entity that is or becomes subject to  
21 chapters 42 – 44 of this title on January 1, 1978, may elect to become liable for payments in lieu of  
22 contributions for a period of not less than the 1978 tax year and the next ensuing tax year provided  
23 it files with the director a written notice of its election within the thirty-day (30) period immediately  
24 following January 1, 1978.

25 (c) Any nonprofit organization or governmental entity that becomes subject to chapters 42  
26 – 44 of this title after January 1, 1978, may elect to become liable for payments in lieu of  
27 contributions for a period of not less than the balance of the tax year beginning with the date on  
28 which that subjectivity begins and the next ensuing tax year by filing a written notice of its election  
29 with the director not later than thirty (30) days immediately following the date of the determination  
30 of that subjectivity.

31 (d) Any nonprofit organization or governmental entity that makes an election in accordance  
32 with subsection (b) or (c) of this section will continue to be liable for payments in lieu of  
33 contributions until it files with the director a written notice terminating its election not later than  
34 thirty (30) days prior to the beginning of the tax year for which that termination shall first be

1 effective. The nonprofit organization or governmental entity shall thereafter be liable for the  
2 payment of contributions for not less than that tax year and the next ensuing tax year before another  
3 election can be exercised.

4 (e) Any nonprofit organization or governmental entity that has been paying contributions  
5 under chapters 42 – 44 of this title for a period subsequent to January 1, 1978, may change to a  
6 reimbursable basis by filing with the director not later than thirty (30) days prior to the beginning  
7 of any tax year a written notice of election to become liable for payments in lieu of contributions.  
8 That election shall not be terminable by the organization or entity for that tax year and for the next  
9 ensuing tax year.

10 (f) The director may for good cause extend the period within which a notice of election, or  
11 a notice of termination, must be filed and may permit an election to be retroactive but not any earlier  
12 than with respect to benefits paid on or after January 1, 1978.

13 (g) The director, in accordance with any procedures that he or she may prescribe, shall  
14 notify each nonprofit organization or governmental entity of any determination that may be made  
15 of its status as an employer and of the effective date of any election that it makes and of any  
16 termination of that election. Any determination shall be conclusive on the organization or the entity  
17 unless within fifteen (15) days after notice of the determination has been mailed or otherwise  
18 delivered to it, an appeal is made to the board of review in writing in accordance with the provisions  
19 of § 28-43-14.

20 (h) Notwithstanding the foregoing, any nonprofit organization, not including governmental  
21 entities, employing not less than five hundred (500) employees shall be subject to the job  
22 development assessment as prescribed in § 28-43-8.5. The director is authorized to promulgate  
23 regulations to administer this assessment.

24 SECTION 2. Section 31-2-27 of the General Laws in Chapter 31-2 entitled “Division of  
25 Motor Vehicles” is hereby amended to read as follows:

26 **31-2-27. Technology surcharge fee.**

27 (a) The division of motor vehicles shall collect a technology surcharge fee of ~~two dollars~~  
28 ~~and fifty cents (\$2.50)~~ three dollars and fifty cents (\$3.50) per transaction for every division of  
29 motor vehicles’ fee transaction, except as otherwise provided by law and provided no surcharge  
30 fee is assessed on motor vehicle inspection transactions conducted pursuant to § 31-38-4. ~~One~~  
31 ~~dollar and fifty cents (\$1.50) of each two dollars and fifty cents (\$2.50) collected pursuant to this~~  
32 ~~section shall be deposited into the information technology investment fund established pursuant to~~  
33 ~~§ 42-11-2.5 and shall be used for project related payments and/or ongoing maintenance of and~~  
34 ~~enhancements to the division of motor vehicles’ computer system and to reimburse the information~~

1 ~~technology investment fund for advances made to cover project-related payments. The remaining~~  
2 ~~one dollar (\$1.00)~~ All technology surcharge fees collected pursuant to this section shall be  
3 deposited into a restricted-receipt account managed by the division of motor vehicles and restricted  
4 to the project-related payments and/or ongoing maintenance of and enhancements to the division  
5 of motor vehicles' computer system.

6 (b) [Deleted by P.L. 2019, ch. 88, art. 7, § 1].

7 ~~(c) Beginning July 1, 2022, the full two dollars and fifty cents (\$2.50) shall be deposited~~  
8 ~~into the division of motor vehicles restricted account and restricted to the project-related payments~~  
9 ~~and/or ongoing maintenance of and enhancements to the division of motor vehicles' computer~~  
10 ~~system.~~

11 SECTION 3. Section 31-6-1 of the General Laws in Chapter 31-6 entitled "Registration  
12 Fees" is hereby amended to read as follows:

13 **31-6-1. Amount of registration and miscellaneous fees.**

14 The following registration fees shall be paid to the division of motor vehicles for the  
15 registration of motor vehicles, trailers, semi-trailers, and school buses subject to registration for  
16 each year of registration:

17 (1) For the registration of every automobile, when equipped with pneumatic tires, the gross  
18 weight of which is not more than four thousand pounds (4,000 lbs.): thirty dollars (\$30.00).

19 (2) For the registration of every motor truck or tractor when equipped with pneumatic tires,  
20 the gross weight of which is not more than four thousand pounds (4,000 lbs.): thirty-four dollars  
21 (\$34.00).

22 (3) For the registration of every automobile, motor truck or tractor, when equipped with  
23 pneumatic tires, the gross weight of which is:

24 (i) More than four thousand pounds (4,000 lbs.), but not more than five thousand pounds  
25 (5,000 lbs.): forty dollars (\$40.00);

26 (ii) More than five thousand pounds (5,000 lbs.), but not more than six thousand pounds  
27 (6,000 lbs.): forty-eight dollars (\$48.00);

28 (iii) More than six thousand pounds (6,000 lbs.), but not more than seven thousand pounds  
29 (7,000 lbs.): fifty-six dollars (\$56.00);

30 (iv) More than seven thousand pounds (7,000 lbs.), but not more than eight thousand  
31 pounds (8,000 lbs.): sixty-four dollars (\$64.00);

32 (v) More than eight thousand pounds (8,000 lbs.), but not more than nine thousand pounds  
33 (9,000 lbs.): seventy dollars (\$70.00);

34 (vi) More than nine thousand pounds (9,000 lbs.), but not more than ten thousand pounds

- 1 (10,000 lbs.): seventy-eight dollars (\$78.00);
- 2 (vii) More than ten thousand pounds (10,000 lbs.), but not more than twelve thousand  
3 pounds (12,000 lbs.): one hundred six dollars (\$106);
- 4 (viii) More than twelve thousand pounds (12,000 lbs.), but not more than fourteen thousand  
5 pounds (14,000 lbs.): one hundred twenty-four dollars (\$124);
- 6 (ix) More than fourteen thousand pounds (14,000 lbs.), but not more than sixteen thousand  
7 pounds (16,000 lbs.): one hundred forty dollars (\$140);
- 8 (x) More than sixteen thousand pounds (16,000 lbs.), but not more than eighteen thousand  
9 pounds (18,000 lbs.): one hundred fifty-eight dollars (\$158);
- 10 (xi) More than eighteen thousand pounds (18,000 lbs.), but not more than twenty thousand  
11 pounds (20,000 lbs.): one hundred seventy-six dollars (\$176);
- 12 (xii) More than twenty thousand pounds (20,000 lbs.), but not more than twenty-two  
13 thousand pounds (22,000 lbs.): one hundred ninety-four dollars (\$194);
- 14 (xiii) More than twenty-two thousand pounds (22,000 lbs.), but not more than twenty-four  
15 thousand pounds (24,000 lbs.): two hundred ten dollars (\$210);
- 16 (xiv) More than twenty-four thousand pounds (24,000 lbs.), but not more than twenty-six  
17 thousand pounds (26,000 lbs.): two hundred thirty dollars (\$230);
- 18 (xv) More than twenty-six thousand pounds (26,000 lbs.), but not more than twenty-eight  
19 thousand pounds (28,000 lbs.): two hundred ninety-six dollars (\$296);
- 20 (xvi) More than twenty-eight thousand pounds (28,000 lbs.), but not more than thirty  
21 thousand pounds (30,000 lbs.): three hundred sixteen dollars (\$316);
- 22 (xvii) More than thirty thousand pounds (30,000 lbs.), but not more than thirty-two  
23 thousand pounds (32,000 lbs.): four hundred and twenty-two dollars (\$422);
- 24 (xviii) More than thirty-two thousand pounds (32,000 lbs.), but not more than thirty-four  
25 thousand pounds (34,000 lbs.): four hundred and forty-eight dollars (\$448);
- 26 (xix) More than thirty-four thousand pounds (34,000 lbs.), but not more than thirty-six  
27 thousand pounds (36,000 lbs.): four hundred and seventy-six dollars (\$476);
- 28 (xx) More than thirty-six thousand pounds (36,000 lbs.), but not more than thirty-eight  
29 thousand pounds (38,000 lbs.): five hundred and two dollars (\$502);
- 30 (xxi) More than thirty-eight thousand pounds (38,000 lbs.), but not more than forty  
31 thousand pounds (40,000 lbs.): five hundred and twenty-eight dollars (\$528);
- 32 (xxii) More than forty thousand pounds (40,000 lbs.), but not more than forty-two thousand  
33 pounds (42,000 lbs.): five hundred and fifty-four dollars (\$554);
- 34 (xxiii) More than forty-two thousand pounds (42,000 lbs.), but not more than forty-six

1 thousand pounds (46,000 lbs.): six hundred and eight dollars (\$608);

2 (xxiv) More than forty-six thousand pounds (46,000 lbs.), but not more than fifty thousand  
3 pounds (50,000 lbs.): six hundred and sixty dollars (\$660);

4 (xxv) More than fifty thousand pounds (50,000 lbs.), but not more than fifty-four thousand  
5 pounds (54,000 lbs.): seven hundred and twelve dollars (\$712);

6 (xxvi) More than fifty-four thousand pounds (54,000 lbs.), but not more than fifty-eight  
7 thousand pounds (58,000 lbs.): seven hundred and sixty-eight dollars (\$768);

8 (xxvii) More than fifty-eight thousand pounds (58,000 lbs.), but not more than sixty-two  
9 thousand pounds (62,000 lbs.): eight hundred and sixteen dollars (\$816);

10 (xxviii) More than sixty-two thousand pounds (62,000 lbs.), but not more than sixty-six  
11 thousand pounds (66,000 lbs.): eight hundred and seventy-six dollars (\$876);

12 (xxix) More than sixty-six thousand pounds (66,000 lbs.), but not more than seventy  
13 thousand pounds (70,000 lbs.): nine hundred and twenty-four dollars (\$924);

14 (xxx) More than seventy thousand pounds (70,000 lbs.), but not more than seventy-four  
15 thousand pounds (74,000 lbs.): nine hundred and seventy-two dollars (\$972);

16 (xxxi) Over seventy-four thousand pounds (74,000 lbs.): nine hundred and seventy-two  
17 dollars (\$972), plus twenty-four dollars (\$24.00) per two thousand pounds (2,000 lbs.) gross  
18 weight.

19 (4) For the registration of every semi-trailer to be used with a truck-tractor, as defined in §  
20 31-1-4(f), shall be as follows: an annual fee of twelve dollars (\$12.00) for a one-year registration;  
21 for multi-year registrations the fee of fifty dollars (\$50.00) for a five-year (5) registration; and  
22 eighty dollars (\$80.00) for an eight-year (8) registration. However, when in use, the weight of the  
23 resulting semi-trailer unit and its maximum carrying capacity shall not exceed the gross weight of  
24 the original semi-trailer unit from which the gross weight of the tractor was determined. A  
25 registration certificate and registration plate shall be issued for each semi-trailer so registered.  
26 There shall be no refund of payment of such fee, except that when a plate is returned prior to ninety  
27 (90) days before the effective date of that year's registration, the pro rate amount, based on the  
28 unused portion of the multi-year registration plate period at time of surrender, shall be refunded. A  
29 multi-year semi-trailer registration may be transferred to another semi-trailer subject to the  
30 provisions and fee set forth in § 31-6-11. Thirty percent (30%) of the semi-trailer registration fee  
31 shall be retained by the division of motor vehicles to defray the costs of implementation of the  
32 international registration plan (IRP) and fleet registration section.

33 (5) For the registration of every automobile, motor truck, or tractor, when equipped with  
34 other than pneumatic tires, there shall be added to the above gross weight fees a charge of ten cents

1 (10¢) for each one hundred pounds (100 lbs.) of gross weight.

2 (6) For the registration of every public bus, the rates provided for motor vehicles for hire  
3 plus two dollars (\$2.00) for each passenger that bus is rated to carry, the rating to be determined by  
4 the administrator of the division of motor vehicles.

5 (7) For the registration of every motorcycle, or motor-driven cycle, thirteen dollars  
6 (\$13.00). Three dollars (\$3.00) from that sum shall be turned over to the department of education  
7 to assist in the payment of the cost of the motorcycle driver's education program as enumerated in  
8 § 31-10.1-1.1.

9 (8) For the registration of every trailer, not including semi-trailers used with a truck-tractor  
10 as defined in § 31-1-4(d), with a gross weight of three thousand pounds (3,000 lbs.) or less, five  
11 dollars (\$5.00). Trailers with a gross weight of more than three thousand pounds (3,000 lbs.) shall  
12 be assessed a registration fee of one dollar and fifty cents (\$1.50) per thousand pounds (1,000 lbs.).

13 (9) The annual registration fee for a motor vehicle, commonly described as a boxcar and/or  
14 locomotive, and used only by La Societe Des 40 Hommes et 8 Chevaux for civic demonstration,  
15 parades, convention purposes, or social welfare work, shall be two dollars (\$2.00).

16 (10) For the registration of every motor vehicle, trailer, or semi-trailer owned by any  
17 department or agency of any city or town or district, provided the name of the city or town or  
18 district or state department or agency owning the same shall be plainly printed on two (2) sides of  
19 the vehicle, two dollars (\$2.00).

20 (11) For the registration of motor vehicles used for racing, fifteen dollars (\$15.00).

21 (12) For every duplicate registration certificate, seventeen dollars (\$17.00).

22 (13) For every certified copy of a registration certificate or application, ten dollars (\$10.00).

23 (14) For every certificate assigning a special identification number or mark as provided in  
24 § 31-3-37, one dollar (\$1.00).

25 (15) For every replacement of number plates or additional pair of number plates, without  
26 changing the number, thirty dollars (\$30.00).

27 (16) For the registration of every farm vehicle, used in farming as provided in § 31-3-31:  
28 ten dollars (\$10.00).

29 (17) For the registration of antique motor vehicles, five dollars (\$5.00).

30 (18) For the registration of a suburban vehicle, when used as a pleasure vehicle and the  
31 gross weight of which is not more than four thousand pounds (4,000 lbs.), the same rates as charged  
32 in subsection (1) of this section shall be applicable and when used as a commercial vehicle and the  
33 gross weight of which is not more than four thousand pounds (4,000 lbs.), the same rates as  
34 provided in subsection (2) of this section shall be applicable. The rates in subsection (3) of this

1 section shall be applicable when the suburban vehicle has a gross weight of more than four thousand  
2 pounds (4,000 lbs.), regardless of the use of the vehicle.

3 (19) For the registration of every motor bus that is used exclusively under contract with a  
4 political subdivision or school district of the state for the transportation of school children, twenty-  
5 five dollars (\$25); provided that the motor bus may also be used for the transportation of persons  
6 to and from church and Sunday school services, and for the transportation of children to and from  
7 educational or recreational projects sponsored by a city or town or by any association or  
8 organization supported wholly or in part by public or private donations for charitable purposes,  
9 without the payment of additional registration fee.

10 (20) For the registration of every motorized bicycle, ten dollars (\$10.00).

11 (21) For the registration of every motorized tricycle, ten dollars (\$10.00).

12 (22) For the replacement of number plates with a number change, twenty dollars (\$20.00).

13 (23) For the initial issuance and each reissuance of fully reflective plates, as required by §§  
14 31-3-10, 31-3-32, and 31-3-33, an additional eight dollars (\$8.00); provided, however, for the initial  
15 issuance of new license plates as required by § 31-3-33(c) that feature the 2022 approved design,  
16 the fee shall be waived when the plate is issued for a vehicle with an existing registration.

17 (24) For the issuance of a trip permit under the International Registration Plan, twenty-five  
18 dollars (\$25.00) per vehicle. The division of motor vehicles is authorized to issue seventy-two-hour  
19 (72) trip permits for vehicles required to be registered in the International Registration Plan that  
20 have not been apportioned with the state of Rhode Island.

21 (25) For the issuance of a hunter's permit under the International Registration Plan, twenty-  
22 five dollars (\$25.00) per vehicle. The division of motor vehicles is authorized to issue hunter's  
23 permits for motor vehicles based in the state of Rhode Island and otherwise required to be registered  
24 in the International Registration Plan. These permits are valid for thirty (30) days.

25 (26) For the registration of a specially adapted motor vehicle necessary to transport a family  
26 member with a disability for personal, noncommercial use, a fee of thirty dollars (\$30.00) assessed.

27 (27) (i) For the registration of every automobile, motor truck, or tractor, there shall be  
28 added to the above gross weight fees:

29 (A) a fee of one hundred fifty dollars (\$150.00) for each battery electric vehicle; and

30 (B) a fee of seventy-five dollars (\$75.00) for each plug-in hybrid electric vehicle.

31 (C) Beginning July 1, 2027, and every other year thereafter, each of these fees stated in  
32 subdivisions (i)(A) and (B) of this subsection shall be adjusted by the same percentage the gasoline  
33 tax is adjusted pursuant to § 31-36-7; said adjustment shall be rounded to the nearest one-dollar  
34 (\$1.00) increment, provided that each total fee shall not be less than provided for in subdivisions

1 (i)(A) or (B) of this subsection, respectively.

2 (ii) For purposes of this subsection, the following definitions shall apply:

3 (A) “Battery Electric Vehicle” means a motor vehicle which operates solely by use of a  
4 battery or battery pack. The term includes a motor vehicle which is powered mainly through the  
5 use of an electric battery or battery pack but which uses a flywheel that stores energy produced by  
6 the electric motor or through regenerative braking to assist in operation of the motor vehicle.

7 (B) “Plug-in Hybrid Electric Vehicle” means a motor vehicle that can deliver power to the  
8 drive wheels solely by a battery-powered electric motor but which also incorporates the use of  
9 another fuel to power a combustion engine. The battery of the vehicle must be capable of receiving  
10 energy from an external source, such as an outlet or charging station.

11 SECTION 4. Sections 42-63.1-2 and 42-63.1-3 of the General Laws in Chapter 42-63.1  
12 entitled “Tourism and Development” is hereby amended to read as follows:

13 **42-63.1-2. Definitions. [Effective January 30, 2025.]**

14 For the purposes of this chapter:

15 (1) “Consideration” means the monetary charge for the use of space devoted to transient  
16 lodging accommodations.

17 (2) “Corporation” means the Rhode Island commerce corporation.

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

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

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

33 (6) “Occupancy” means a person, firm, or corporation’s use of space for transient lodging  
34 accommodations not to exceed thirty (30) days. Excluded from “occupancy” is the use of space for

1 which the occupant has a written lease for the space, which lease covers a rental period of twelve  
2 (12) months or more. Furthermore, any house, condominium, or other residential dwelling rented,  
3 for which the occupant has a documented arrangement for the space covering a rental period of  
4 more than thirty (30) consecutive days or for one calendar month is excluded from the definition  
5 of occupancy.

6 (7) "Owner" means any person who owns real property and is the owner of record. Owner  
7 shall also include a lessee where the lessee is offering a residential unit for "tourist or transient"  
8 use.

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

13 (9) "Tax" means the hotel tax [and whole home short-term rental tax](#) imposed by § 44-18-  
14 36.1(a) [and \(d\)](#).

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

21 (11) "Tour operator" means a person that derives a majority of their or its revenue by  
22 providing tour operator packages.

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

25 **[42-63.1-3. Distribution of tax.](#)**

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

30 (1) Forty-seven percent (47%) of the tax generated by the hotels in the district, except as  
31 otherwise provided in this chapter, shall be given to the regional tourism district wherein the hotel  
32 is located; provided, however, that from the tax generated by the hotels in the city of Warwick,  
33 thirty-one percent (31%) of the tax shall be given to the Warwick regional tourism district  
34 established in § 42-63.1-5(a)(5) and sixteen percent (16%) of the tax shall be given to the Greater

1 Providence-Warwick Convention and Visitors' Bureau established in § 42-63.1-11; and provided  
2 further, that from the tax generated by the hotels in the city of Providence, sixteen percent (16%)  
3 of that tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau  
4 established by § 42-63.1-11, and thirty-one percent (31%) of that tax shall be given to the  
5 Convention Authority of the city of Providence established pursuant to the provisions of chapter  
6 84 of the public laws of January, 1980; provided, however, that the receipts attributable to the  
7 district as defined in § 42-63.1-5(a)(7) shall be deposited as general revenues, and that the receipts  
8 attributable to the district as defined in § 42-63.1-5(a)(8) shall be given to the Rhode Island  
9 commerce corporation as established in chapter 64 of this title.

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

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

16 (b) For returns and tax payments received after December 31, 2015, except as provided in  
17 § 42-63.1-12, the proceeds of the hotel tax, excluding the portion of the hotel tax collected from  
18 residential units offered for tourist or transient use through a hosting platform, shall be distributed  
19 as follows by the division of taxation and the city of Newport:

20 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-  
21 63.1-5, forty-two percent (42%) of the tax shall be given to the Aquidneck Island district, twenty-  
22 five percent (25%) of the tax shall be given to the city or town where the hotel that generated the  
23 tax is physically located, five percent (5%) of the tax shall be given to the Greater Providence-  
24 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-eight percent  
25 (28%) of the tax shall be given to the Rhode Island commerce corporation established in chapter  
26 64 of this title.

27 (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-5,  
28 twenty eight percent (28%) of the tax shall be given to the Providence district, twenty-five percent  
29 (25%) of the tax shall be given to the city or town where the hotel that generated the tax is physically  
30 located, twenty-three percent (23%) of the tax shall be given to the Greater Providence-Warwick  
31 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four percent (24%) of the  
32 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

33 (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5,  
34 twenty-eight percent (28%) of the tax shall be given to the Warwick District, twenty-five percent

1 (25%) of the tax shall be given to the city or town where the hotel that generated the tax is physically  
2 located, twenty-three percent (23%) of the tax shall be given to the Greater Providence-Warwick  
3 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-four percent (24%) of the  
4 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

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 that generated  
7 the tax is physically located, five percent (5%) of the tax shall be given to the Greater Providence-  
8 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and seventy percent (70%)  
9 of the tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this  
10 title.

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

19 (c) For returns and tax payments received before July 1, 2019, the proceeds of the hotel tax  
20 collected from residential units offered for tourist or transient use through a hosting platform shall  
21 be distributed as follows by the division of taxation and the city of Newport: twenty-five percent  
22 (25%) of the tax shall be given to the city or town where the residential unit that generated the tax  
23 is physically located, and seventy-five percent (75%) of the tax shall be given to the Rhode Island  
24 commerce corporation established in chapter 64 of this title.

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

29 (e) Notwithstanding the foregoing provisions of this section, for returns and tax payments  
30 received on or after July 1, 2016, and on or before June 30, 2017, except as provided in § 42-63.1-  
31 12, the proceeds of the hotel tax, excluding the portion of the hotel tax collected from residential  
32 units offered for tourist or transient use through a hosting platform, shall be distributed in  
33 accordance with the distribution percentages established in subsections (a)(1) through (a)(3) of this  
34 section by the division of taxation and the city of Newport.

1 (f) For returns and tax payments received on or after July 1, 2018, except as provided in §  
2 42-63.1-12, the proceeds of the hotel tax, excluding the portion of the hotel tax collected from  
3 residential units offered for tourist or transient use through a hosting platform, shall be distributed  
4 as follows by the division of taxation and the city of Newport:

5 (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-  
6 63.1-5, forty-five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-  
7 five percent (25%) of the tax shall be given to the city or town where the hotel that generated the  
8 tax is physically located, five percent (5%) of the tax shall be given to the Greater Providence-  
9 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five percent  
10 (25%) of the tax shall be given to the Rhode Island commerce corporation established in chapter  
11 64 of this title.

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

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

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

30 (5) With respect to the tax generated by hotels in districts other than those set forth in  
31 subsections (f)(1) through (f)(4) of this section, forty-five percent (45%) of the tax shall be given  
32 to the regional tourism district, as defined in § 42-63.1-5, wherein the hotel is located, twenty-five  
33 percent (25%) of the tax shall be given to the city or town where the hotel that generated the tax is  
34 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick

1 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five (25%) of the tax shall  
2 be given to the Rhode Island commerce corporation established in chapter 64 of this title.

3 (g) For returns and tax payments received on or after July 1, 2019, except as provided in §  
4 42-63.1-12, the proceeds of the hotel tax, including the portion of the hotel tax collected from  
5 residential units offered for tourist or transient use through a hosting platform [except as provided](#)  
6 [in subsection \(h\) of this section](#), shall be distributed as follows by the division of taxation and the  
7 city of Newport:

8 (1) For the tax generated in the Aquidneck Island district, as defined in § 42-63.1-5, forty-  
9 five percent (45%) of the tax shall be given to the Aquidneck Island district, twenty-five percent  
10 (25%) of the tax shall be given to the city or town where the hotel or residential unit that generated  
11 the tax is physically located, five percent (5%) of the tax shall be given to the Greater Providence-  
12 Warwick Convention and Visitors Bureau established in § 42-63.1-11, and twenty-five percent  
13 (25%) of the tax shall be given to the Rhode Island commerce corporation established in chapter  
14 64 of this title.

15 (2) For the tax generated in the Providence district as defined in § 42-63.1-5, thirty percent  
16 (30%) of the tax shall be given to the Providence district, twenty-five percent (25%) of the tax shall  
17 be given to the city or town where the hotel or residential unit that generated the tax is physically  
18 located, twenty-four percent (24%) of the tax shall be given to the Greater Providence-Warwick  
19 Convention and Visitors Bureau established in § 42-63.1-11, and twenty-one percent (21%) of the  
20 tax shall be given to the Rhode Island commerce corporation established in chapter 64 of this title.

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

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

33 (5) With respect to the tax generated in districts other than those set forth in subsections  
34 (g)(1) through (g)(4) of this section, forty-five percent (45%) of the tax shall be given to the regional

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

7 [\(h\) Distribution of whole home short-term rental tax. For returns and tax payments received](#)  
8 [after December 31, 2025, the proceeds of the whole home short-term rental tax established in § 44-](#)  
9 [18-36.1\(d\) shall be given by the division of taxation and the city of Newport to the department of](#)  
10 [housing, which shall deposit the proceeds into the Housing Resources and Homelessness restricted](#)  
11 [receipt account, established pursuant to § 42-128-2\(3\).](#)

12 SECTION 5. Chapter 42-64.11 of the General Laws entitled “Jobs Growth Act” is hereby  
13 amended by adding thereto the following section:

14 [\*\*42-64.11-7. Sunset.\*\*](#)

15 [No modifications shall be allowed, no applications shall be certified, and no taxpayers](#)  
16 [certified prior to January 1, 2026, shall pay the tax under this chapter for tax years beginning on or](#)  
17 [after January 1, 2026.](#)

18 SECTION 6. Section 44-18-30 of the General Laws in Chapter 44-18 entitled "Sales and  
19 Use Taxes — Liability and Computation" is hereby amended to read as follows:

20 [\*\*44-18-30. Gross receipts exempt from sales and use taxes.\*\*](#)

21 There are exempted from the taxes imposed by this chapter the following gross receipts:

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

26 (2) **Newspapers.**

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

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

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

33 (3) **School meals.** From the sale and from the storage, use, or other consumption in this  
34 state of meals served by public, private, or parochial schools, school districts, colleges, universities,

1 student organizations, and parent-teacher associations to the students or teachers of a school,  
2 college, or university whether the meals are served by the educational institutions or by a food  
3 service or management entity under contract to the educational institutions.

4 (4) **Containers.**

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

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

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

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

14 (D) Keg and barrel containers, whether returnable or not, when sold to alcoholic beverage  
15 producers who place the alcoholic beverages in the containers.

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

19 (5)(i) **Charitable, educational, and religious organizations.** From the sale to, as in  
20 defined in this section, and from the storage, use, and other consumption in this state, or any other  
21 state of the United States of America, of tangible personal property by hospitals not operated for a  
22 profit; “educational institutions” as defined in subdivision (18) not operated for a profit; churches,  
23 orphanages, and other institutions or organizations operated exclusively for religious or charitable  
24 purposes; interest-free loan associations not operated for profit; nonprofit, organized sporting  
25 leagues and associations and bands for boys and girls under the age of nineteen (19) years; the  
26 following vocational student organizations that are state chapters of national vocational student  
27 organizations: Distributive Education Clubs of America (DECA); Future Business Leaders of  
28 America, Phi Beta Lambda (FBLA/PBL); Future Farmers of America (FFA); Future Homemakers  
29 of America/Home Economics Related Occupations (FHA/HERD); Vocational Industrial Clubs of  
30 America (VICA); organized nonprofit golden age and senior citizens clubs for men and women;  
31 and parent-teacher associations; and from the sale, storage, use, and other consumption in this state,  
32 of and by the Industrial Foundation of Burrillville, a Rhode Island domestic nonprofit corporation.

33 (ii) In the case of contracts entered into with the federal government, its agencies, or  
34 instrumentalities, this state, or any other state of the United States of America, its agencies, any

1 city, town, district, or other political subdivision of the states; hospitals not operated for profit;  
2 educational institutions not operated for profit; churches, orphanages, and other institutions or  
3 organizations operated exclusively for religious or charitable purposes, the contractor may purchase  
4 such materials and supplies (materials and/or supplies are defined as those that are essential to the  
5 project) that are to be utilized in the construction of the projects being performed under the contracts  
6 without payment of the tax.

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

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

16 (7) **Purchase for manufacturing purposes.**

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

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

26 (iii) "Consumed" includes mere obsolescence.

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

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

34 (vi) "Process of manufacturing" does not mean or include administration operations such

1 as general office operations, accounting, collection, or sales promotion, nor does it mean or include  
2 distribution operations that occur subsequent to production operations, such as handling, storing,  
3 selling, and transporting the manufactured products, even though the administration and  
4 distribution operations are performed by, or in connection with, a manufacturing business.

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

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

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

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

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

17 (iii) Bakery items, including: bread, rolls, buns, biscuits, bagels, croissants, pastries,  
18 donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and

19 is not sold with utensils provided by the seller, including: plates, knives, forks, spoons,  
20 glasses, cups, napkins, or straws.

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

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

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

32 (11) **Prosthetic devices and mobility enhancing equipment.** From the sale and from the  
33 storage, use, or other consumption in this state, of prosthetic devices as defined in § 44-18-7.1(t),  
34 sold on prescription, including, but not limited to: artificial limbs, dentures, spectacles, eyeglasses,

1 and artificial eyes; artificial hearing devices and hearing aids, whether or not sold on prescription;  
2 and mobility enhancing equipment as defined in § 44-18-7.1(p), including wheelchairs, crutches,  
3 and canes.

4 (12) **Coffins, caskets, urns, shrouds and burial garments.** From the sale and from the  
5 storage, use, or other consumption in this state of coffins, caskets, burial containers, urns, urn liners,  
6 urn vaults, grave liners, grave vaults, burial tent setups, prayer cards, shrouds, and other burial  
7 garments that are ordinarily sold by a funeral director as part of the business of funeral directing.

8 (13) **Motor vehicles sold to nonresidents.**

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

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

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

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

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

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

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

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

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

28           (i) From the sale of: (A) Special adaptations; (B) The component parts of the special  
29 adaptations; or (C) A specially adapted motor vehicle; provided that the owner furnishes to the tax  
30 administrator an affidavit of a licensed physician to the effect that the specially adapted motor  
31 vehicle is necessary to transport a family member with a disability or where the vehicle has been  
32 specially adapted to meet the specific needs of the person with a disability. This exemption applies  
33 to not more than one motor vehicle owned and registered for personal, noncommercial use.

34           (ii) For the purpose of this subsection the term “special adaptations” includes, but is not

1 limited to: wheelchair lifts, wheelchair carriers, wheelchair ramps, wheelchair securements, hand  
2 controls, steering devices, extensions, relocations, and crossovers of operator controls, power-  
3 assisted controls, raised tops or dropped floors, raised entry doors, or alternative signaling devices  
4 to auditory signals.

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

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

12 (20) **Heating fuels.** From the sale and from the storage, use, or other consumption in this  
13 state of every type of heating fuel.

14 (21) **Electricity and gas.** From the sale and from the storage, use, or other consumption  
15 in this state of electricity and gas.

16 (22) **Manufacturing machinery and equipment.**

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

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

1 time to time, to be sold to the extent the property is used in administration or distribution operations;

2 (iii) Machinery and equipment and related items used in connection with the actual  
3 manufacture, conversion, or processing of any computer software or any tangible personal property  
4 that is not to be sold and that would be exempt under subdivision (7) or this subdivision if purchased  
5 from a vendor or machinery and equipment and related items used during any manufacturing,  
6 converting, or processing function is exempt under this subdivision even if that operation, function,  
7 or purpose is not an integral or essential part of a continuous production flow or manufacturing  
8 process;

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

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

22 (24) **Precious metal bullion.**

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

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

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

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

1 vessels.

2           (26) **Commercial fishing vessels.** From the sale and from the storage, use, or other  
3 consumption in this state of vessels and other watercraft that are in excess of five (5) net tons and  
4 that are used exclusively for “commercial fishing,” as defined in this subdivision, and from the  
5 repair, alteration, or conversion of those vessels and other watercraft, and from the sale of property  
6 purchased for the use of those vessels and other watercraft including provisions, supplies, and  
7 material for the maintenance and/or repair of the vessels and other watercraft and the boats nets,  
8 cables, tackle, and other fishing equipment appurtenant to or used in connection with the  
9 commercial fishing of the vessels and other watercraft. “Commercial fishing” means taking or  
10 attempting to take any fish, shellfish, crustacea, or bait species with the intent of disposing of it for  
11 profit or by sale, barter, trade, or in commercial channels. The term does not include subsistence  
12 fishing, i.e., the taking for personal use and not for sale or barter; or sport fishing; but shall include  
13 vessels and other watercraft with a Rhode Island party and charter boat license issued by the  
14 department of environmental management pursuant to § 20-2-27.1 that meet the following criteria:  
15 (i) The operator must have a current United States Coast Guard (U.S.C.G.) license to carry  
16 passengers for hire; (ii) U.S.C.G. vessel documentation in the coast wide fishery trade; (iii)  
17 U.S.C.G. vessel documentation as to proof of Rhode Island home port status or a Rhode Island boat  
18 registration to prove Rhode Island home port status; and (iv) The vessel must be used as a  
19 commercial passenger carrying fishing vessel to carry passengers for fishing. The vessel must be  
20 able to demonstrate that at least fifty percent (50%) of its annual gross income derives from charters  
21 or provides documentation of a minimum of one hundred (100) charter trips annually; and (v) The  
22 vessel must have a valid Rhode Island party and charter boat license. The tax administrator shall  
23 implement the provisions of this subdivision by promulgating rules and regulations relating thereto.

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

1 requires remote sellers to collect and remit sales and use taxes.

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

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

8 (30) **Boats.**

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

14 (ii) The tax administrator, in addition to the provisions of §§ 44-19-27 and 44-19-28, may  
15 require the seller of the boat or vessel to keep records of the sales to bona fide nonresidents as the  
16 tax administrator deems reasonably necessary to substantiate the exemption provided in this  
17 subdivision, including the affidavit of the seller that the buyer represented himself or herself to be  
18 a bona fide nonresident of this state and of the buyer that he or she is a nonresident of this state.

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

24 (32) **Farm equipment.** From the sale and from the storage or use of machinery and  
25 equipment used directly for commercial farming and agricultural production; including, but not  
26 limited to: tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors,  
27 balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment,  
28 greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and  
29 other farming equipment, including replacement parts appurtenant to or used in connection with  
30 commercial farming and tools and supplies used in the repair and maintenance of farming  
31 equipment. "Commercial farming" means the keeping or boarding of five (5) or more horses or the  
32 production within this state of agricultural products, including, but not limited to, field or orchard  
33 crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or production  
34 provides at least two thousand five hundred dollars (\$2,500) in annual gross sales to the operator,

1 whether an individual, a group, a partnership, or a corporation for exemptions issued prior to July  
2 1, 2002. For exemptions issued or renewed after July 1, 2002, there shall be two (2) levels. Level I  
3 shall be based on proof of annual, gross sales from commercial farming of at least twenty-five  
4 hundred dollars (\$2,500) and shall be valid for purchases subject to the exemption provided in this  
5 subdivision except for motor vehicles with an excise tax value of five thousand dollars (\$5,000) or  
6 greater. Level II shall be based on proof of annual gross sales from commercial farming of at least  
7 ten thousand dollars (\$10,000) or greater and shall be valid for purchases subject to the exemption  
8 provided in this subdivision including motor vehicles with an excise tax value of five thousand  
9 dollars (\$5,000) or greater. For the initial issuance of the exemptions, proof of the requisite amount  
10 of annual gross sales from commercial farming shall be required for the prior year; for any renewal  
11 of an exemption granted in accordance with this subdivision at either level I or level II, proof of  
12 gross annual sales from commercial farming at the requisite amount shall be required for each of  
13 the prior two (2) years. Certificates of exemption issued or renewed after July 1, 2002, shall clearly  
14 indicate the level of the exemption and be valid for four (4) years after the date of issue. This  
15 exemption applies even if the same equipment is used for ancillary uses, or is temporarily used for  
16 a non-farming or a non-agricultural purpose, but shall not apply to motor vehicles acquired after  
17 July 1, 2002, unless the vehicle is a farm vehicle as defined pursuant to § 31-1-8 and is eligible for  
18 registration displaying farm plates as provided for in § 31-3-31.

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

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

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

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

32 (37) **Tangible personal property and supplies used in on-site hazardous waste**  
33 **recycling, reuse, or treatment.** From the sale, storage, use, or other consumption in this state of  
34 tangible personal property or supplies used or consumed in the operation of equipment, the

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

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

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

21       **(40) Transportation charges.** From the sale or hiring of motor carriers as defined in § 39-  
22 12-2(12) to haul goods, when the contract or hiring cost is charged by a motor freight tariff filed  
23 with the Rhode Island public utilities commission on the number of miles driven or by the number  
24 of hours spent on the job.

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

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

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

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

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

13           (46) **Boats or vessels brought into the state exclusively for winter storage,**  
14 **maintenance, repair, or sale.** Notwithstanding the provisions of §§ 44-18-10, 44-18-11 and 44-  
15 18-20, the tax imposed by § 44-18-20 is not applicable for the period commencing on the first day  
16 of October in any year up to and including the 30th day of April next succeeding with respect to  
17 the use of any boat or vessel within this state exclusively for purposes of: (i) Delivery of the vessel  
18 to a facility in this state for storage, including dry storage and storage in water by means of  
19 apparatus preventing ice damage to the hull, maintenance, or repair; (ii) The actual process of  
20 storage, maintenance, or repair of the boat or vessel; or (iii) Storage for the purpose of selling the  
21 boat or vessel.

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

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

32           (49) **Banks and regulated investment companies interstate toll-free**  
33 **calls.** Notwithstanding the provisions of this chapter, the tax imposed by this chapter does not  
34 apply to the furnishing of interstate and international, toll-free terminating telecommunication

1 service that is used directly and exclusively by or for the benefit of an eligible company as defined  
2 in this subdivision; provided that an eligible company employs on average during the calendar year  
3 no less than five hundred (500) “full-time equivalent employees” as that term is defined in § 42-  
4 64.5-2. For purposes of this section, an “eligible company” means a “regulated investment  
5 company” as that term is defined in the Internal Revenue Code of 1986, 26 U.S.C. § 851, or a  
6 corporation to the extent the service is provided, directly or indirectly, to or on behalf of a regulated  
7 investment company, an employee benefit plan, a retirement plan or a pension plan, or a state-  
8 chartered bank.

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

12 (51) **Manufacturing business reconstruction materials.**

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

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

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

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

25 (52) **Tangible personal property and supplies used in the processing or preparation**  
26 **of floral products and floral arrangements.** From the sale, storage, use, or other consumption in  
27 this state of tangible personal property or supplies purchased by florists, garden centers, or other  
28 like producers or vendors of flowers, plants, floral products, and natural and artificial floral  
29 arrangements that are ultimately sold with flowers, plants, floral products, and natural and artificial  
30 floral arrangements or are otherwise used in the decoration, fabrication, creation, processing, or  
31 preparation of flowers, plants, floral products, or natural and artificial floral arrangements,  
32 including descriptive labels, stickers, and cards affixed to the flower, plant, floral product, or  
33 arrangement, artificial flowers, spray materials, floral paint and tint, plant shine, flower food,  
34 insecticide, and fertilizers.

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

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

5           (i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle to  
6 a bona fide nonresident of this state who does not register the non-motorized recreational vehicle  
7 in this state, whether the sale or delivery of the non-motorized recreational vehicle is made in this  
8 state or at the place of residence of the nonresident; provided that a non-motorized recreational  
9 vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption to  
10 its nonresidents is not exempt from the tax imposed under § 44-18-20; provided, further, that in  
11 that event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate  
12 that would be imposed in his or her state of residence not to exceed the rate that would have been  
13 imposed under § 44-18-20. Notwithstanding any other provisions of law, a licensed, non-motorized  
14 recreational vehicle dealer shall add and collect the tax required under this subdivision and remit  
15 the tax to the tax administrator under the provisions of chapters 18 and 19 of this title. Provided,  
16 that when a Rhode Island licensed, non-motorized recreational vehicle dealer is required to add and  
17 collect the sales and use tax on the sale of a non-motorized recreational 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, non-motorized recreational vehicle dealer to keep records of sales to bona fide  
22 nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption  
23 provided in this subdivision, including the affidavit of a licensed, non-motorized recreational  
24 vehicle dealer that the purchaser of the non-motorized recreational vehicle was the holder of, and  
25 had in his or her possession a valid out-of-state non-motorized recreational vehicle registration or  
26 a valid out-of-state driver's license.

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

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

1 title 31.

2 (55) **Sprinkler and fire alarm systems in existing buildings.** From the sale in this state  
3 of sprinkler and fire alarm systems; emergency lighting and alarm systems; and the materials  
4 necessary and attendant to the installation of those systems that are required in buildings and  
5 occupancies existing therein in July 2003 in order to comply with any additional requirements for  
6 such buildings arising directly from the enactment of the Comprehensive Fire Safety Act of 2003  
7 and that are not required by any other provision of law or ordinance or regulation adopted pursuant  
8 to that act. The exemption provided in this subdivision shall expire on December 31, 2008.

9 (56) **Aircraft.** Notwithstanding the provisions of this chapter, the tax imposed by §§ 44-  
10 18-18 and 44-18-20 shall not apply with respect to the sale and to the storage, use, or other  
11 consumption in this state of any new or used aircraft or aircraft parts.

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

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

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

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

34 (61) **Agricultural products for human consumption.** From the sale and from the

1 storage, use, or other consumption of livestock and poultry of the kinds of products that ordinarily  
2 constitute food for human consumption and of livestock of the kind the products of which ordinarily  
3 constitute fibers for human use.

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

6 (63) **Feed for certain animals used in commercial farming.** From the sale of feed for  
7 animals as described in subsection (61) of this section.

8 (64) **Alcoholic beverages.** From the sale and storage, use, or other consumption in this  
9 state by a Class A licensee of alcoholic beverages, as defined in § 44-18-7.1, excluding beer and  
10 malt beverages; provided, further, notwithstanding § 6-13-1 or any other general or public law to  
11 the contrary, alcoholic beverages, as defined in § 44-18-7.1, shall not be subject to minimum  
12 markup.

13 (65) **Seeds and plants used to grow food and food ingredients.** From the sale, storage,  
14 use, or other consumption in this state of seeds and plants used to grow food and food ingredients  
15 as defined in § 44-18-7.1(J)(i). “Seeds and plants used to grow food and food ingredients” shall not  
16 include marijuana seeds or plants.

17 (66) **Feminine hygiene products.** From the sale and from the storage, use, or other  
18 consumption of tampons, panty liners, menstrual cups, sanitary napkins, and other similar products  
19 the principal use of which is feminine hygiene in connection with the menstrual cycle.

20 (67) **“Breast pump collection and storage supplies”** means items of tangible personal  
21 property used in conjunction with a breast pump to collect milk expressed from a human breast and  
22 to store collected milk until it is ready for consumption. “Breast pump collection and storage  
23 supplies” include, but are not limited to, breast shields and breast shield connectors; breast pump  
24 tubes and tubing adaptors; breast pump valves and membranes; backflow protectors and backflow  
25 protector adaptors; bottles and bottle caps specific to the operation of the breast pump; breast milk  
26 storage bags; and related items sold as part of a breast pump kit pre-packaged by the breast pump  
27 manufacturer. “Breast pump collection and storage supplies” does not include: bottles and bottle  
28 caps not specific to the operation of the breast pump; breast pump travel bags and other similar  
29 carrying accessories, including ice packs, labels, and other similar products, unless sold as part of  
30 a breast pump kit pre-packed by the breast pump manufacturer; breast pump cleaning supplies,  
31 unless sold as part of a breast pump kit pre-packaged by the breast pump manufacturer; nursing  
32 bras, bra pads, breast shells, and other similar products; and creams, ointments, and other similar  
33 products that relieve breastfeeding-related symptoms or conditions of the breasts or nipples.

34 (68) **Trade-in value of motorcycles.** From the sale and from the storage, use, or other

1 consumption in this state of so much of the purchase price paid for a new or used motorcycle as is  
2 allocated for a trade-in allowance on the motorcycle of the buyer given in trade to the seller, or of  
3 the proceeds applicable only to the motorcycle as are received from the manufacturer of  
4 motorcycles for the repurchase of the motorcycle whether the repurchase was voluntary or not  
5 towards the purchase of a new or used motorcycle by the buyer. For the purpose of this subsection,  
6 the word “motorcycle” means a motorcycle not used for hire and does not refer to any other type  
7 of motor vehicle.

8 (69) Firearm safety and storage devices. From the sale and from the storage, use, or  
9 other consumption in this state of firearm safety devices and firearm storage devices. Firearm  
10 safety device means a device that, when installed on a firearm, is designed to prevent the firearm  
11 from being operated without first deactivating the device, or a device to be equipped or installed  
12 on a firearm that is designed to prevent the operation of the firearm by anyone who does not have  
13 authorized access to the firearm. A firearm sold with a firearm safety device already installed on  
14 it is treated as the sale of a firearm and not the sale of a firearm safety device. A firearm storage  
15 device means a container or enclosure that is designed and marketed for the principal purpose of  
16 safely storing or displaying a firearm and that is secured by a combination lock, key lock, or lock  
17 based on biometric information which, once locked, is incapable of being opened without the  
18 combination, key, or biometric information, respectively.

19 SECTION 7. Section 44-18-36.1 of the General Laws in Chapter 44-18 entitled “Sales and  
20 Use Taxes – Liability and Computation” is hereby amended to read as follows:

21 **44-18-36.1. Hotel tax and whole home short-term rental tax [Effective January 1,**  
22 **2026].**

23 (a) There is imposed a hotel tax of five percent (5%) upon the total consideration charged  
24 for occupancy of any space furnished by any hotel, travel packages, or room reseller or reseller as  
25 defined in § 44-18-7.3(b) in this state. A house, condominium, or other resident dwelling shall be  
26 exempt from the five percent (5%) hotel tax under this subsection if the house, condominium, or  
27 other resident dwelling is rented in its entirety. The hotel tax is in addition to any sales tax imposed.  
28 This hotel tax is administered and collected by the division of taxation and unless provided to the  
29 contrary in this chapter, all the administration, collection, and other provisions of chapters 18 and  
30 19 of this title apply. Nothing in this chapter shall be construed to limit the powers of the convention  
31 authority of the city of Providence established pursuant to the provisions of chapter 84 of the public  
32 laws of 1980, except that distribution of hotel tax receipts shall be made pursuant to chapter 63.1  
33 of title 42 rather than chapter 84 of the public laws of 1980.

34 (b) There is hereby levied and imposed, upon the total consideration charged for occupancy

1 of any space furnished by any hotel in this state, in addition to all other taxes and fees now imposed  
2 by law, a local hotel tax at a rate of one percent (1%). The local hotel tax shall be administered and  
3 collected in accordance with subsection (a).

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

9 (d) There is hereby levied and imposed, upon the total consideration charged for  
10 occupancy, as defined in § 42-63.1-2(6), of a house, condominium, or other resident dwelling in  
11 this state rented in its entirety furnished by any room reseller or reseller as defined in § 44-18-7.3(b)  
12 or any other taxpayer, in addition to all other taxes and fees now imposed by law, a whole home  
13 short-term rental tax at a rate of five percent (5%). The whole home short-term rental tax shall be  
14 administered, collected, and distributed in accordance with subsection (a).

15 ~~(d)~~(e) Notwithstanding the provisions of subsection (a) of this section, the city of Newport  
16 shall have the authority to collect from hotels located in the city of Newport the taxes imposed by  
17 subsections (a) and (b) of this section. The city of Newport shall also have the authority to collect  
18 the tax imposed by subsection (d) of this section with respect to a house, condominium, or other  
19 resident dwelling rented in its entirety located in the City of Newport.

20 (1) Within ten (10) days of collection of the ~~tax~~ taxes, the city of Newport shall distribute  
21 the ~~tax~~ taxes imposed by subsections (a) and (d) of this section as provided in § 42-63.1-3. No later  
22 than the first day of March and the first day of September in each year in which the ~~tax is~~ taxes are  
23 collected, the city of Newport shall submit to the division of taxation a report of the ~~tax~~ taxes  
24 collected and distributed during the six (6) month period ending thirty (30) days prior to the  
25 reporting date.

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

30 SECTION 8. Sections 44-20-12 and 44-20-13 of the General Laws in Chapter 44-20  
31 entitled “Cigarette, Other Tobacco Products, and Electronic Nicotine-Delivery System Products  
32 [effective January 1, 2025]” are hereby amended to read as follows:

33 **44-20-12. Tax imposed on cigarettes sold.**

34 A tax is imposed on all cigarettes sold or held for sale in the state. The payment of the tax

1 to be evidenced by stamps, which may be affixed only by licensed distributors to the packages  
2 containing such cigarettes. Any cigarettes on which the proper amount of tax provided for in this  
3 chapter has been paid, payment being evidenced by the stamp, is not subject to a further tax under  
4 this chapter. The tax is at the rate of ~~two hundred twenty-five (225)~~ two hundred fifty (250.0) mills  
5 for each cigarette.

6 **44-20-13. Tax imposed on unstamped cigarettes.**

7 A tax is imposed at the rate of ~~two hundred twenty-five (225)~~ two hundred fifty (250.0)  
8 mills for each cigarette upon the storage or use within this state of any cigarettes not stamped in  
9 accordance with the provisions of this chapter in the possession of any consumer within this state.

10 SECTION 9. Chapter 44-20 of the General Laws entitled "Cigarette, Other Tobacco  
11 Products, and Electronic Nicotine-Delivery System Products [effective January 1, 2025]" is hereby  
12 amended by adding thereto the following section:

13 **44-20-12.8. Floor stock tax on cigarettes and stamps.**

14 (a) Each person engaging in the business of selling cigarettes at retail in this state shall pay  
15 a tax or excise to the state for the privilege of engaging in that business during any part of the  
16 calendar year 2025. In calendar year 2025, the tax shall be measured by the number of cigarettes  
17 held by the person in this state at 12:01 a.m. on September 2, 2025, and is computed at the rate of  
18 twenty-five (25.0) mills for each cigarette on September 2, 2025.

19 (b) Each distributor licensed to do business in this state pursuant to this chapter shall pay a  
20 tax or excise to the state for the privilege of engaging in that business during any part of the calendar  
21 year 2025. The tax is measured by the number of stamps, whether affixed or to be affixed to  
22 packages of cigarettes, as required by § 44-20-28. In calendar year 2025 the tax is measured by the  
23 number of stamps, whether affixed or to be affixed, held by the distributor at 12:01 a.m. on  
24 September 2, 2025, and is computed at the rate of twenty-five (25.0) mills per cigarette in the  
25 package to which the stamps are affixed or to be affixed.

26 (c) Each person subject to the payment of the tax imposed by this section shall, on or before  
27 September 16, 2025, file a return, under oath or certified under the penalties of perjury, with the  
28 tax administrator on forms furnished by the tax administrator, showing the amount of cigarettes  
29 and the number of stamps in that person's possession in this state at 12:01 a.m. on September 2,  
30 2025, as described in this section above, and the amount of tax due, and shall at the time of filing  
31 the return pay the tax to the tax administrator. Failure to obtain forms shall not be an excuse for  
32 the failure to make a return containing the information required by the tax administrator.

33 (d) The tax administrator may prescribe rules and regulations, not inconsistent with law,  
34 regarding the assessment and collection of the tax imposed by this section.

1 SECTION 10. Section 44-25-1 of the General Laws in Chapter 44-25 entitled “Real Estate  
2 Conveyance Tax” is hereby amended to read as follows:

3 **44-25-1. Tax imposed — Payment — Burden.**

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

19 (b) In addition to the tax imposed by subsection (a), there is imposed, on each deed,  
20 instrument, or writing by which any residential real property sold is granted, assigned, transferred,  
21 or conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his,  
22 her, or their direction, or on any grant, assignment, transfer, or conveyance or such vesting, by such  
23 persons that has the effect of making any real estate company an acquired real estate company,  
24 when the consideration paid exceeds eight hundred thousand dollars (\$800,000), a tax at the rate of  
25 two dollars and thirty cents (\$2.30) for each five hundred dollars (\$500), or fractional part of it, of  
26 the consideration in excess of eight hundred thousand dollars (\$800,000) that is paid for the  
27 purchase of residential real property or the interest in an acquired real estate company (inclusive of  
28 the value of any lien or encumbrance remaining at the time the sale, grant, assignment, transfer, or  
29 conveyance or vesting occurs, or in the case of an interest in an acquired real estate company, a  
30 percentage of the value of such lien or encumbrance equivalent to the percentage interest in the  
31 acquired real estate company being granted, assigned, transferred, conveyed, or vested). The tax  
32 imposed by this subsection shall be paid at the same time and in the same manner as the tax imposed  
33 by subsection (a).

34 **(c) In addition to the tax imposed by subsection (a) and subsection (b), there is imposed,**

1 on each deed, instrument, or writing by which any residential real property sold is granted, assigned,  
2 transferred, or conveyed to, or vested in, the purchaser or purchasers, or any other person or  
3 persons, by his, her, or their direction, or on any grant, assignment, transfer, or conveyance or such  
4 vesting, by such persons that has the effect of making any real estate company an acquired real  
5 estate company, when the consideration paid exceeds eight hundred thousand dollars (\$800,000),  
6 an additional tax at the rate of one dollar sixty five cents (\$1.65) for each five hundred dollars  
7 (\$500), or fractional part of it, of the consideration in excess of eight hundred thousand dollars  
8 (\$800,000) that is paid for the purchase of residential real property or the interest in an acquired  
9 real estate company (inclusive of the value of any lien or encumbrance remaining at the time the  
10 sale, grant, assignment, transfer, or conveyance or vesting occurs, or in the case of an interest in an  
11 acquired real estate company, a percentage of the value of such lien or encumbrance equivalent to  
12 the percentage interest in the acquired real estate company being granted, assigned, transferred,  
13 conveyed, or vested). The tax imposed by this subsection shall be paid at the same time and in the  
14 same manner as the tax imposed by subsection (a) and (b).

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

18 ~~(d)~~(e) The tax shall be distributed as follows:

19 (1) With respect to the tax imposed by subsection (a): the tax administrator shall contribute  
20 to the distressed community relief program the sum of thirty cents (\$.30) per two dollars and thirty  
21 cents (\$2.30) of the face value of the stamps to be distributed pursuant to § 45-13-12, and to the  
22 housing resources and homelessness restricted receipt account established pursuant to § 42-128-2  
23 the sum of thirty cents (\$.30) per two dollars and thirty cents (\$2.30) of the face value of the stamps.  
24 The state shall retain sixty cents (\$.60) for state use. The balance of the tax shall be retained by the  
25 municipality collecting the tax.

26 (2) With respect to the tax imposed by subsection (b): the tax administrator shall contribute  
27 the entire tax to the housing production fund established pursuant to § 42-128-2.1.

28 (3) With respect to the tax imposed by subsection (c): the tax administrator shall contribute  
29 the entire tax to the Housing Resources and Homelessness restricted receipt account established  
30 pursuant to § 42-128-2(3).

31 ~~(3)~~(4) Notwithstanding the above, in the case of the tax on the grant, transfer, assignment,  
32 or conveyance or vesting with respect to an acquired real estate company, the tax shall be collected  
33 by the tax administrator and shall be distributed to the municipality where the real estate owned by  
34 the acquired real estate company is located; provided, however, in the case of any such tax collected

1 by the tax administrator, if the acquired real estate company owns property located in more than  
2 one municipality, the proceeds of the tax shall be allocated amongst said municipalities in the  
3 proportion the assessed value of said real estate in each such municipality bears to the total of the  
4 assessed values of all of the real estate owned by the acquired real estate company in Rhode Island.  
5 Provided, however, in fiscal years 2004 and 2005, from the proceeds of this tax, the tax  
6 administrator shall deposit as general revenues the sum of ninety cents (\$.90) per two dollars and  
7 thirty cents (\$2.30) of the face value of the stamps. The balance of the tax on the purchase of  
8 property shall be retained by the municipality collecting the tax. The balance of the tax on the  
9 transfer with respect to an acquired real estate company, shall be collected by the tax administrator  
10 and shall be distributed to the municipality where the property for which interest is sold is  
11 physically located. Provided, however, that in the case of any tax collected by the tax administrator  
12 with respect to an acquired real estate company where the acquired real estate company owns  
13 property located in more than one municipality, the proceeds of the tax shall be allocated amongst  
14 the municipalities in proportion that the assessed value in any such municipality bears to the  
15 assessed values of all of the real estate owned by the acquired real estate company in Rhode Island.

16 ~~(e)~~(f) For purposes of this section, the term “acquired real estate company” means a real  
17 estate company that has undergone a change in ownership interest if (1) The change does not affect  
18 the continuity of the operations of the company; and (2) The change, whether alone or together  
19 with prior changes has the effect of granting, transferring, assigning, or conveying or vesting,  
20 transferring directly or indirectly, 50% or more of the total ownership in the company within a  
21 period of three (3) years. For purposes of the foregoing subsection ~~(e)~~(f)(2), a grant, transfer,  
22 assignment, or conveyance or vesting, shall be deemed to have occurred within a period of three  
23 (3) years of another grant(s), transfer(s), assignment(s), or conveyance(s) or vesting(s) if during the  
24 period the granting, transferring, assigning, or conveying party provides the receiving party a  
25 legally binding document granting, transferring, assigning, or conveying or vesting the realty or a  
26 commitment or option enforceable at a future date to execute the grant, transfer, assignment, or  
27 conveyance or vesting.

28 ~~(f)~~(g) A real estate company is a corporation, limited liability company, partnership, or  
29 other legal entity that meets any of the following:

30 (1) Is primarily engaged in the business of holding, selling, or leasing real estate, where  
31 90% or more of the ownership of the real estate is held by 35 or fewer persons and which company  
32 either (i) derives 60% or more of its annual gross receipts from the ownership or disposition of real  
33 estate; or (ii) owns real estate the value of which comprises 90% or more of the value of the entity’s  
34 entire tangible asset holdings exclusive of tangible assets that are fairly transferrable and actively

1 traded on an established market; or

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

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

23 SECTION 11. Section 44-31-2 of the General Laws in Chapter 44-31 entitled "Investment  
24 Tax Credit" is hereby amended to read as follows:

25 **44-31-2. Specialized investment tax credit.**

26 (a) A certified building owner, as provided in chapter 64.7 of title 42, may be allowed a  
27 specialized investment tax credit against the tax imposed by chapters 11, 14, 17 and 30 of this title.

28 (b) The taxpayer may claim credit for the rehabilitation and reconstruction costs of a  
29 certified building, which has been substantially rehabilitated. Once substantial rehabilitation is  
30 established by the taxpayer, the taxpayer may claim credit for all rehabilitation and reconstruction  
31 costs incurred with respect to the certified building within five (5) years from the date of final  
32 designation of the certified building by the council pursuant to § 42-64.7-6.

33 (c) The credit shall be ten percent (10%) of the rehabilitation and reconstruction costs of  
34 the certified building. The credit shall be allowable in the year the substantially rehabilitated

1 certified building is first placed into service, which is the year in which, under the taxpayer's  
2 depreciation practice, the period for depreciation with respect to such property begins, or the year  
3 in which the property is placed in a condition or state of readiness and availability for its specifically  
4 assigned function, whichever is earlier.

5 (d) The credit shall not offset any tax liability in taxable years other than the year or years  
6 in which the taxpayer qualifies for the credit. The credit shall not reduce the tax below the  
7 minimum. Amounts of unused credit for this taxpayer may be carried over and offset against this  
8 taxpayer's tax for a period not to exceed the following seven (7) taxable years.

9 (e) In the case of a corporation, this credit is only allowed against the tax of that of a  
10 corporation included in a consolidated return that qualifies for the credit and not against the tax of  
11 other corporations that may join in the filing of a consolidated tax return.

12 [\(f\) Sunset. No credits shall be allowed under this section for tax years beginning on or after](#)  
13 [January 1, 2026. Credits allowed for tax years ending on or before December 31, 2025, may be](#)  
14 [carried forward into tax years beginning on or after January 1, 2026, in accordance with subsection](#)  
15 [\(d\) of this section.](#)

16 SECTION 12. Sections 44-32-1, 44-32-2, and 44-32-3 of the General Laws in Chapter 44-  
17 32 entitled "Elective Deduction for Research and Development Facilities" are hereby amended to  
18 read as follows:

19 [\*\*44-32-1. Elective deduction against allocated entire net income.\*\*](#)

20 (a) **General.** Except as provided in subsection (c) of this section, at the election of a  
21 taxpayer who is subject to the income tax imposed by chapters 11 or 30 of this title, there shall be  
22 deducted from the portion of its entire net income allocated within the state the items prescribed in  
23 subsection (b) of this section, in lieu of depreciation or investment tax credit.

24 (b) **One-year write-off of new research and development facilities.**

25 (1) Expenditures paid or incurred during the taxable year for the construction,  
26 reconstruction, erection or acquisition of any new, not used, property as described in subsection (c)  
27 of this section, which is used or to be used for purposes of research and development in the  
28 experimental or laboratory sense. The purposes are not deemed to include the ordinary testing or  
29 inspection of materials or products for quality control, efficiency surveys, management studies,  
30 consumer surveys, advertising, promotion, or research in connection with literary, historical, or  
31 similar projects. The deduction shall be allowed only on condition that the entire net income for  
32 the taxable year and all succeeding taxable years is computed without the deduction of any  
33 expenditures and without any deduction for depreciation of the property, except to the extent that  
34 its basis may be attributable to factors other than the expenditures, (expenditures and depreciation

1 deducted for federal income tax purposes shall be added to the entire net income allocated to Rhode  
2 Island), or in case a deduction is allowable pursuant to this subdivision for only a part of the  
3 expenditures, on condition that any deduction allowed for federal income tax purposes on account  
4 of the expenditures or on account of depreciation of the property is proportionately reduced in  
5 computing the entire net income for the taxable year and all succeeding taxable years. Concerning  
6 property that is used or to be used for research and development only in part, or during only part of  
7 its useful life, a proportionate part of the expenditures shall be deductible. If all or part of the  
8 expenditures concerning any property has been deducted as provided in this section, and the  
9 property is used for purposes other than research and development to a greater extent than originally  
10 reported, the taxpayer shall report the use in its report for the first taxable year during which it  
11 occurs, and the tax administrator may recompute the tax for the year or years for which the  
12 deduction was allowed, and may assess any additional tax resulting from the recomputation as a  
13 current tax, within three (3) years of the reporting of the change to the tax administrator. Any  
14 change in use of the property in whole or in part from that, which originally qualified the property  
15 for the deduction, requires a recomputation. The tax administrator has the authority to promulgate  
16 regulations to prevent the avoidance of tax liability.

17 (2) The deduction shall be allowed only where an election for amortization of air or water  
18 pollution control facilities has not been exercised in respect to the same property.

19 (3) The tax as a result of recomputation of a prior year's deduction is due as an additional  
20 tax for the year the property ceases to qualify.

21 (c) **Property covered by deductions.** The deductions shall be allowed only with respect  
22 to tangible property which is new, not used, is depreciable pursuant to 26 U.S.C. § 167, was  
23 acquired by purchase as defined in 26 U.S.C. § 179(d), has a situs in this state, and is used in the  
24 taxpayer's trade or business. For the taxable years beginning on or after July 1, 1974, a taxpayer is  
25 not allowed a deduction under this section with respect to tangible property leased by it to any other  
26 person or corporation or leased from any other person or corporation. For purposes of the preceding  
27 sentence, any contract or agreement to lease or rent or for a license to use the property is considered  
28 a lease, unless the contract or agreement is treated for federal income tax purposes as an installment  
29 purchase rather than a lease. With respect to property that the taxpayer uses itself for purposes other  
30 than leasing for part of a taxable year and leases for a part of a taxable year, the taxpayer shall be  
31 allowed a deduction under this section in proportion to the part of the year it uses the property.

32 (d) **Entire net income.** "Entire net income", as used in this section, means net income  
33 allocated to this state.

34 (e) **Carry-over of excess deductions.** If the deductions allowable for any taxable year

1 pursuant to this section exceed the portion of the taxpayer's entire net income allocated to this state  
2 for that year, the excess may be carried over to the following taxable year or years, not to exceed  
3 three (3) years, and may be deducted from the portion of the taxpayer's entire net income allocated  
4 to this state for that year or years.

5 (f) **Gain or loss on sale or disposition of property.** In any taxable year when property is  
6 sold or disposed of before the end of its useful life, with respect to which a deduction has been  
7 allowed pursuant to subsection (b) of this section, the gain or loss on this entering into the  
8 computation of federal taxable income is disregarded in computing the entire net income, and there  
9 is added to or subtracted from the portion of the entire net income allocated within the state the  
10 gain or loss upon the sale or other disposition. In computing the gain or loss, the basis of the  
11 property sold or disposed of is adjusted to reflect the deduction allowed with respect to the property  
12 pursuant to subsection (b) of this section; provided, that no loss is recognized for the purpose of  
13 this subsection with respect to a sale or other disposition of property to a person whose acquisition  
14 of this property is not a purchase as defined in 26 U.S.C. § 179(d).

15 (g) **Investment credit not allowed on research and development property.** No  
16 investment credit under chapter 31 of this title shall be allowed on the research and development  
17 property for which accelerated write-off is adopted under this section.

18 (h) **Consolidated returns.** The research and development deduction shall only be allowed  
19 against the entire net income of the corporation included in a consolidated return and shall not be  
20 allowed against the entire net income of other corporations that may join in the filing of a  
21 consolidated state tax return.

22 (i) **Sunset.** No deductions shall be allowed under this section for tax years beginning on or  
23 after January 1, 2026. Deductions allowed for tax years ending on or before December 31, 2025,  
24 may be carried forward into tax years beginning on or after January 1, 2026, in accordance with  
25 subsection (e) of this section.

26 **44-32-2. Credit for research and development property acquired, constructed, or**  
27 **reconstructed or erected after July 1, 1994.**

28 (a) A taxpayer shall be allowed a credit against the tax imposed by chapters 11, 17, or 30  
29 of this title. The amount of the credit shall be ten percent (10%) of the cost or other basis for federal  
30 income tax purposes of tangible personal property, and other tangible property, including buildings  
31 and structural components of buildings, described in subsection (b) of this section; acquired,  
32 constructed or reconstructed, or erected after July 1, 1994.

33 (b) A credit shall be allowed under this section with respect to tangible personal property  
34 and other tangible property, including buildings and structural components of buildings which are:

1 depreciable pursuant to 26 U.S.C. § 167 or recovery property with respect to which a deduction is  
2 allowable under 26 U.S.C. § 168, have a useful life of three (3) years or more, are acquired by  
3 purchase as defined in 26 U.S.C. § 179(d), have a situs in this state and are used principally for  
4 purposes of research and development in the experimental or laboratory sense which shall also  
5 include property used by property and casualty insurance companies for research and development  
6 into methods and ways of preventing or reducing losses from fire and other perils. The credit shall  
7 be allowable in the year the property is first placed in service by the taxpayer, which is the year in  
8 which, under the taxpayer's depreciation practice, the period for depreciation with respect to the  
9 property begins, or the year in which the property is placed in a condition or state of readiness and  
10 availability for a specifically assigned function, whichever is earlier. These purposes shall not be  
11 deemed to include the ordinary testing or inspection of materials or products for quality control,  
12 efficiency surveys, management studies, consumer surveys, advertising, promotions, or research in  
13 connection with literary, historical or similar projects.

14 (c) A taxpayer shall not be allowed a credit under this section with respect to any property  
15 described in subsections (a) and (b) of this section, if a deduction is taken for the property under §  
16 44-32-1.

17 (d) A taxpayer shall not be allowed a credit under this section with respect to tangible  
18 personal property and other tangible property, including buildings and structural components of  
19 buildings, which it leases to any other person or corporation. For purposes of the preceding  
20 sentence, any contract or agreement to lease or rent or for a license to use the property is considered  
21 a lease.

22 (e) The credit allowed under this section for any taxable year does not reduce the tax due  
23 for that year, in the case of corporations, to less than the minimum fixed by § 44-11-2(e). If the  
24 amount of credit allowable under this section for any taxable year is less than the amount of credit  
25 available to the taxpayer, any amount of credit not credited in that taxable year may be carried over  
26 to the following year or years, up to a maximum of seven (7) years, and may be credited against  
27 the taxpayer's tax for the following year or years. For purposes of chapter 30 of this title, if the  
28 credit allowed under this section for any taxable year exceeds the taxpayer's tax for that year, the  
29 amount of credit not credited in that taxable year may be carried over to the following year or years,  
30 up to a maximum of seven (7) years, and may be credited against the taxpayer's tax for the  
31 following year or years.

32 (f)(1) With respect to property which is depreciable pursuant to 26 U.S.C. § 167 and which  
33 is disposed of or ceases to be in qualified use prior to the end of the taxable year in which the credit  
34 is to be taken, the amount of the credit is that portion of the credit provided for in this section which

1 represents the ratio which the months of qualified use bear to the months of useful life. If property  
2 on which credit has been taken is disposed of or ceases to be in qualified use prior to the end of its  
3 useful life, the difference between the credit taken and the credit allowed for actual use must be  
4 added back in the year of disposition. If the property is disposed of or ceases to be in qualified use  
5 after it has been in qualified use for more than twelve (12) consecutive years, it is not necessary to  
6 add back the credit as provided in this subdivision. The amount of credit allowed for actual use is  
7 determined by multiplying the original credit by the ratio which the months of qualified use bear  
8 to the months of useful life. For purposes of this subdivision, "useful life of property" is the same  
9 as the taxpayer uses for depreciation purposes when computing his federal income tax liability.

10 (2) Except with respect to that property to which subdivision (3) of this subsection applies,  
11 with respect to three (3) year property, as defined in 26 U.S.C. § 168(c), which is disposed of or  
12 ceases to be in qualified use prior to the end of the taxable year in which the credit is to be taken,  
13 the amount of the credit shall be that portion of the credit provided for in this section which  
14 represents the ratio which the months of qualified use bear to thirty-six (36). If property on which  
15 credit has been taken is disposed of or ceases to be in qualified use prior to the end of thirty-six  
16 (36) months, the difference between the credit taken and the credit allowed for actual use must be  
17 added back in the year of disposition. The amount of credit allowed for actual use is determined by  
18 multiplying the original credit by the ratio that the months of qualified use bear to thirty-six (36).

19 (3) With respect to any recovery property to which 26 U.S.C. § 168 applies, which is a  
20 building or a structural component of a building and which is disposed of or ceases to be in qualified  
21 use prior to the end of the taxable year in which the credit is to be taken, the amount of the credit  
22 is that portion of the credit provided for in this section which represents the ratio which the months  
23 of qualified use bear to the total number of months over which the taxpayer chooses to deduct the  
24 property under 26 U.S.C. § 168. If property on which credit has been taken is disposed of or ceases  
25 to be in qualified use prior to the end of the period over which the taxpayer chooses to deduct the  
26 property under 26 U.S.C. § 168, the difference between the credit taken and the credit allowed for  
27 actual use must be added back in the year of disposition. If the property is disposed of or ceases to  
28 be in qualified use after it has been in qualified use for more than twelve (12) consecutive years, it  
29 is not necessary to add back the credit as provided in this subdivision. The amount of credit allowed  
30 for actual use is determined by multiplying the original credit by the ratio that the months of  
31 qualified use bear to the total number of months over which the taxpayer chooses to deduct the  
32 property under 26 U.S.C. § 168.

33 (g) No deduction for research and development facilities under § 44-32-1 shall be allowed  
34 for research and development property for which the credit is allowed under this section.

1 (h) No investment tax credit under § 44-31-1 shall be allowed for research and development  
2 property for which the credit is allowed under this section.

3 (i) The investment tax credit allowed by § 44-31-1 shall be taken into account before the  
4 credit allowed under this section.

5 (j) The credit allowed under this section only allowed against the tax of that corporation  
6 included in a consolidated return that qualifies for the credit and not against the tax of other  
7 corporations that may join in the filing of a consolidated return.

8 (k) In the event that the taxpayer is a partnership, joint venture or small business  
9 corporation, the credit shall be divided in the same manner as income.

10 (l) Sunset. No credits shall be allowed under this section for tax years beginning on or after  
11 January 1, 2026. Credits allowed for tax years ending on or before December 31, 2025, may be  
12 carried forward into tax years beginning on or after January 1, 2026, in accordance with subsection  
13 (e) of this section.

14 **44-32-3. Credit for qualified research expenses.**

15 (a) A taxpayer shall be allowed a credit against the tax imposed by chapters 11, 17 or 30  
16 of this title. The amount of the credit shall be five percent (5%)(and in the case of amounts paid or  
17 accrued after January 1, 1998, twenty-two and one-half percent (22.5%) for the first twenty-five  
18 thousand dollars (\$25,000) worth of credit and sixteen and nine-tenths percent (16.9%) for the  
19 amount of credit above twenty-five thousand dollars (\$25,000)) of the excess, if any, of:

20 (1) The qualified research expenses for the taxable year, over

21 (2) The base period research expenses.

22 (b)(1) “Qualified research expenses” and “base period research expenses” have the same  
23 meaning as defined in 26 U.S.C. § 41; provided, that the expenses have been incurred in this state  
24 after July 1, 1994.

25 (2) Notwithstanding the provisions of subdivision (1) of this subsection, “qualified research  
26 expenses” also includes amounts expended for research by property and casualty insurance  
27 companies into methods and ways of preventing or reducing losses from fire and other perils.

28 (c) The credit allowed under this section for any taxable year shall not reduce the tax due  
29 for that year by more than fifty percent (50%) of the tax liability that would be payable, and in the  
30 case of corporations, to less than the minimum fixed by § 44-11-2(e). If the amount of credit  
31 allowable under this section for any taxable year is less than the amount of credit available to the  
32 taxpayer any amount of credit not credited in that taxable year may be carried over to the following  
33 year or years, up to a maximum of seven (7) years, and may be credited against the taxpayer’s tax  
34 for that year or years. For purposes of chapter 30 of this title, if the credit allowed under this section

1 for any taxable year exceeds the taxpayer's tax for that year, the amount of credit not credited in  
2 that taxable year may be carried over to the following year or years, up to a maximum of seven (7)  
3 years, and may be credited against the taxpayer's tax for that year or years. For purposes of  
4 determining the order in which carry-overs are taken into consideration, the credit allowed by § 44-  
5 32-2 is taken into account before the credit allowed under this section.

6 (d) For tax years beginning on or after January 1, 2026, the credit allowed under this section  
7 for any taxable year shall not reduce the tax due for that year by more than fifty percent (50%) of  
8 the tax liability that would be payable, and in the case of corporations, to less than the minimum  
9 fixed by § 44-11-2(e). If the amount of credit allowable under this section for any taxable year is  
10 less than the amount of credit available to the taxpayer any amount of credit not credited in that  
11 taxable year may be carried over to the following year or years, up to a maximum of fifteen (15)  
12 years, and may be credited against the taxpayer's tax for that year or years. For purposes of chapter  
13 30 of this title, if the credit allowed under this section for any taxable year exceeds the taxpayer's  
14 tax for that year, the amount of credit not credited in that taxable year may be carried over to the  
15 following year or years, up to a maximum of fifteen (15) years, and may be credited against the  
16 taxpayer's tax for that year or years. For purposes of determining the order in which carry-overs  
17 are taken into consideration, the credit allowed by § 44-32-2 is taken into account before the credit  
18 allowed under this section.

19 ~~(d)(e)~~ The investment tax credit allowed by § 44-31-1 shall be taken into account before  
20 the credit allowed under this section.

21 ~~(e)(f)~~ The credit allowed under this section shall only be allowed against the tax of that  
22 corporation included in a consolidated return that qualifies for the credit and not against the tax of  
23 other corporations that may join in the filing of a consolidated return.

24 ~~(f)(g)~~ In the event the taxpayer is a partnership, joint venture or small business corporation,  
25 the credit is divided in the same manner as income.

26 SECTION 13. Section 44-34.1-2 of the General Laws in Chapter 44-34.1 entitled "Motor  
27 Vehicle and Trailer Excise Tax Elimination Act of 1998" is hereby amended to read as follows:

28 **44-34.1-2. City, town, and fire district reimbursement.**

29 (a) In fiscal years 2024 and thereafter, cities, towns, and fire districts shall receive  
30 reimbursements, as set forth in this section, from state general revenues ~~equal to the amount of lost~~  
31 ~~tax revenue~~ due to the phase out of the excise tax. ~~When the tax is phased out, cities, towns, and~~  
32 ~~fire districts shall receive a permanent distribution of sales tax revenue pursuant to § 44-18-18 in~~  
33 ~~an amount equal to any lost revenue resulting from the excise tax elimination.~~

34 (b)(1) In fiscal year 2024, cities, towns, and fire districts shall receive the following

1	reimbursement amounts:	
2	Barrington	\$ 5,894,822
3	Bristol	\$ 2,905,818
4	Burrillville	\$ 5,053,933
5	Central Falls	\$ 2,077,974
6	Charlestown	\$ 1,020,877
7	Coventry	\$ 5,872,396
8	Cranston	\$ 22,312,247
9	Cumberland	\$ 6,073,469
10	East Greenwich	\$ 2,417,332
11	East Providence	\$ 11,433,479
12	Exeter	\$ 2,241,381
13	Foster	\$ 1,652,251
14	Glocester	\$ 2,381,941
15	Hopkinton	\$ 1,629,259
16	Jamestown	\$ 622,793
17	Johnston	\$ 10,382,785
18	Lincoln	\$ 5,683,015
19	Little Compton	\$ 366,775
20	Middletown	\$ 1,976,448
21	Narragansett	\$ 1,831,251
22	Newport	\$ 2,223,671
23	New Shoreham	\$ 163,298
24	North Kingstown	\$ 5,378,818
25	North Providence	\$ 9,619,286
26	North Smithfield	\$ 4,398,531
27	Pawtucket	\$ 16,495,506
28	Portsmouth	\$ 2,414,242
29	Providence	\$ 34,131,596
30	Richmond	\$ 1,448,455
31	Scituate	\$ 1,977,127
32	Smithfield	\$ 7,098,694
33	South Kingstown	\$ 3,930,455
34	Tiverton	\$ 1,748,175

1	Warren	\$ 2,090,911
2	Warwick	\$ 25,246,254
3	Westerly	\$ 5,765,523
4	West Greenwich	\$ 1,331,725
5	West Warwick	\$ 5,673,744
6	Woonsocket	\$ 9,324,776
7	Lime Rock Fire District	\$ 133,933
8	Lincoln Fire District	\$ 208,994
9	Manville Fire District	\$ 64,862
10	Quinnville Fire District	\$ 13,483

11 (2) In fiscal year 2024, funds shall be distributed to the cities, towns, and fire districts as  
 12 follows:

- 13 (i) On August 1, 2023, twenty-five percent (25%) of the funds.
- 14 (ii) On November 1, 2023, twenty-five percent (25%) of the funds.
- 15 (iii) On February 1, 2024, twenty-five percent (25%) of the funds.
- 16 (iv) On May 1, 2024, twenty-five percent (25%) of the funds.

17 The funds shall be distributed to each city, town, and fire district in the same proportion as  
 18 distributed in fiscal year 2023.

19 (3) For the city of East Providence, the payment schedule is twenty-five percent (25%) on  
 20 November 1, 2023, twenty-five percent (25%) on February 1, 2024, twenty-five percent (25%) on  
 21 May 1, 2024, and twenty-five percent (25%) on August 1, 2024.

22 (4) On any of the payment dates specified in subsections (b)(2)(i) through (b)(2)(iv), ~~or~~  
 23 (b)(3), or (d) of this section, the director of revenue is authorized to deduct previously made over-  
 24 payments or add supplemental payments as may be required to bring the reimbursements into full  
 25 compliance with the requirements of this chapter.

26 (c) When the tax is phased out to August 1, of the following fiscal year the director of  
 27 revenue shall calculate to the nearest thousandth of one cent (\$0.00001) the number of cents of  
 28 sales tax received for the fiscal year ending June 30, of the year following the phase-out equal to  
 29 the amount of funds distributed to the cities, towns, and fire districts under this chapter during the  
 30 fiscal year following the phase-out and the percent of the total funds distributed in the fiscal year  
 31 following the phase-out received by each city, town, and fire district, calculated to the nearest one-  
 32 hundredth of one percent (0.01%). The director of the department of revenue shall transmit those  
 33 calculations to the governor, the speaker of the house, the president of the senate, the chairperson  
 34 of the house finance committee, the chairperson of the senate finance committee, the house fiscal

1 advisor, and the senate fiscal advisor. The number of cents, applied to the sales taxes received for  
2 the prior fiscal year, shall be the basis for determining the amount of sales tax to be distributed to  
3 the cities, towns, and fire districts under this chapter ~~for the second fiscal year following the phase-~~  
4 ~~out and each year thereafter~~ in fiscal year 2025. The cities, towns, and fire districts shall receive  
5 that amount of sales tax in the proportions calculated by the director of revenue as that received in  
6 the fiscal year following the phase-out.

7 (d) In fiscal years 2025 and thereafter, twenty-five percent (25%) of the funds shall be  
8 distributed to the cities, towns, and fire districts on August 1, 2024, and every August 1 thereafter;  
9 twenty-five percent (25%) shall be distributed on November 1, 2024, and every November 1  
10 thereafter; twenty-five percent (25%) shall be distributed on February 1, 2025, and every February  
11 1 thereafter; and twenty-five percent (25%) shall be distributed on May 1, 2025, and every May 1  
12 thereafter.

13 (e) In fiscal years 2026 and thereafter, each city, town, and fire district shall receive a  
14 reimbursement amount equal to the reimbursement amount it received pursuant to subsection (b)(1)  
15 or (c) of this section, whichever is greater.

16 ~~(e)(f)~~ [Deleted by P.L. 2024, ch. 400, § 1 and P.L. 2024, ch. 401, § 1.]

17 SECTION 14. Chapter 44-39.1 of the General Laws entitled “Employment Tax Credit” is  
18 hereby amended by adding thereto the following section:

19 **44-39.1-5. Sunset.**

20 No credits shall be allowed under this chapter for tax years beginning on or after January  
21 1, 2026.

22 SECTION 15. Sections 44-43-2 and 44-43-3 of the General Laws in Chapter 44-43 entitled  
23 “Tax Incentives for Capital Investment in Small Businesses” is hereby amended to read as follows:

24 **44-43-2. Deduction or modification.**

25 (a) In the year in which a taxpayer first makes a qualifying investment in a certified venture  
26 capital partnership or the year in which an entrepreneur first makes an investment in a qualifying  
27 entity, the taxpayer or the entrepreneur shall be allowed:

28 (1) A deduction for purposes of computing net income or net worth in accordance with  
29 chapter 11 of this title; or

30 (2) A deduction from gross earnings for purposes of computing the public service  
31 corporation tax in accordance with chapter 13 of this title; or

32 (3) A deduction for the purposes of computing net income in accordance with chapter 14  
33 of this title; or

34 (4) A deduction for the purposes of computing gross premiums in accordance with chapter

1 17 of this title; or

2 (5) A modification reducing federal adjusted gross income in accordance with chapter 30  
3 of this title.

4 (b) The deduction or modification shall be in an amount equal to the taxpayer's qualifying  
5 investment in a certified venture capital partnership or an entrepreneur's investment in a qualifying  
6 business entity and shall be measured at the year end of the certified venture capital partnership,  
7 the year end of the qualifying business entity, or the year end of the investing taxpayer, whichever  
8 comes first.

9 [\(c\) Sunset. No deductions or modifications shall be allowed under this section for tax years](#)  
10 [beginning on or after January 1, 2026.](#)

11 [\*\*44-43-3. Wage credit.\*\*](#)

12 (a) There shall be allocated among the entrepreneurs of a qualifying business entity (based  
13 on the ratio of each entrepreneur's interest in the entity to the total interest held by all entrepreneurs)  
14 with respect to each entity on an annual basis commencing with the calendar year in which the  
15 entity first qualified as a qualifying business entity a credit against the tax imposed by chapter 30  
16 of this title. The credit shall be equal to three percent (3%) of the wages (as defined in 26 U.S.C. §  
17 3121(a)) in excess of fifty thousand dollars (\$50,000) paid during each calendar year to employees  
18 of the entity; provided, that there shall be excluded from the amount on which the credit is based  
19 any wages:

20 (1) Paid to any owner of the entity;

21 (2) Paid more than five (5) years after the entity commenced business or five (5) years after  
22 the purchase of the business entity by new owners, whichever occurs later; or

23 (3) Paid to employees who are not principally employed in Rhode Island and whose wages  
24 are not subject to withholding pursuant to chapter 30 of this title.

25 (b) The credit authorized by this section shall cease in the taxable year next following after  
26 the taxable year in which the average annual gross revenue of the business entity equals or exceeds  
27 one million five hundred thousand dollars (\$1,500,000).

28 [\(c\) Sunset. No credits shall be allowed under this section for tax years beginning on or after](#)  
29 [January 1, 2026.](#)

30 SECTION 16. Chapter 44-53 of the General Laws entitled "Levy and Distrainment" is hereby  
31 amended by adding thereto the following section:

32 [\*\*44-53-18. Financial institution data match system for state tax collection purposes.\*\*](#)

33 [\(a\) Definitions. As used in this section:](#)

34 [\(1\) "Division" means the Rhode Island department of revenue, division of taxation.](#)

1           (2) “Financial institution” means any bank, savings and loan association, federal or state  
2 credit union, trust company, consumer lender, international banking facility, financial institution  
3 holding company, benefit association, insurance company, safe deposit company, or any entity  
4 authorized by the taxpayer to buy, sell, transfer, store, and/or trade monetary assets or its equivalent,  
5 including but not limited to virtual currency, and any party affiliated with the financial institution.  
6 A financial institution includes any person or entity authorized or required to participate in a  
7 financial institution data match system or program for child support enforcement purposes under  
8 federal or state law.

9           (b) Financial institution data match system for state tax collection purposes.

10           (1) To assist the tax administrator in the collection of debts, the division shall  
11 develop and operate a financial institution data match system for the purpose of identifying and  
12 seizing the non-exempt assets of delinquent taxpayers as identified by the tax administrator. The  
13 tax administrator is authorized to designate a third party to develop and operate this system. Any  
14 third party designated by the tax administrator to develop and operate a financial data match system  
15 must keep all information it obtains from both the division and the financial institution confidential,  
16 and any employee, agent or representative of that third party is prohibited from disclosing that  
17 information to anyone other than the division or the financial institution.

18           (2) Each financial institution doing business in the state shall, in conjunction with  
19 the tax administrator or the tax administrator’s authorized designee, develop and operate a data  
20 match system to facilitate the identification and seizure of non-exempt financial assets of delinquent  
21 taxpayers identified by the tax administrator or the tax administrator’s authorized designee. If a  
22 financial institution has a data match system developed or used to administer the child support  
23 enforcement programs of this state, and if that system is approved by the tax administrator or the  
24 tax administrator’s authorized designee, the financial institution may use that system to comply  
25 with the provisions of this section.

26           (c) Each financial institution must provide identifying information at least each  
27 calendar quarter to the division for each delinquent taxpayer identified by the division who or that  
28 maintains an account at the institution. The identifying information must include the delinquent  
29 taxpayer’s name, address, and social security number or other taxpayer identification number, and  
30 all account numbers and balances in each account.

31           (d) A financial institution that complies with this section will not be liable under  
32 state law to any person for the disclosure of information to the tax administrator or the tax  
33 administrator’s authorized designee, or any other action taken in good faith to comply with this  
34 section.



1 with a device.

2 **44-72-2. Imposition of Digital Advertising Gross Revenue Tax.**

3 (a) For tax years beginning on or after January 1, 2026, a tax is imposed on a  
4 person's assessable base. The digital advertising gross revenues tax rate is 10% of the assessable  
5 base for a person with annual gross revenues exceeding \$1,000,000,000.

6 (b) A person who derives gross revenues from digital advertising services in Rhode Island  
7 may not directly pass on the cost of the tax imposed under this section to a customer who purchases  
8 the digital advertising services by means of a separate fee, surcharge, or line-item.

9 **44-72-3. Exemptions.**

10 The tax provided by this chapter shall not apply to a person in any tax year in which  
11 the annual gross revenues for that person was \$1,000,000,000 or less.

12 **44-72-4. Filing of Returns and Payments – Due Date.**

13 (a) For tax years beginning on or after January 1, 2026, each person that, in a calendar year,  
14 has annual gross revenues exceeding \$1,000,000,000 and an assessable base greater than \$0 shall  
15 complete, under oath, and file with the tax administrator an annual return, on or before April 15  
16 following the close of the taxable year. If any due date falls on a Saturday, Sunday, or Rhode Island  
17 legal holiday, the installment is due on the next regular business day.

18 (b) Each person required under subsection (a) of this section to file a return shall make four  
19 quarterly estimated payments, with 25% of the estimated tax due each quarter.

20 (1) Each person subject to the tax under this chapter shall complete, under oath, and file  
21 with the tax administrator a declaration of estimated tax, on or before April 15 of the taxable year  
22 and remit payment of estimate tax of at least 25% of the estimated digital advertising gross revenues  
23 tax shown on the declaration or amended declaration for a taxable year.

24 (2) A person required under subsection (b)(1) of this section to remit payment of estimated  
25 tax for a taxable year shall additionally remit payment of estimate tax of at least 50% of the  
26 estimated digital advertising gross revenues tax shown on or before June 15, at least 75% of the  
27 estimated digital advertising gross revenues tax shown on or before September 15, and at least  
28 100% of the estimated digital advertising gross revenues tax shown on or before December 15 of  
29 that year.

30 (3) In the case of any underpayment of an estimated payment in this chapter, there is added  
31 to the tax due for the taxable year an amount determined at the rate described in § 44-1-7 upon the  
32 amount of the underpayment for the period of the underpayment.

33 (i) For the purpose of this section, the “amount of the underpayment” is the excess of the  
34 amount of the installment or installments which would be required to be paid if the advance

1 payments were equal to eighty percent (80%) of the tax shown on the return for the taxable year or  
2 one hundred percent (100%) of the tax shown on the return for the prior taxable year, whichever is  
3 less.

4 (ii) For the purposes of this section, the “period of the underpayment” is the period from  
5 the date the installment was required to be paid to the date prescribed in this section for the payment  
6 of the tax for the taxable year or, with respect to any portion of the underpayment, the date on which  
7 the portion is paid, whichever date is the earlier.

8 (c) For tax years beginning on or after January 1, 2026 a person required to file a return  
9 under this chapter shall pay the digital advertising gross revenues tax that covers the period for  
10 which the tax is due.

11 (1) If any due date falls on a Saturday, Sunday, or Rhode Island legal holiday, the  
12 installment is due on the next regular business day.

13 (d) Each person required to file a return and pay tax under this chapter must file and remit  
14 payment electronically.

15 **44-72-5. Extension of time for filing of returns.**

16 The tax administrator may grant reasonable extensions of time for filing returns under rules  
17 and regulations as he or she shall prescribe.

18 **44-72-6. Interest on delinquent payments.**

19 If any tax imposed by this chapter is not paid when due, the person shall be required to pay  
20 as part of the tax interest on the tax at the annual rate provided by § 44-1-7 from that time.

21 **44-72-7. Allocation of gross revenue to State.**

22 (a) For the purposes of this chapter, revenue from digital advertising services both within  
23 and without Rhode Island shall be sourced based on the ratio of devices in Rhode Island that access  
24 advertising to total devices that access advertising.

25 (b) The tax administrator shall adopt regulations that determine the state from which revenues  
26 from digital advertising services are derived.

27 **44-72-8. Claims for refund.**

28 Any person may file a claim for refund with the tax administrator at any time within three  
29 (3) years after the due date of the return, or in the case of a change or correction of its taxable  
30 income by any official of the United States government, within three (3) years after receiving notice  
31 of the change or correction. If the tax administrator determines that the tax has been overpaid, he  
32 or she shall make a refund with interest at the annual rate provided by § 44-1-7.1 from the date of  
33 payment.

34 **44-72-9. Determination of tax without return.**

1 If any person fails to file a return at the time prescribed by law, the tax administrator may  
2 proceed to determine the tax from any information he or she can obtain.

3 **44-72-10. Penalties.**

4 (a) Failure to file tax returns or to pay tax.

5 In the case of failure:

6 (1) To file. In the case of any failure to file a return on or before the prescribed date, unless  
7 it is shown that the failure is due to reasonable cause and not due to willful neglect, there shall be  
8 added to the tax five percent (5%) if the failure is for not more than one month, with an additional  
9 five percent (5%) for each additional month or fraction of a month during which the failure  
10 continues, not exceeding twenty-five percent (25%) in the aggregate, except that when a return is  
11 filed after the time prescribed by law and it is shown that the failure to file the return at the  
12 prescribed time was due to reasonable cause and not due to willful neglect, no addition to the tax  
13 shall be made..

14 (2) To pay. In the case of any failure to pay the tax as imposed by this chapter with the  
15 return on or before the prescribed date, unless it is shown that the failure is due to reasonable cause  
16 and not due to willful neglect, there shall be added to the amount shown as tax on the return five-  
17 tenths percent (0.5%) of the amount of the tax if the failure is for not more than one month, with  
18 an additional five-tenths percent (0.5%) for each additional month or fraction of a month during  
19 which the failure continues, not exceeding twenty-five percent (25%) in the aggregate, except that  
20 when the failure is due to reasonable cause and not to willful neglect, no addition to the tax shall  
21 be made.

22 (b) Negligence. If any part of a deficiency is due to negligence or intentional disregard of  
23 the Rhode Island General Laws or rules or regulations under this chapter (but without intent to  
24 defraud), five percent (5%) of that part of the deficiency shall be added to the tax.

25 (c) Fraud. If any part of a deficiency is due to fraud, fifty percent (50%) of that part of the  
26 deficiency shall be added to the tax. This amount shall be in lieu of any other additional amounts  
27 imposed by subsections (a) and (b) of this section.

28 (d) Additions and penalties treated as tax. The additions to the tax and civil penalties  
29 provided by this section shall be paid upon notice and demand and shall be assessed, collected, and  
30 paid in the same manner as taxes.

31 (e) Bad checks. If any check or money order in payment of any amount receivable under  
32 this chapter is not duly paid, in addition to any other penalties provided by law, there shall be paid  
33 as a penalty by the person who tendered the check, upon notice and demand by the tax administrator  
34 or his or her delegate, in the same manner as tax, an amount equal to one percent (1%) of the amount

1 of the check, except that if the amount of the check is less than five hundred dollars (\$500), the  
2 penalty under this section shall be five dollars (\$5.00). This subsection shall not apply if the person  
3 tendered the check in good faith and with reasonable cause to believe that it would be duly paid.

4 **44-72-11. Hearings and appeals.**

5 (a) Any person aggrieved by any action under this chapter of the tax administrator or his  
6 or her authorized agent for which a hearing is not elsewhere provided may apply to the tax  
7 administrator, in writing, within thirty (30) days of the action for a hearing, stating the reasons why  
8 the hearing should be granted and the manner of relief sought. The tax administrator shall notify  
9 the applicant of the time and place fixed for the hearing. After the hearing, the tax administrator  
10 may make the order in the premises as may appear to the tax administrator just and lawful and shall  
11 furnish a copy of the order to the applicant. The tax administrator may, by notice in writing, at any  
12 time, order a hearing on his or her own initiative and any persons whom the tax administrator  
13 believes to be in possession of information concerning revenue from digital advertising services to  
14 appear before the tax administrator or his or her authorized agent with any specific books of  
15 account, papers, or other documents, for examination relative to the hearing.

16 (b) Appeals from administrative orders or decisions made pursuant to any provisions of  
17 this chapter shall be to the sixth division district court pursuant to chapter 8 of title 8. The person's  
18 right to appeal under this section shall be expressly made conditional upon prepayment of all taxes,  
19 interest, and penalties, unless the person moves for and is granted an exemption from the  
20 prepayment requirement pursuant to § 8-8-26.

21 **44-72-12. Records.**

22 Each person shall keep records, render statements, make returns, and comply with rules  
23 and regulations, not inconsistent with law, as the tax administrator may from time to time prescribe  
24 to carry into effect the provisions of this chapter.

25 **44-72-13. Rules and Regulations.**

26 The tax administrator is authorized to promulgate rules and regulations to carry out the  
27 provisions, policies, and purposes of this chapter. The provisions of this chapter shall be liberally  
28 construed to foster the enforcement of and compliance with all provisions herein related to taxation.

29 **44-72-14. Severability.**

30 If any provision of this chapter or the application of this chapter to any person or  
31 circumstances is held invalid, that invalidity shall not affect other provisions or applications of the  
32 chapter that can be given effect without the invalid provision or application, and to this end the  
33 provisions of this chapter are declared to be severable.

34 SECTION 18. Sections 45-24-31 and 45-24-37 of the General Laws in Chapter 45-24

1 entitled “Zoning Ordinances” are hereby amended to read as follows:

2 **45-24-31. Definitions.**

3 Where words or terms used in this chapter are defined in § 45-22.2-4 or § 45-23-32, they  
4 have the meanings stated in that section. In addition, the following words have the following  
5 meanings. Additional words and phrases may be used in developing local ordinances under this  
6 chapter; however, the words and phrases defined in this section are controlling in all local  
7 ordinances created under this chapter:

8 (1) **Abutter.** One whose property abuts, that is, adjoins at a border, boundary, or point with  
9 no intervening land.

10 (2) **Accessory dwelling unit (ADU).** A residential living unit on the same lot where the  
11 principal use is a legally established single-family dwelling unit or multi-family dwelling unit. An  
12 ADU provides complete independent living facilities for one or more persons. It may take various  
13 forms including, but not limited to: a detached unit; a unit that is part of an accessory structure,  
14 such as a detached garage; or a unit that is part of an expanded or remodeled primary dwelling.

15 (3) **Accessory use.** A use of land or of a building, or portion thereof, customarily incidental  
16 and subordinate to the principal use of the land or building. An accessory use may be restricted to  
17 the same lot as the principal use. An accessory use shall not be permitted without the principal use  
18 to which it is related.

19 (4) **Adaptive reuse.** “Adaptive reuse,” as defined in § 42-64.22-2.

20 (5) **Aggrieved party.** An aggrieved party, for purposes of this chapter, shall be:

21 (i) Any person, or persons, or entity, or entities, who or that can demonstrate that his, her,  
22 or its property will be injured by a decision of any officer or agency responsible for administering  
23 the zoning ordinance of a city or town; or

24 (ii) Anyone requiring notice pursuant to this chapter.

25 (6) **Agricultural land.** “Agricultural land,” as defined in § 45-22.2-4.

26 (7) **Airport hazard area.** “Airport hazard area,” as defined in § 1-3-2.

27 (8) **Applicant.** An owner, or authorized agent of the owner, submitting an application or  
28 appealing an action of any official, board, or agency.

29 (9) **Application.** The completed form, or forms, and all accompanying documents,  
30 exhibits, and fees required of an applicant by an approving authority for development review,  
31 approval, or permitting purposes.

32 (10) **Buffer.** Land that is maintained in either a natural or landscaped state, and is used to  
33 screen or mitigate the impacts of development on surrounding areas, properties, or rights-of-way.

34 (11) **Building.** Any structure used or intended for supporting or sheltering any use or

1 occupancy.

2 (12) **Building envelope.** The three-dimensional space within which a structure is permitted  
3 to be built on a lot and that is defined by regulations governing building setbacks, maximum height,  
4 and bulk; by other regulations; or by any combination thereof.

5 (13) **Building height.** For a vacant parcel of land, building height shall be measured from  
6 the average, existing-grade elevation where the foundation of the structure is proposed. For an  
7 existing structure, building height shall be measured from average grade taken from the outermost  
8 four (4) corners of the existing foundation. In all cases, building height shall be measured to the top  
9 of the highest point of the existing or proposed roof or structure. This distance shall exclude spires,  
10 chimneys, flag poles, and the like. For any property or structure located in a special flood hazard  
11 area, as shown on the official FEMA Flood Insurance Rate Maps (FIRMs), or depicted on the  
12 Rhode Island coastal resources management council (CRMC) suggested design elevation three foot  
13 (3') sea level rise (CRMC SDE 3 SLR) map as being inundated during a one-hundred-year (100)  
14 storm, the greater of the following amounts, expressed in feet, shall be excluded from the building  
15 height calculation:

16 (i) The base flood elevation on the FEMA FIRM plus up to five feet (5') of any utilized or  
17 proposed freeboard, less the average existing grade elevation; or

18 (ii) The suggested design elevation as depicted on the CRMC SDE 3 SLR map during a  
19 one-hundred-year (100) storm, less the average existing grade elevation. CRMC shall reevaluate  
20 the appropriate suggested design elevation map for the exclusion every ten (10) years, or as  
21 otherwise necessary.

22 (14) **Cluster.** A site-planning technique that concentrates buildings in specific areas on the  
23 site to allow the remaining land to be used for recreation, common open space, and/or preservation  
24 of environmentally, historically, culturally, or other sensitive features and/or structures. The  
25 techniques used to concentrate buildings shall be specified in the ordinance and may include, but  
26 are not limited to, reduction in lot areas, setback requirements, and/or bulk requirements, with the  
27 resultant open land being devoted by deed restrictions for one or more uses. Under cluster  
28 development, there is no increase in the number of lots that would be permitted under conventional  
29 development except where ordinance provisions include incentive bonuses for certain types or  
30 conditions of development.

31 (15) **Common ownership.** Either:

32 (i) Ownership by one or more individuals or entities in any form of ownership of two (2)  
33 or more contiguous lots; or

34 (ii) Ownership by any association (ownership may also include a municipality) of one or

1 more lots under specific development techniques.

2 (16) **Community residence.** A home or residential facility where children and/or adults  
3 reside in a family setting and may or may not receive supervised care. This does not include halfway  
4 houses or substance-use-disorder-treatment facilities. This does include, but is not limited to, the  
5 following:

6 (i) Whenever six (6) or fewer children or adults with intellectual and/or developmental  
7 disability reside in any type of residence in the community, as licensed by the state pursuant to  
8 chapter 24 of title 40.1. All requirements pertaining to local zoning are waived for these community  
9 residences;

10 (ii) A group home providing care or supervision, or both, to not more than eight (8) persons  
11 with disabilities, and licensed by the state pursuant to chapter 24 of title 40.1;

12 (iii) A residence for children providing care or supervision, or both, to not more than eight  
13 (8) children, including those of the caregiver, and licensed by the state pursuant to chapter 72.1 of  
14 title 42;

15 (iv) A community transitional residence providing care or assistance, or both, to no more  
16 than six (6) unrelated persons or no more than three (3) families, not to exceed a total of eight (8)  
17 persons, requiring temporary financial assistance, and/or to persons who are victims of crimes,  
18 abuse, or neglect, and who are expected to reside in that residence not less than sixty (60) days nor  
19 more than two (2) years. Residents will have access to, and use of, all common areas, including  
20 eating areas and living rooms, and will receive appropriate social services for the purpose of  
21 fostering independence, self-sufficiency, and eventual transition to a permanent living situation.

22 (17) **Comprehensive plan.** The comprehensive plan adopted and approved pursuant to  
23 chapter 22.2 of this title and to which any zoning adopted pursuant to this chapter shall be in  
24 compliance.

25 (18) **Day care — Daycare center.** Any other daycare center that is not a family daycare  
26 home.

27 (19) **Day care — Family daycare home.** Any home, other than the individual's home, in  
28 which day care in lieu of parental care or supervision is offered at the same time to six (6) or less  
29 individuals who are not relatives of the caregiver, but may not contain more than a total of eight  
30 (8) individuals receiving day care.

31 (20) **Density, residential.** The number of dwelling units per unit of land.

32 (21) **Development.** The construction, reconstruction, conversion, structural alteration,  
33 relocation, or enlargement of any structure; any mining, excavation, landfill, or land disturbance;  
34 or any change in use, or alteration or extension of the use, of land.

1 (22) **Development plan review.** See §§ 45-23-32 and 45-23-50.

2 (23) **District.** See “zoning use district.”

3 (24) **Drainage system.** A system for the removal of water from land by drains, grading, or  
4 other appropriate means. These techniques may include runoff controls to minimize erosion and  
5 sedimentation during and after construction or development; the means for preserving surface and  
6 groundwaters; and the prevention and/or alleviation of flooding.

7 (25) **Dwelling unit.** A structure, or portion of a structure, providing complete, independent  
8 living facilities for one or more persons, including permanent provisions for living, sleeping, eating,  
9 cooking, and sanitation, and containing a separate means of ingress and egress.

10 (26) **Extractive industry.** The extraction of minerals, including: solids, such as coal and  
11 ores; liquids, such as crude petroleum; and gases, such as natural gases. The term also includes  
12 quarrying; well operation; milling, such as crushing, screening, washing, and flotation; and other  
13 preparation customarily done at the extraction site or as a part of the extractive activity.

14 (27) **Family member.** A person, or persons, related by blood, marriage, or other legal  
15 means, including, but not limited to, a child, parent, spouse, mother-in-law, father-in-law,  
16 grandparents, grandchildren, domestic partner, sibling, care recipient, or member of the household.

17 (28) **Floating zone.** An unmapped zoning district adopted within the ordinance that is  
18 established on the zoning map only when an application for development, meeting the zone  
19 requirements, is approved.

20 (29) **Floodplains, or Flood hazard area.** As defined in § 45-22.2-4.

21 (30) **Freeboard.** A factor of safety expressed in feet above the base flood elevation of a  
22 flood hazard area for purposes of floodplain management. Freeboard compensates for the many  
23 unknown factors that could contribute to flood heights, such as wave action, bridge openings, and  
24 the hydrological effect of urbanization of the watershed.

25 (31) **Groundwater.** “Groundwater” and associated terms, as defined in § 46-13.1-3.

26 (32) **Halfway house.** A residential facility for adults or children who have been  
27 institutionalized for criminal conduct and who require a group setting to facilitate the transition to  
28 a functional member of society.

29 (33) **Hardship.** See § 45-24-41.

30 (34) **Historic district or historic site.** As defined in § 45-22.2-4.

31 (35) **Home occupation.** Any activity customarily carried out for gain by a resident,  
32 conducted as an accessory use in the resident’s dwelling unit. [For the purposes of this chapter,](#)  
33 [home occupation does not include remote work activities as defined in § 45-24-37.](#)

34 (36) **Household.** One or more persons living together in a single-dwelling unit, with

1 common access to, and common use of, all living and eating areas and all areas and facilities for  
2 the preparation and storage of food within the dwelling unit. The term “household unit” is  
3 synonymous with the term “dwelling unit” for determining the number of units allowed within any  
4 structure on any lot in a zoning district. An individual household shall consist of any one of the  
5 following:

- 6 (i) A family, which may also include servants and employees living with the family; or
- 7 (ii) A person or group of unrelated persons living together. The maximum number may be  
8 set by local ordinance, but this maximum shall not be less than one person per bedroom and shall  
9 not exceed five (5) unrelated persons per dwelling. The maximum number shall not apply to  
10 NARR-certified recovery residences.

11 (37) **Incentive zoning.** The process whereby the local authority may grant additional  
12 development capacity in exchange for the developer’s provision of a public benefit or amenity as  
13 specified in local ordinances.

14 (38) **Infrastructure.** Facilities and services needed to sustain residential, commercial,  
15 industrial, institutional, and other activities.

16 (39) **Land development project.** As defined in § 45-23-32.

17 (40) **Lot.** Either:

- 18 (i) The basic development unit for determination of lot area, depth, and other dimensional  
19 regulations; or
- 20 (ii) A parcel of land whose boundaries have been established by some legal instrument,  
21 such as a recorded deed or recorded map, and that is recognized as a separate legal entity for  
22 purposes of transfer of title.

23 (41) **Lot area.** The total area within the boundaries of a lot, excluding any street right-of-  
24 way, usually reported in acres or square feet.

25 (42) **Lot area, minimum.** The smallest land area established by the local zoning ordinance  
26 upon which a use, building, or structure may be located in a particular zoning district.

27 (43) **Lot building coverage.** That portion of the lot that is, or may be, covered by buildings  
28 and accessory buildings.

29 (44) **Lot depth.** The distance measured from the front lot line to the rear lot line. For lots  
30 where the front and rear lot lines are not parallel, the lot depth is an average of the depth.

31 (45) **Lot frontage.** That portion of a lot abutting a street. A zoning ordinance shall specify  
32 how noncontiguous frontage will be considered with regard to minimum frontage requirements.

33 (46) **Lot line.** A line of record, bounding a lot, that divides one lot from another lot or  
34 from a public or private street or any other public or private space and shall include:

1 (i) Front: the lot line separating a lot from a street right-of-way. A zoning ordinance shall  
2 specify the method to be used to determine the front lot line on lots fronting on more than one  
3 street, for example, corner and through lots;

4 (ii) Rear: the lot line opposite and most distant from the front lot line, or in the case of  
5 triangular or otherwise irregularly shaped lots, an assumed line at least ten feet (10') in length  
6 entirely within the lot, parallel to and at a maximum distance from, the front lot line; and

7 (iii) Side: any lot line other than a front or rear lot line. On a corner lot, a side lot line may  
8 be a street lot line, depending on requirements of the local zoning ordinance.

9 (47) **Lot size, minimum.** Shall have the same meaning as “minimum lot area” defined  
10 herein.

11 (48) **Lot, through.** A lot that fronts upon two (2) parallel streets, or that fronts upon two  
12 (2) streets that do not intersect at the boundaries of the lot.

13 (49) **Lot width.** The horizontal distance between the side lines of a lot measured at right  
14 angles to its depth along a straight line parallel to the front lot line at the minimum front setback  
15 line.

16 (50) **Manufactured home.** As used in this section, a manufactured home shall have the  
17 same definition as in 42 U.S.C. § 5402, meaning a structure, transportable in one or more sections,  
18 which, in the traveling mode, is eight (8) body feet or more in width or forty (40) body feet or more  
19 in length, or, when erected on site, is three hundred twenty (320) or more square feet, and which is  
20 built on a permanent chassis and designed to be used as a dwelling with a permanent foundation  
21 connected to the required utilities, and includes the plumbing, heating, air-conditioning, and  
22 electrical systems contained therein; except that such term shall include any structure that meets all  
23 the requirements of this definition except the size requirements and with respect to which the  
24 manufacturer voluntarily files a certification required by the United States Secretary of Housing  
25 and Urban Development and complies with the standards established under chapter 70 of Title 42  
26 of the United States Code; and except that such term shall not include any self-propelled  
27 recreational vehicle.

28 (51) **Mere inconvenience.** See § 45-24-41.

29 (52) **Mixed use.** A mixture of land uses within a single development, building, or tract.

30 (53) **Modification.** Permission granted and administered by the zoning enforcement  
31 officer of the city or town, and pursuant to the provisions of this chapter to grant a dimensional  
32 variance other than lot area requirements from the zoning ordinance to a limited degree as  
33 determined by the zoning ordinance of the city or town, but not to exceed twenty-five percent (25%)  
34 of each of the applicable dimensional requirements.

1           (54) **Nonconformance.** A building, structure, or parcel of land, or use thereof, lawfully  
2 existing at the time of the adoption or amendment of a zoning ordinance and not in conformity with  
3 the provisions of that ordinance or amendment. Nonconformance is of only two (2) types:

4           (i) Nonconforming by use: a lawfully established use of land, building, or structure that is  
5 not a permitted use in that zoning district. A building or structure containing more dwelling units  
6 than are permitted by the use regulations of a zoning ordinance is nonconformity by use; or

7           (ii) Nonconforming by dimension: a building, structure, or parcel of land not in compliance  
8 with the dimensional regulations of the zoning ordinance. Dimensional regulations include all  
9 regulations of the zoning ordinance, other than those pertaining to the permitted uses. A building  
10 or structure containing more dwelling units than are permitted by the use regulations of a zoning  
11 ordinance is nonconforming by use; a building or structure containing a permitted number of  
12 dwelling units by the use regulations of the zoning ordinance, but not meeting the lot area per  
13 dwelling unit regulations, is nonconforming by dimension.

14           (55) **Overlay district.** A district established in a zoning ordinance that is superimposed  
15 on one or more districts or parts of districts. The standards and requirements associated with an  
16 overlay district may be more or less restrictive than those in the underlying districts consistent with  
17 other applicable state and federal laws.

18           (56) **Performance standards.** A set of criteria or limits relating to elements that a  
19 particular use or process must either meet or may not exceed.

20           (57) **Permitted use.** A use by right that is specifically authorized in a particular zoning  
21 district.

22           (58) **Planned development.** A “land development project,” as defined in subsection (39),  
23 and developed according to plan as a single entity and containing one or more structures or uses  
24 with appurtenant common areas.

25           (59) **Plant agriculture.** The growing of plants for food or fiber, to sell or consume.

26           (60) **Preapplication conference.** A review meeting of a proposed development held  
27 between applicants and reviewing agencies as permitted by law and municipal ordinance, before  
28 formal submission of an application for a permit or for development approval.

29           (61) **Setback line or lines.** A line, or lines, parallel to a lot line at the minimum distance  
30 of the required setback for the zoning district in which the lot is located that establishes the area  
31 within which the principal structure must be erected or placed.

32           (62) **Site plan.** The development plan for one or more lots on which is shown the existing  
33 and/or the proposed conditions of the lot.

34           (63) **Slope of land.** The grade, pitch, rise, or incline of the topographic landform or surface

1 of the ground.

2 (64) **Special use.** A regulated use that is permitted pursuant to the special-use permit  
3 issued by the authorized governmental entity, pursuant to § 45-24-42. Formerly referred to as a  
4 special exception.

5 (65) **Structure.** A combination of materials to form a construction for use, occupancy, or  
6 ornamentation, whether installed on, above, or below the surface of land or water.

7 (66) **Substandard lot of record.** Any lot lawfully existing at the time of adoption or  
8 amendment of a zoning ordinance and not in conformance with the dimensional or area provisions  
9 of that ordinance.

10 (67) **Use.** The purpose or activity for which land or buildings are designed, arranged, or  
11 intended, or for which land or buildings are occupied or maintained.

12 (68) **Variance.** Permission to depart from the literal requirements of a zoning ordinance.  
13 An authorization for the construction or maintenance of a building or structure, or for the  
14 establishment or maintenance of a use of land, that is prohibited by a zoning ordinance. There are  
15 only two (2) categories of variance, a use variance or a dimensional variance.

16 (i) Use variance. Permission to depart from the use requirements of a zoning ordinance  
17 where the applicant for the requested variance has shown by evidence upon the record that the  
18 subject land or structure cannot yield any beneficial use if it is to conform to the provisions of the  
19 zoning ordinance.

20 (ii) Dimensional variance. Permission to depart from the dimensional requirements of a  
21 zoning ordinance under the applicable standards set forth in § 45-24-41.

22 (69) **Waters.** As defined in § 46-12-1(23).

23 (70) **Wetland, coastal.** As defined in § 45-22.2-4.

24 (71) **Wetland, freshwater.** As defined in § 2-1-20.

25 (72) **Zoning certificate.** A document signed by the zoning enforcement officer, as  
26 required in the zoning ordinance, that acknowledges that a use, structure, building, or lot either  
27 complies with, or is legally nonconforming to, the provisions of the municipal zoning ordinance or  
28 is an authorized variance or modification therefrom.

29 (73) **Zoning map.** The map, or maps, that are a part of the zoning ordinance and that  
30 delineate the boundaries of all mapped zoning districts within the physical boundary of the city or  
31 town.

32 (74) **Zoning ordinance.** An ordinance enacted by the legislative body of the city or town  
33 pursuant to this chapter and in the manner providing for the adoption of ordinances in the city or  
34 town's legislative or home rule charter, if any, that establish regulations and standards relating to

1 the nature and extent of uses of land and structures; that is consistent with the comprehensive plan  
2 of the city or town as defined in chapter 22.2 of this title; that includes a zoning map; and that  
3 complies with the provisions of this chapter.

4 (75) **Zoning use district.** The basic unit in zoning, either mapped or unmapped, to which  
5 a uniform set of regulations applies, or a uniform set of regulations for a specified use. Zoning use  
6 districts include, but are not limited to: agricultural, commercial, industrial, institutional, open  
7 space, and residential. Each district may include sub-districts. Districts may be combined.

8 **45-24-37. General provisions — Permitted uses.**

9 (a) The zoning ordinance shall provide a listing of all land uses and/or performance  
10 standards for uses that are permitted within the zoning use districts of the municipality. The  
11 ordinance may provide for a procedure under which a proposed land use that is not specifically  
12 listed may be presented by the property owner to the zoning board of review or to a local official  
13 or agency charged with administration and enforcement of the ordinance for an evaluation and  
14 determination of whether the proposed use is of a similar type, character, and intensity as a listed  
15 permitted use. Upon such determination, the proposed use may be considered to be a permitted use.

16 (b) Notwithstanding any other provision of this chapter, the following uses are permitted  
17 uses within all residential zoning use districts of a municipality and all industrial and commercial  
18 zoning use districts except where residential use is prohibited for public health or safety reasons:

19 (1) Households;

20 (2) Community residences; ~~and~~

21 (3) Family daycare homes ~~;~~ and

22 (4) Remote work, defined as a work flexibility arrangement under which a W-2 employee  
23 or full-time contractor routinely performs the duties and responsibilities of such employee's  
24 position from an approved worksite other than the location from which the employee would  
25 otherwise work.

26 (i) Remote work shall not include any activities that:

27 (A) Relate to the sale of unlawful goods and services;

28 (B) Generate on-street parking or a substantial increase in traffic through the residential  
29 area;

30 (C) Occur outside of the residential dwelling;

31 (D) Occur in the yard; or

32 (E) Are visible from the street.

33 (c) Any time a building or other structure used for residential purposes, or a portion of a  
34 building containing residential units, is rendered uninhabitable by virtue of a casualty such as fire

1 or flood, the owner of the property is allowed to park, temporarily, mobile and manufactured home,  
2 or homes, as the need may be, elsewhere upon the land, for use and occupancy of the former  
3 occupants for a period of up to twelve (12) months, or until the building or structure is rehabilitated  
4 and otherwise made fit for occupancy. The property owner, or a properly designated agent of the  
5 owner, is only allowed to cause the mobile and manufactured home, or homes, to remain  
6 temporarily upon the land by making timely application to the local building official for the  
7 purposes of obtaining the necessary permits to repair or rebuild the structure.

8 (d) Notwithstanding any other provision of this chapter, appropriate access for people with  
9 disabilities to residential structures is allowed as a reasonable accommodation for any person(s)  
10 residing, or intending to reside, in the residential structure.

11 (e) Notwithstanding any other provision of this chapter, an accessory dwelling unit  
12 (“ADU”) that meets the requirements of §§ 45-24-31 and 45-24-73(a) shall be a permitted use in  
13 all residential zoning districts. An ADU that meets the requirements of §§ 45-24-31 and 45-24-  
14 73(a) shall be permitted through an administrative building permit process only.

15 (f) When used in this section the terms “people with disabilities” or “member, or members,  
16 with disabilities” means a person(s) who has a physical or mental impairment that substantially  
17 limits one or more major life activities, as defined in 42-87-1(7).

18 (g) Notwithstanding any other provisions of this chapter, plant agriculture is a permitted  
19 use within all zoning districts of a municipality, including all industrial and commercial zoning  
20 districts, except where prohibited for public health or safety reasons or the protection of wildlife  
21 habitat.

22 (h) **Adaptive reuse.** Notwithstanding any other provisions of this chapter, adaptive reuse  
23 for the conversion of any commercial building, including offices, schools, religious facilities,  
24 medical buildings, and malls into residential units or mixed-use developments which include the  
25 development of at least fifty percent (50%) of the existing gross floor area into residential units,  
26 shall be a permitted use and allowed by specific and objective provisions of a zoning ordinance,  
27 except where such is prohibited by environmental land use restrictions recorded on the property by  
28 the state of Rhode Island department of environmental management or the United States  
29 Environmental Protection Agency preventing the conversion to residential use.

30 (1) The specific zoning ordinance provisions for adaptive reuse shall exempt adaptive reuse  
31 developments from off-street parking requirements of over one space per dwelling unit.

32 (2) **Density.**

33 (i) For projects that meet the following criteria, zoning ordinances shall allow for high  
34 density development and shall not limit the density to less than fifteen (15) dwelling units per acre:

1 (A) Where the project is limited to the existing footprint, except that the footprint is  
2 allowed to be expanded to accommodate upgrades related to the building and fire codes and  
3 utilities; and

4 (B) The development includes at least twenty percent (20%) low- and moderate-income  
5 housing; and

6 (C) The development has access to public sewer and water service or has access to adequate  
7 private water, such as a well and and/or wastewater treatment system(s) approved by the relevant  
8 state agency for the entire development as applicable.

9 (ii) For all other adaptive reuse projects, the residential density permitted in the converted  
10 structure shall be the maximum allowed that otherwise meets all standards of minimum housing  
11 and has access to public sewer and water service or has access to adequate private water, such as a  
12 well, and wastewater treatment system(s) approved by the relevant state agency for the entire  
13 development, as applicable. The density proposed shall be determined to meet all public health and  
14 safety standards.

15 (3) Notwithstanding any other provisions of this chapter, for adaptive reuse projects,  
16 existing building setbacks shall remain and shall be considered legal nonconforming, but no  
17 additional encroachments shall be permitted into any nonconforming setback, unless otherwise  
18 allowed by zoning ordinance or relief is granted by the applicable authority.

19 (4) For adaptive reuse projects, notwithstanding any other provisions of this chapter, the  
20 height of the existing structure, if it exceeds the maximum height of the zoning district, may remain  
21 and shall be considered legal nonconforming, and any rooftop construction shall be included within  
22 the height exemption.

23 (i) Notwithstanding any other provisions of this chapter, all towns and cities may allow  
24 manufactured homes that comply with § 23-27.3-109.1.3 as a type of single-family home on any  
25 lot zoned for single-family use. Such home shall comply with all dimensional requirements of a  
26 single-family home in the district or seek relief for the same under the provisions of this chapter.

27 SECTION 19. All sections shall take effect upon passage, except for Section 1  
28 which shall be effective July 1, 2025, and Sections 8 and 9 which shall be effective September 2,  
29 2025, and Sections 6 and 10 which shall be effective October 1, 2025, and Sections  
30 3,4,5,7,11,12,14,15 and 17 which shall be effective on January 1, 2026.

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**ARTICLE 6**

**RELATING TO ECONOMIC DEVELOPEMNT**

SECTION 1. Sections 5-23-2 and 5-23-6 of the General Laws in Chapter 5-23 entitled “Holiday Business” are hereby amended to read as follows:

**5-23-2. Licenses for holiday business.**

(a) A retail establishment may be open on any day of the year except as specifically prohibited herein. A retail establishment shall not be open on ~~a holiday unless licensed by the appropriate town council pursuant to this section. The city or town council of any city or town shall grant holiday licenses for the sale by retail establishments. No license shall be issued on~~ December 25 of any year or on Thanksgiving Day, except ~~to~~:

(1) Pharmacies licensed under chapter 19.1 of this title; provided, however, that no drug (as defined in § 5-19.1-2) or controlled substance (as defined in § 5-19.1-2) requiring a prescription (as defined in § 5-19.1-2) shall be dispensed or sold unless a licensed pharmacist-in-charge (as defined in § 5-19.1-2) is available on the premises;

(2) Retail establishments that principally sell food products as defined in § 44-18-30(9) and that employ fewer than six (6) employees per shift at any one location;

(3) Retail establishments principally engaged in the sale of cut flowers, floral products, plants, shrubs, trees, fertilizers, seeds, bulbs, and garden accessories;

~~(4) Retail establishments principally engaged in the sale and/or rental of video cassette tapes; and~~

~~(5)~~ (4) Retail establishments principally engaged in the preparation or sale of bakery products.

~~(b) Retail establishments licensed pursuant to this section may be permitted to open for business during holidays on their normal business working hours.~~

~~(c) Retail establishments licensed pursuant to this section shall be exempt from the provisions of chapter 1 of title 25, entitled “Holidays and Days of Special Observance,” and those establishments may sell any and all items sold in the ordinary course of business with the exception of alcoholic beverages.~~

~~(d)~~ (d) All employees engaged in work during Sundays or holidays pursuant to the provisions of this section shall receive from their employer no less than time and a half for the work so performed and shall be guaranteed at least a minimum of four (4) hours employment; except those employees referred to in § 28-12-4.3(a)(4), provided that the work performed by the employee is strictly voluntary and refusal to work for any retail establishment on a Sunday or holiday is not a

1 ground for discrimination, dismissal, or discharge or any other penalty upon the employee.  
2 Provided, however, that the time and one half and voluntary work provisions do not apply to retail  
3 establishments engaged principally in the preparation or sale of bakery products and pharmacies.

4 ~~The city or town council may fix and cause to be paid into the city or town treasury for each license~~  
5 ~~issued pursuant to this section a fee not to exceed the sum of one hundred dollars (\$100) and may~~  
6 ~~fix the time or times when the license granted terminates; provided, that the city or town council~~  
7 ~~shall not charge a licensing fee to any charitable, benevolent, educational, philanthropic, humane,~~  
8 ~~patriotic, social service, civic, fraternal, police, fire, labor, or religious organization that is not~~  
9 ~~operated for profit.~~

10 ~~(e) Retail establishments engaged principally in the preparation or sale of bakery products~~  
11 ~~and pharmacies shall be licensed prior to the sale of those products in accordance with this section;~~  
12 ~~provided, that the time and one half and voluntary work provisions do not apply.~~

13 ~~(f)(c)~~ Each city or town council shall fix, limit, and specify those rules, regulations, and  
14 conditions relating to the ~~granting, holding, and exercising those licenses~~ opening of retail  
15 establishments on holidays as it deems necessary or advisable and as are not inconsistent with law;  
16 ~~and may suspend or revoke any license granted by it for more than two (2) violations of those rules,~~  
17 ~~regulations, and conditions during a calendar year.~~

18 ~~(g)(d)~~ Each city or town shall grant Class A licenses authorizing retail establishments that  
19 sell alcoholic beverages for consumption off of the premises within its jurisdiction to sell on  
20 Sundays, alcoholic beverages in accordance with the terms of this chapter and that of title 3;  
21 provided that it shall not permit such sale prior to the hour of twelve noon (12:00 p.m.) or on  
22 Christmas day, if Christmas shall occur on a Sunday; provided, further, that no employee shall be  
23 required to work and refusal to work on a Sunday shall not be the grounds for discrimination,  
24 dismissal, discharge, deduction of hours, or any other penalty.

25 **5-23-6. Enforcement — Penalties.**

26 (a) Upon complaint filed with the director of labor and training by any employee or any  
27 consumer, or if a minor, by his or her parent or guardian, or by the lawful collective bargaining  
28 representative of an employee, that ~~a licensee under this chapter~~ a person, firm, or corporation has  
29 violated the terms of § 5-23-2, the director shall cause the complaint to be investigated, and if  
30 satisfied that a probable violation has occurred, shall issue a complaint against the ~~licensee~~ person,  
31 firm, or corporation with a notice for a hearing. The hearing shall be held before a hearing officer  
32 of the department of labor and training. If the director concludes on the basis of the hearing record  
33 that a violation has occurred, he or she shall issue a cease and desist order to the ~~licensee~~ person,  
34 firm, or corporation, or he or she shall refer the complaint to the attorney general for appropriate

1 action as provided in subsection (c) of this section. The director shall issue regulations in  
2 conformity with law and preserving the rights of due process of all parties to implement the  
3 provisions of this subsection.

4 (b) Every ~~licensed or unlicensed~~ person, firm, or corporation, including its officers and  
5 officials, who or that violates ~~any of the provisions of his, her, or its license or~~ the provisions of  
6 this chapter, except as set forth in subsection (a) of this section, shall be fined not exceeding five  
7 hundred dollars (\$500) for the first offense and not exceeding one thousand dollars (\$1,000) for  
8 each additional offense.

9 (c) Except as otherwise provided in subsections (a) and (b) of this section, suit for violation  
10 of the provisions of this chapter, praying for criminal or civil injunctive or other relief, may be  
11 instituted in the superior court by any city or town or by the attorney general.

12 (d) The penalty for opening and operating a business on December 25th of any year or on  
13 Thanksgiving Day, unless excepted, is, in addition to subsection (b) of this section, a fine not  
14 exceeding thirty percent (30%) of the sales or proceeds for that day.

15 SECTION 2. Sections 5-23-3, 5-23-4, and 5-23-5 of the General Laws in Chapter 5-23  
16 entitled "Holiday Business" are hereby repealed.

17 ~~**5-23-3. Works of necessity for which license not required.**~~

18 ~~A license is not required for the sale upon a holiday of gasoline, oil, grease, automotive~~  
19 ~~parts, automotive servicing, or automotive accessories, or for the conducting on that day by any~~  
20 ~~farmers' cooperative association of a wholesale auction market of fruit, vegetables, and farm~~  
21 ~~products, all of which are declared to be works of necessity.~~

22 ~~**5-23-4. Terms and conditions of license — Revocation.**~~

23 ~~Any city or town council in each case of granting the license shall fix, limit, and specify in~~  
24 ~~the license the hours of the day during which the licensee or licensees may operate and may make~~  
25 ~~those rules, regulations, and conditions relative to the granting, holding, and exercising those~~  
26 ~~licenses that it deems necessary or advisable and that are not inconsistent with law, and may at any~~  
27 ~~time at its pleasure suspend or revoke the license that it granted. The license shall be displayed in~~  
28 ~~a conspicuous place on the premises licensed.~~

29 ~~**5-23-5. Place of operation — Delivery carts.**~~

30 ~~The license shall not authorize any sale, rental, or operation at any place not specified in~~  
31 ~~the license. The license is deemed to include permission to deliver by means of or sell from any~~  
32 ~~cart or other vehicle, ice, milk, or newspapers; provided the number of carts or vehicles to be used~~  
33 ~~for that purpose shall be specified in the license and there shall be displayed on each cart or vehicle~~  
34 ~~while in that use any evidence that the city or town council prescribes that it is being used pursuant~~

1 ~~to that license.~~

2 SECTION 3. Section 5-50-4 of the General Laws in Chapter 5-50 entitled "Health Clubs"  
3 is hereby amended to read as follows:

4 **5-50-4. Contract contents — Notice to buyer of right to cancel contract — Right of**  
5 **contract cancellation — Refund.**

6 (a) A copy of every health club contract shall be delivered to the buyer at the time the  
7 contract is signed.

8 (b)(1) All health club contracts must be in writing signed by the buyer; must designate the  
9 date on which the buyer actually signs the contract; and must contain a statement of the buyer's  
10 rights that substantially complies with this section.

11 (2) The statement must appear in the contract under the conspicuous caption "BUYER'S  
12 RIGHT TO CANCEL," and read as follows:

13 (2) "If you wish to cancel this contract, you may cancel in person or by mail to the seller.  
14 You must give notice, in writing, that you do not wish to be bound by the contract. This notice must  
15 be delivered or mailed before midnight of the tenth (10th) business day after the date of the contract  
16 so entered into. All cancellations must be delivered or mailed to: (Insert name and mailing address  
17 of health club)."

18 (3) Proof of in-person cancellation shall be effectuated by writing "cancellation" and the  
19 date of cancellation across the contract.

20 (4) The buyer shall receive a copy of the contract.

21 (5) The signature of the person employed by the health club who registers the cancellation  
22 must also appear on the contract.

23 (c) Every contract for health club services shall provide that the contract may be cancelled  
24 before midnight of the tenth (10th) day after the date of the contract so entered into. The notice of  
25 the buyer's cancellation of his or her contract shall be in writing and shall be made in person or by  
26 electronic mail to the seller at an electronic mail address that shall be specified in the contract or  
27 by mail to the seller at the address specified in the contract.

28 (d) Every contract for health club services shall provide clearly and conspicuously, in  
29 writing, that after the expiration of the ten-day (10) period for cancellation as provided in subsection  
30 (b)(2):

31 (1) The buyer shall be relieved from any and all obligations under the contract, and shall  
32 be entitled to a refund of any prepaid membership under the contract if:

33 (i) A buyer relocates further than fifteen (15) miles from a comparable health club facility  
34 operated by the seller;

1 (ii) If a health club facility relocates further than fifteen (15) miles from its current location,  
2 or the seller does not maintain a health club service within a fifteen (15) mile radius from its current  
3 location; or

4 (iii) If the health club services or facilities are not available to the buyer because the seller  
5 fails to open a planned health club or location, permanently discontinues operation of the health  
6 club or location, or substantially changes the operation;

7 (2) If a buyer becomes significantly physically or medically disabled for a period in excess  
8 of three (3) months during the membership term, he or she has the option:

9 (i) To be relieved of liability for payment on that portion of the contract term for which the  
10 purchaser is disabled and receive a full refund of any prepaid membership on the contract; or

11 (ii) To extend the duration of the contract at no additional cost for a period equal to the  
12 duration of the disability. The health club may require that a doctor's certificate be submitted as  
13 verification of the disability;

14 (3) In the event of the buyer's death, his or her estate shall be relieved of any further  
15 obligation for payment under the contract and shall be entitled to a refund for any prepaid  
16 membership for the unused portion of the contract. The health club may require verification of  
17 death;

18 (4) In the event of a sale of health club ownership, the contract is voidable at the option of  
19 the buyer.

20 (e) A health club contract that does not comply with the provisions of this chapter is  
21 voidable at the option of the buyer.

22 (f) Upon cancellation pursuant to this section, the buyer shall be free of any and all  
23 obligations under the contract, and any prepaid monies pursuant to this contract shall be refunded  
24 within fifteen (15) business days of receipt of the notice of cancellation. The right of cancellation  
25 shall not be affected by the terms of the contract and may not be waived or surrendered.

26 (g) Notice of the buyer's right to cancel and the method of cancellation under this section  
27 shall also be posted clearly and conspicuously on the premises of the health club.

28 SECTION 4. Section 5-78-2 of the General Laws in Chapter 5-78 entitled "Dating  
29 Services" is hereby amended to read as follows:

30 **5-78-2. Contract requirements.**

31 (a) Each contract for social referral services shall provide that such contract may be  
32 cancelled at any time up until midnight of the third (3rd) business day after the date of receipt by  
33 the buyer of a copy of the written contract, by written notice, delivered by [electronic mail to the](#)  
34 [seller at an electronic mail address that shall be specified in the contract or by](#) certified or registered

1 United States mail to the seller at an address that shall be specified in the contract.

2 (b)(1) In every contract for social referral services, the seller shall furnish to the buyer a  
3 fully completed copy of the contract at the time of its execution, which shows the date of the  
4 transaction and contains the name and address of the seller, and in the immediate proximity to the  
5 space reserved in the contract for the signature of the buyer and in not less than ten-point (10)  
6 boldface type, a statement in substantially the following form:

7 “You, the buyer, may cancel this contract at any time prior to midnight of the third business  
8 day after your receipt of this contract. See the attached notice of cancellation for an explanation of  
9 this right.”

10 (2) At the time the buyer signs the social referral services contract, a statement captioned  
11 “Notice of Cancellation” shall be contained in the contract and shall contain, in not less than ten-  
12 point (10) boldface type, the following information and statements:

13  
14 “Notice \_\_\_\_\_ of \_\_\_\_\_ Cancellation”  
15  
16 “ \_\_\_\_\_ (Date of Transaction)

17 You may cancel this contract, without any penalty or obligation, at any time prior to  
18 midnight of the third business day after your receipt of this contract by mailing this signed and  
19 dated notice of cancellation by certified or registered United States mail to the seller at the following  
20 address: \_\_\_\_\_

21 . If you cancel, any payments made by you under the contract will be returned within ten (10)  
22 business days following receipt by the seller of your cancellation notice.”

23 (3) All moneys paid pursuant to any contract for social referral services shall be refunded  
24 within ten (10) business days of receipt of the notice of cancellation.

25 (c) The consumer’s right of rescission shall not be waived, sold, or abrogated in any way  
26 or manner.

27 SECTION 5. Section 42-64.20-10 of the General Laws in Chapter 42-64.20 entitled  
28 “Rebuild Rhode Island Tax Credit Act” is hereby amended to read as follows:

29 **42-64.20-10. Sunset.**

30 No credits shall be authorized to be reserved pursuant to this chapter after ~~December 31,~~  
31 ~~2025~~December 31, 2026.

32 SECTION 6. Section 42-64.21-9 of the General Laws in Chapter 42-64.21 entitled “Rhode  
33 Island Tax Increment Financing” is hereby amended to read as follows:

34 **42-64.21-9. Sunset.**

1 The commerce corporation shall enter into no agreement under this chapter after ~~December~~  
2 ~~31, 2025~~December 31, 2026.

3 SECTION 7. Section 42-64.22-15 of the General Laws in Chapter 42-64.22 entitled “Tax  
4 Stabilization Incentive” is hereby amended to read as follows:

5 **42-64.22-15. Sunset.**

6 The commerce corporation shall enter into no agreement under this chapter after ~~December~~  
7 ~~31, 2025~~December 31, 2026.

8 SECTION 8. Section 42-64.23-8 of the General Laws in Chapter 42-64.23 entitled “First  
9 Wave Closing Fund Act” is hereby amended to read as follows:

10 **42-64.23-8. Sunset.**

11 No financing shall be authorized to be reserved pursuant to this chapter after ~~December 31,~~  
12 ~~2025~~December 31, 2026.

13 SECTION 9. Section 42-64.24-8 of the General Laws in Chapter 42-64.24 entitled “I-195  
14 Redevelopment Project Fund Act” is hereby amended as follows:

15 **42-64.24-8. Sunset.**

16 No funding, credits, or incentives shall be authorized or authorized to be reserved pursuant  
17 to this chapter after ~~December 31, 2025~~December 31, 2026.

18 SECTION 10. Section 42-64.25-14 of the General Laws in Chapter 42-64.25 entitled  
19 “Small Business Assistance Program Act” is hereby repealed:

20 ~~**42-64.25-14 Sunset.**~~

21 ~~No grants, funding, or incentives shall be authorized pursuant to this chapter after~~  
22 ~~December 31, 2025.~~

23 SECTION 11. Section 42-64.26-12 of the General Laws in Chapter 42-64.26 entitled  
24 “Stay Invested in RI Wavemaker Fellowships” is hereby amended to read as follows:

25 **42-64.26-12. Sunset.**

26 No incentives or credits shall be authorized pursuant to this chapter after ~~December 31,~~  
27 ~~2025~~December 31, 2026.

28 SECTION 12. Section 42-64.27-6 of the General Laws in Chapter 42-64.27 entitled “Main  
29 Street Rhode Island Streetscape Improvement Fund” is hereby amended as follows:

30 **42-64.27-6. Sunset.**

31 No incentives shall be authorized pursuant to this chapter after ~~December 31,~~  
32 ~~2025~~December 31, 2026.

33 SECTION 13. Section 42-64.28-10 of the General Laws in Chapter 42-64.28 entitled  
34 “Innovation Initiative” is hereby amended as follows:

1           [42-64.28-10. Sunset.](#)

2           No vouchers, grants, or incentives shall be authorized pursuant to this chapter after  
3           ~~December 31, 2025~~December 31, 2026.

4           SECTION 14. Section 44-48.3-14 of the General Laws in Chapter 44-48.3 entitled “Rhode  
5           Island Qualified Jobs Incentive Act of 2015” is hereby amended as follows:

6           [44-48.3-14. Sunset.](#)

7           No credits shall be authorized to be reserved pursuant to this chapter after ~~December 31,~~  
8           ~~2025~~December 31, 2026.

9           SECTION 15. All sections of this article shall take effect upon passage, except Section 1  
10          and Section 2, which shall take effect on January 1, 2026.

1 **ARTICLE 7**

2 **RELATING TO EDUCATION**

3 SECTION 1. Section 16-7.2-3 and 16-7.2-5 of the General Laws in Chapter 16-7.2 entitled  
4 "The Education Equity and Property Tax Relief Act" are hereby amended to read as follows:

5 **16-7.2-3. Permanent foundation education aid established.**

6 (a) Beginning in the 2012 fiscal year, the following foundation education-aid formula shall  
7 take effect. The foundation education aid for each district shall be the sum of the core instruction  
8 amount in subsection (a)(1) of this section and the amount to support high-need students in  
9 subsection (a)(2) of this section, which shall be multiplied by the district state-share ratio calculated  
10 pursuant to § 16-7.2-4 to determine the foundation aid.

11 (1) The core instruction amount shall be an amount equal to a statewide, per-pupil core  
12 instruction amount as established by the department of elementary and secondary education,  
13 derived from the average of northeast regional expenditure data for the states of Rhode Island,  
14 Massachusetts, Connecticut, and New Hampshire from the National Center for Education Statistics  
15 (NCES) that will adequately fund the student instructional needs as described in the basic education  
16 program and multiplied by the district average daily membership as defined in § 16-7-22.  
17 Expenditure data in the following categories: instruction and support services for students,  
18 instruction, general administration, school administration, and other support services from the  
19 National Public Education Financial Survey, as published by NCES, and enrollment data from the  
20 Common Core of Data, also published by NCES, will be used when determining the core  
21 instruction amount. The core instruction amount will be updated annually. For the purpose of  
22 calculating this formula, school districts' resident average daily membership shall exclude charter  
23 school and state-operated school students.

24 (2) The amount to support high-need students beyond the core instruction amount shall be  
25 determined by:

26 (i) Multiplying a student success factor of forty percent (40%) by the core instruction per-  
27 pupil amount described in subsection (a)(1) of this section and applying that amount for each  
28 resident child whose family income is at or below one hundred eighty-five percent (185%) of  
29 federal poverty guidelines, hereinafter referred to as "poverty status." By October 1, 2022, as part  
30 of its budget submission pursuant to § 35-3-4 relative to state fiscal year 2024 and thereafter, the  
31 department of elementary and secondary education shall develop and utilize a poverty measure that  
32 in the department's assessment most accurately serves as a proxy for the poverty status referenced  
33 in this subsection and does not rely on the administration of school nutrition programs. The  
34 department shall utilize this measure in calculations pursuant to this subsection related to the

1 application of the student success factor, in calculations pursuant to § 16-7.2-4 related to the  
2 calculation of the state share ratio, and in the formulation of estimates pursuant to subsection (b)  
3 below. The department may also include any recommendations which seek to mitigate any  
4 disruptions associated with the implementation of this new poverty measure or improve the  
5 accuracy of its calculation. Beginning with the FY 2024 calculation, students whose family income  
6 is at or below one hundred eighty-five percent (185%) of federal poverty guidelines will be  
7 determined by participation in the supplemental nutrition assistance program (SNAP). The number  
8 of students directly certified through the department of human services shall be multiplied by a  
9 factor of 1.6. Beginning with the FY 2026 calculation, three percent (3%) shall be added to the  
10 student success factor for those districts with poverty status at or above sixty percent as determined  
11 in § 16-7.2-4(a); and

12 (ii) Multiplying a multilingual learner (MLL) factor of twenty percent (20%) by the core  
13 instruction per-pupil amount described in subsection (a)(1) of this section, applying that amount  
14 for each resident child identified in the three lowest proficiency categories using widely adopted,  
15 independent standards and assessments in accordance with subsection (f)(1) of this section and as  
16 identified by the commissioner and defined by regulations of the council on elementary and  
17 secondary education. Local education agencies shall report annually to the department of  
18 elementary and secondary education by September 1, outlining the planned and prior year use of  
19 all funding pursuant to this subsection to provide services to MLL students in accordance with  
20 requirements set forth by the commissioner of elementary and secondary education. The  
21 department shall review the use of funds to ensure consistency with established best practices.

22 (b) The department of elementary and secondary education shall provide an estimate of the  
23 foundation education aid cost as part of its budget submission pursuant to § 35-3-4. The estimate  
24 shall include the most recent data available as well as an adjustment for average daily membership  
25 growth or decline based on the prior year experience.

26 (c) In addition, the department shall report updated figures based on the average daily  
27 membership as of October 1 by December 1.

28 (d) Local education agencies may set aside a portion of funds received under subsection  
29 (a) to expand learning opportunities such as after school and summer programs, full-day  
30 kindergarten and/or multiple pathway programs, provided that the basic education program and all  
31 other approved programs required in law are funded.

32 (e) The department of elementary and secondary education shall promulgate such  
33 regulations as are necessary to implement fully the purposes of this chapter.

34 (f)(1) By October 1, 2023, as part of its budget submission pursuant to § 35-3-4 relative to

1 state fiscal year 2025, the department of elementary and secondary education shall evaluate the  
2 number of students by district who qualify as multilingual learner (MLL) students and MLL  
3 students whose family income is at or below one hundred eighty-five percent (185%) of federal  
4 poverty guidelines. The submission shall also include segmentation of these populations by levels  
5 as dictated by the WIDA multilingual learner assessment tool used as an objective benchmark for  
6 English proficiency. The department shall also prepare and produce expense data sourced from the  
7 uniform chart of accounts to recommend funding levels required to support students at the various  
8 levels of proficiency as determined by the WIDA assessment tool. Utilizing this information, the  
9 department shall recommend a funding solution to meet the needs of multilingual learners; this may  
10 include but not be limited to inclusion of MLL needs within the core foundation formula amount  
11 through one or multiple weights to distinguish different students of need or through categorical  
12 means.

13 (2) By October 1, 2024, as part of its budget submission pursuant to § 35-3-4 relative to  
14 state fiscal year 2026, the department of elementary and secondary education shall develop  
15 alternatives to identify students whose family income is at or below one hundred eighty-five percent  
16 (185%) of federal poverty guidelines through participation in state-administered programs,  
17 including, but not limited to, the supplemental nutrition assistance program (SNAP), and RiteCare  
18 and other programs that include the collection of required supporting documentation. The  
19 department may also include any recommendations that seek to mitigate any disruptions associated  
20 with implementation of this new poverty measure or improve the accuracy of its calculation.

21 (3) The department shall also report with its annual budget request information regarding  
22 local contributions to education aid and compliance with §§ 16-7-23 and 16-7-24. The report shall  
23 also compare these local contributions to state foundation education aid by community. The  
24 department shall also report compliance to each city or town school committee and city or town  
25 council.

26 **16-7.2-5. Charter public schools, the William M. Davies, Jr. Career and Technical**  
27 **High School, and the Metropolitan Regional Career and Technical Center.**

28 (a) Charter public schools, as defined in chapter 77 of this title, the William M. Davies, Jr.  
29 Career and Technical High School (Davies), and the Metropolitan Regional Career and Technical  
30 Center (the Met Center) shall be funded pursuant to § 16-7.2-3. If the October 1 actual enrollment  
31 data for any charter public school shows a ten percent (10%) or greater change from the prior year  
32 enrollment that is used as the reference year average daily membership, the last six (6) monthly  
33 payments to the charter public school will be adjusted to reflect actual enrollment. The state share  
34 of the permanent foundation education aid shall be paid by the state directly to the charter public

1 schools, Davies, and the Met Center pursuant to § 16-7.2-9 and shall be calculated using the state-  
2 share ratio of the district of residence of the student as set forth in § 16-7.2-4. The department of  
3 elementary and secondary education shall provide the general assembly with the calculation of the  
4 state share of permanent foundation education aid for charter public schools delineated by school  
5 district.

6 (b) The local share of education funding shall be paid to the charter public school, Davies,  
7 and the Met Center by the district of residence of the student and shall be the local, per-pupil cost  
8 calculated by dividing the local appropriation to education from property taxes, net of debt service,  
9 and capital projects, as defined in the uniform chart of accounts by the average daily membership  
10 for each city and town, pursuant to § 16-7-22, for the reference year.

11 (c) Beginning in FY 2017, there shall be a reduction to the local per-pupil funding paid by  
12 the district of residence to charter public schools, Davies, and the Met Center. This reduction shall  
13 be equal to the greater (i) Of seven percent (7%) of the local, per-pupil funding of the district of  
14 residence pursuant to subsection (b) or (ii) The per-pupil value of the district's costs for non-public  
15 textbooks, transportation for non-public students, retiree health benefits, out-of-district special-  
16 education tuition and transportation, services for students age eighteen (18) to twenty-one (21)  
17 years old, pre-school screening and intervention, and career and technical education, tuition and  
18 transportation costs, debt service and rental costs minus the average expenses incurred by charter  
19 schools for those same categories of expenses as reported in the uniform chart of accounts for the  
20 prior preceding fiscal year pursuant to § 16-7-16(11) and verified by the department of elementary  
21 and secondary education. In the case where audited financials result in a change in the calculation  
22 after the first tuition payment is made, the remaining payments shall be based on the most recent  
23 audited data. For those districts whose greater reduction occurs under the calculation of (ii), there  
24 shall be an additional reduction to payments to mayoral academies with teachers who do not  
25 participate in the state teacher's retirement system under chapter 8 of title 36 equal to the per-pupil  
26 value of teacher retirement costs attributable to unfunded liability as calculated by the state's  
27 actuary for the prior preceding fiscal year. Notwithstanding the foregoing, beginning with FY 2026,  
28 the reduction to the local per-pupil funding shall not exceed fourteen percent (14%).

29 (d) Local district payments to charter public schools, Davies, and the Met Center for each  
30 district's students enrolled in these schools shall be made on a quarterly basis in July, October,  
31 January, and April; however, the first local-district payment shall be made by August 15, instead  
32 of July. Failure of the community to make the local-district payment for its student(s) enrolled in a  
33 charter public school, Davies, and/or the Met Center may result in the withholding of state  
34 education aid pursuant to § 16-7-31.

1 (e) Beginning in FY 2017, school districts with charter public school, Davies, and the Met  
2 Center enrollment, that, combined, comprise five percent (5%) or more of the average daily  
3 membership as defined in § 16-7-22, shall receive additional aid for a period of three (3) years. Aid  
4 in FY 2017 shall be equal to the number of charter public school, open-enrollment schools, Davies,  
5 or the Met Center students as of the reference year as defined in § 16-7-16 times a per-pupil amount  
6 of one hundred seventy-five dollars (\$175). Aid in FY 2018 shall be equal to the number of charter  
7 public school, open-enrollment schools, Davies, or the Met Center students as of the reference year  
8 as defined in § 16-7-16 times a per-pupil amount of one hundred dollars (\$100). Aid in FY 2019  
9 shall be equal to the number of charter public school, open-enrollment schools, Davies, or the Met  
10 Center students as of the reference year as defined in § 16-7-16 times a per-pupil amount of fifty  
11 dollars (\$50.00). The additional aid shall be used to offset the adjusted fixed costs retained by the  
12 districts of residence.

13 (f) [Deleted by P.L. 2023, ch. 79, art. 8, § 2.]

14 SECTION 2. Section 16-77.4-1 of the General Laws in Chapter 16-77.4 entitled " Mayoral  
15 Academies " is hereby amended to read as follows:

16 **16-77.4-1. Entities eligible to apply to become, or for the expansion of, a mayoral**  
17 **academy.**

18 (a) A "mayoral academy" means a charter school created by a mayor of any city or town  
19 within the State of Rhode Island, acting by, or through, a nonprofit organization established for  
20 said purpose (regardless of the time said nonprofit organization is in existence), that enrolls students  
21 from more than one city or town, including both urban and non-urban communities, and that offers  
22 an equal number of enrollments to students on a lottery basis; provided, further, that such mayoral  
23 academies shall have a [founding](#) board of trustees or directors that is comprised of representatives  
24 from each included city or town and is chaired by a mayor of an included city or town. The mayor  
25 from each city or town, or in the absence of a mayor, the city or town council via a resolution or  
26 ordinance, shall approve the participation in the mayoral academy's catchment area for a proposed  
27 charter or an amendment to a charter for expansion. [Upon completion of a first charter term and an](#)  
28 [approved renewal, any member may be elected by the board to be the chair.](#) For purposes of this  
29 chapter, the term "mayor" shall include any elected town administrator.

30 (b) No child shall be required to attend a mayoral academy, nor shall any teacher be  
31 required to teach in a mayoral academy. The school committee of the district in which a mayoral  
32 academy is located shall make accommodations to facilitate the transfer of students who do not  
33 wish to participate in a mayoral academy into other public schools. It shall also make  
34 accommodations for those students who wish to transfer into the mayoral academy as space

1 permits. If the total number of students who are eligible to attend and apply to a mayoral academy  
2 is greater than the number of spaces available, the mayoral academy shall conduct a lottery to  
3 determine which students shall be admitted.

4 SECTION 3. This article shall take effect upon passage.

1 **ARTICLE 8**

2 **RELATING TO MEDICAL ASSISTANCE**

3 SECTION 1. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled  
4 “Licensing of Health Care Facilities” is hereby amended to read as follows:

5 **§ 23-17-38.1. Hospitals — Licensing fee.**

6 ~~(a) There is imposed a hospital licensing fee for state fiscal year 2023 against each~~  
7 ~~hospital in the state. The hospital licensing fee is equal to five and forty two hundredths percent~~  
8 ~~(5.42%) of the net patient services revenue of every hospital for the hospital’s first fiscal year~~  
9 ~~ending on or after January 1, 2021, except that the license fee for all hospitals located in~~  
10 ~~Washington County, Rhode Island shall be discounted by thirty seven percent (37%). The~~  
11 ~~discount for Washington County hospitals is subject to approval by the Secretary of the U.S.~~  
12 ~~Department of Health and Human Services of a state plan amendment submitted by the executive~~  
13 ~~office of health and human services for the purpose of pursuing a waiver of the uniformity~~  
14 ~~requirement for the hospital license fee. This licensing fee shall be administered and collected by~~  
15 ~~the tax administrator, division of taxation within the department of revenue, and all the~~  
16 ~~administration, collection, and other provisions of chapter 51 of title 44 shall apply. Every~~  
17 ~~hospital shall pay the licensing fee to the tax administrator on or before June 30, 2023, and~~  
18 ~~payments shall be made by electronic transfer of monies to the general treasurer and deposited to~~  
19 ~~the general fund. Every hospital shall, on or before May 25, 2023, make a return to the tax~~  
20 ~~administrator containing the correct computation of net patient services revenue for the hospital~~  
21 ~~fiscal year ending September 30, 2021, and the licensing fee due upon that amount. All returns~~  
22 ~~shall be signed by the hospital’s authorized representative, subject to the pains and penalties of~~  
23 ~~perjury.~~

24 ~~(b)~~(a) There is ~~also~~ imposed a hospital licensing fee described in subsections (c) through  
25 (f) for state fiscal years 2024 and 2025 against net patient-services revenue of every non-  
26 government owned hospital as defined herein for the hospital’s first fiscal year ending on or after  
27 January 1, 2022. The hospital licensing fee shall have three (3) tiers with differing fees based on  
28 inpatient and outpatient net patient-services revenue. The executive office of health and human  
29 services, in consultation with the tax administrator, shall identify the hospitals in each tier, subject  
30 to the definitions in this section, by July 15, 2023, and shall notify each hospital of its tier by  
31 August 1, 2023.

32 (b) There is also imposed a hospital licensing fee described in subsections (c) through (f)  
33 for state fiscal year 2026 against net patient-services revenue of every non-government owned  
34 hospital as defined herein for the hospital’s first fiscal year ending on or after January 1, 2023.

1 The hospital licensing fee shall have three (3) tiers with differing fees based on inpatient and  
2 outpatient net patient-services revenue. The executive office of health and human services, in  
3 consultation with the tax administrator, shall identify the hospitals in each tier, subject to the  
4 definitions in this section, by July 15, 2025, and shall notify each hospital of its assigned tier by  
5 August 1, 2025.

6 (c) Tier 1 is composed of hospitals that do not meet the description of either Tier 2 or  
7 Tier 3.

8 (1) The inpatient hospital licensing fee for Tier 1 is equal to thirteen and twelve  
9 hundredths percent (13.12%) of the inpatient net patient-services revenue derived from inpatient  
10 net patient-services revenue of every Tier 1 hospital.

11 (2) The outpatient hospital licensing fee for Tier 1 is equal to thirteen and thirty  
12 hundredths percent (13.30%) of the net patient-services revenue derived from outpatient net  
13 patient-services revenue of every Tier 1 hospital.

14 (d) Tier 2 is composed of high Medicaid/uninsured cost hospitals and independent  
15 hospitals.

16 (1) The inpatient hospital licensing fee for Tier 2 is equal to two and sixty-three  
17 hundredths percent (2.63%) of the inpatient net patient-services revenue derived from inpatient  
18 net patient-services revenue of every Tier 2 hospital.

19 (2) The outpatient hospital licensing fee for Tier 2 is equal to two and sixty-six  
20 hundredths percent (2.66%) of the outpatient net patient-services revenue derived from outpatient  
21 net patient-services revenue of every Tier 2 hospital.

22 (e) Tier 3 is composed of hospitals that are Medicare-designated low-volume hospitals  
23 and rehabilitative hospitals.

24 (1) The inpatient hospital licensing fee for Tier 3 is equal to one and thirty-one  
25 hundredths percent (1.31%) of the inpatient net patient-services revenue derived from inpatient  
26 net patient-services revenue of every Tier 3 hospital.

27 (2) The outpatient hospital licensing fee for Tier 3 is equal to one and thirty-three  
28 hundredths percent (1.33%) of the outpatient net patient-services revenue derived from outpatient  
29 net patient-services revenue of every Tier 3 hospital.

30 (f) There is also imposed a hospital licensing fee for state fiscal year 2024 against state-  
31 government owned and operated hospitals in the state as defined herein. The hospital licensing  
32 fee is equal to five and twenty-five hundredths percent (5.25%) of the net patient-services  
33 revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2022.

34 There is also imposed a hospital licensing fee for state fiscal years 2025 and 2026 against state-

1 government owned and operated hospitals in the state as defined herein equal to five and twenty-  
2 five hundredths percent (5.25%) of the net patient-services revenue of every hospital for the  
3 hospital's first fiscal year ending on or after January 1, 2023.

4 (g) The hospital licensing fee described in subsections (b) through (f) is subject to U.S.  
5 Department of Health and Human Services approval of a request to waive the requirement that  
6 healthcare-related taxes be imposed uniformly as contained in 42 C.F.R. § 433.68(d).

7 (h) This hospital licensing fee shall be administered and collected by the tax  
8 administrator, division of taxation within the department of revenue, and all the administration,  
9 collection, and other provisions of chapter 51 of title 44 shall apply. Every hospital shall pay the  
10 licensing fee to the tax administrator before ~~June 30~~ June 25 of each fiscal year, and payments  
11 shall be made by electronic transfer of monies to the tax administrator and deposited to the  
12 general fund. Every hospital shall, on or before August 1, ~~2023~~ of each fiscal year, make a return  
13 to the tax administrator containing the correct computation of inpatient and outpatient net patient-  
14 services revenue for the hospital ~~fiscal year ending in 2022~~ data referenced in subsection (a) and  
15 or (b), and the licensing fee due upon that amount. All returns shall be signed by the hospital's  
16 authorized representative, subject to the pains and penalties of perjury.

17 (i) For purposes of this section the following words and phrases have the following  
18 meanings:

19 (1) "Gross patient-services revenue" means the gross revenue related to patient care  
20 services.

21 (2) "High Medicaid/uninsured cost hospital" means a hospital for which the hospital's  
22 total uncompensated care, as calculated pursuant to § 40-8.3-2(4), divided by the hospital's total  
23 net patient-services revenues, is equal to six percent (6.0%) or greater.

24 (3) "Hospital" means the actual facilities and buildings in existence in Rhode Island,  
25 licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on  
26 that license, regardless of changes in licensure status pursuant to chapter 17.14 of this title  
27 (hospital conversions) and § 23-17-6(b) (change in effective control), that provides short-term  
28 acute inpatient and/or outpatient care to persons who require definitive diagnosis and treatment  
29 for injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language, the  
30 negotiated Medicaid managed care payment rates for a court-approved purchaser that acquires a  
31 hospital through receivership, special mastership, or other similar state insolvency proceedings  
32 (which court-approved purchaser is issued a hospital license after January 1, 2013) shall be based  
33 upon the newly negotiated rates between the court-approved purchaser and the health plan, and  
34 such rates shall be effective as of the date that the court-approved purchaser and the health plan

1 execute the initial agreement containing the newly negotiated rate. The rate-setting methodology  
2 for inpatient hospital payments and outpatient hospital payments set forth in §§ 40-8-13.4(b) and  
3 40-8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases for each annual  
4 twelve-month (12) period as of July 1 following the completion of the first full year of the court-  
5 approved purchaser’s initial Medicaid managed care contract.

6 (4) “Independent hospitals” means a hospital not part of a multi-hospital system.

7 (5) “Inpatient net patient-services revenue” means the charges related to inpatient care  
8 services less (i) Charges attributable to charity care; (ii) Bad debt expenses; and (iii) Contractual  
9 allowances.

10 (6) “Medicare-designated low-volume hospital” means a hospital that qualifies under 42  
11 C.F.R. 412.101(b)(2) for additional Medicare payments to qualifying hospitals for the higher  
12 incremental costs associated with a low volume of discharges.

13 (7) “Net patient-services revenue” means the charges related to patient care services less  
14 (i) Charges attributable to charity care; (ii) Bad debt expenses; and (iii) Contractual allowances.

15 (8) “Non-government owned hospitals” means a hospital not owned and operated by the  
16 state of Rhode Island.

17 (9) “Outpatient net patient-services revenue” means the charges related to outpatient care  
18 services less (i) Charges attributable to charity care; (ii) Bad debt expenses; and (iii) Contractual  
19 allowances.

20 (10) “Rehabilitative hospital” means Rehabilitation Hospital Center licensed by the  
21 Rhode Island department of health.

22 (11) “State-government owned and operated hospitals” means a hospital facility licensed  
23 by the Rhode Island department of health, owned and operated by the state of Rhode Island.

24 (j) The tax administrator in consultation with the executive office of health and human  
25 services shall make and promulgate any rules, regulations, and procedures not inconsistent with  
26 state law and fiscal procedures that he or she deems necessary for the proper administration of  
27 this section and to carry out the provisions, policy, and purposes of this section.

28 (k) The licensing fee imposed by subsections (a) through (f) shall apply to hospitals as  
29 defined herein that are duly licensed on July 1, 2024, and shall be in addition to the inspection  
30 fee imposed by § 23-17-38 and to any licensing fees previously imposed in accordance with this  
31 section.

32 ~~(l) The licensing fees imposed by subsections (b) through (f) shall apply to hospitals as~~  
33 ~~defined herein that are duly licensed on July 1, 2023, and shall be in addition to the inspection fee~~  
34 ~~imposed by § 23-17-38 and to any licensing fees previously imposed in accordance with this~~

1 ~~section.~~

2 SECTION 2. Section 40-6-9.1 of the General Laws in Chapter 40-6 entitled "Public  
3 Assistance Act" is hereby amended to read as follows:

4 **§ 40-6-9.1. Data matching — Healthcare coverages.**

5 (a) For purposes of this section, the term “medical assistance program” shall mean  
6 medical assistance provided in whole or in part by the ~~department of human services~~ executive  
7 office of health and human services pursuant to chapters ~~5.1~~, 8, 8.4 of this title, 12.3 of title 42  
8 and/or Title XIX or XXI of the federal Social Security Act, as amended, 42 U.S.C. § 1396 et seq.  
9 and 42 U.S.C. § 1397aa et seq., respectively. Any references to the ~~department~~ office shall be to  
10 the ~~department of human services~~ executive office of health and human services.

11 (b) In furtherance of the assignment of rights to medical support to the ~~department of~~  
12 ~~human services~~ executive office of health and human services under § 40-6-9(b), (c), (d), and (e),  
13 and in order to determine the availability of other sources of healthcare insurance or coverage for  
14 beneficiaries of the medical assistance program, and to determine potential third-party liability for  
15 medical assistance paid out by the ~~department~~ office, all health insurers, health-maintenance  
16 organizations, including managed care organizations, and third-party administrators, self-insured  
17 plans, pharmacy benefit managers (PBM), and other parties that are by statute, contract, or  
18 agreement, legally responsible for payment of a claim for a healthcare item of service doing  
19 business in the state of Rhode Island shall permit and participate in data matching with the  
20 ~~department of human services~~ executive office of health and human services, as provided in this  
21 section, to assist the ~~department~~ office to identify medical assistance program applicants,  
22 beneficiaries, and/or persons responsible for providing medical support for applicants and  
23 beneficiaries who may also have healthcare insurance or coverage in addition to that provided, or  
24 to be provided, by the medical assistance program and to determine any third-party liability in  
25 accordance with this section.

26 The ~~department~~ office shall take all reasonable measures to determine the legal liability  
27 of all third parties (including health insurers, self-insured plans, group health plans (as defined in  
28 § 607(1) of the Employee Retirement Income Security Act of 1974 [29 U.S.C. § 1167(1)]),  
29 service benefit plans, health-maintenance organizations, managed care organizations, pharmacy  
30 benefit managers, or other parties that are, by statute, contract, or agreement, legally responsible  
31 for payment of a claim for a healthcare item or service), to pay for care and services on behalf of  
32 a medical assistance recipient, including collecting sufficient information to enable the  
33 ~~department~~ office to pursue claims against such third parties.

34 In any case where such a legal liability is found to exist and medical assistance has been

1 made available on behalf of the individual (beneficiary), the ~~department~~ [office](#) shall seek  
2 reimbursement for the assistance to the extent of the legal liability and in accordance with the  
3 assignment described in § 40-6-9.

4 To the extent that payment has been made by the ~~department~~ [office](#) for medical assistance  
5 to a beneficiary in any case where a third party has a legal liability to make payment for the  
6 assistance, and to the extent that payment has been made by the ~~department~~ [office](#) for medical  
7 assistance for healthcare items or services furnished to an individual, the ~~department~~-[office](#) (state)  
8 is considered to have acquired the rights of the individual to payment by any other party for the  
9 healthcare items or services in accordance with § 40-6-9.

10 Any health insurer (including a group health plan, as defined in § 607(1) of the  
11 Employee Retirement Income Security Act of 1974 [29 U.S.C. § 1167(1)], a self-insured plan, a  
12 service-benefit plan, a managed care organization, a pharmacy benefit manager, or other party  
13 that is, by statute, contract, or agreement, legally responsible for payment of a claim for a  
14 healthcare item or service), in enrolling an individual, or in making any payments for benefits to  
15 the individual or on the individual's behalf, is prohibited from taking into account that the  
16 individual is eligible for, or is provided, medical assistance under a plan under 42 U.S.C. § 1396  
17 et seq. for this state, or any other state.

18 (c) All health insurers [or liable third parties](#), including, but not limited to, health-  
19 maintenance organizations, third-party administrators, nonprofit medical-service corporations,  
20 nonprofit hospital-service corporations, subject to the provisions of chapters 18, 19, 20, and 41 of  
21 title 27, as well as, self-insured plans, group health plans (as defined in § 607(1) of the Employee  
22 Retirement Income Security Act of 1974 [29 U.S.C. § 1167(1)]), service-benefit plans, managed  
23 care organizations, pharmacy benefit managers, or other parties that are, by statute, contract, or  
24 agreement, legally responsible for payment of a claim for a healthcare item or service) doing  
25 business in this state shall:

26 (1) Provide member information within fourteen (14) calendar days of the request to the  
27 ~~department~~-[office](#) to enable the medical assistance program to identify medical assistance  
28 program recipients, applicants and/or persons responsible for providing medical support for those  
29 recipients and applicants who are, or could be, enrollees or beneficiaries under any individual or  
30 group health insurance contract, plan, or policy available or in force and effect in the state;

31 (2) With respect to individuals who are eligible for, or are provided, medical assistance  
32 by the ~~department~~-[office](#), upon the request of the ~~department~~-[office](#), provide member information  
33 within fourteen (14) calendar days of the request to determine during what period the individual  
34 or his or her spouse or dependents may be (or may have been) covered by a health insurer and the

1 nature of the coverage that is, or was provided by the health insurer (including the name, address,  
2 and identifying number of the plan);

3 (3) Accept the state's right of recovery and the assignment to the state of any right of an  
4 individual or other entity to payment from the party for an item or service for which payment has  
5 been made by the ~~department~~ office;

6 (4) Respond to any inquiry by the ~~department~~ office regarding a claim for payment for  
7 any healthcare item or service that is submitted not later than three (3) years after the date of the  
8 provision of the healthcare item or service; and

9 (5) Agree not to deny a claim submitted by the state based solely on procedural reasons,  
10 such as on the basis of the date of submission of the claim, the type or format of the claim form,  
11 failure to obtain a prior authorization, or a failure to present proper documentation at the point-of-  
12 sale that is the basis of the claim, if—

13 (i) The claim is submitted by the state within the three-year (3) period beginning on the  
14 date on which the item or service was furnished; and

15 (ii) Any action by the state to enforce its rights with respect to the claim is commenced  
16 within six (6) years of the state's submission of such claim.

17 (6) Agree to respond to any inquiry regarding claims within sixty (60) business days after  
18 receipt of the written documentation by the Medicaid recipient.

19 (7) Agree to not deny a claim for failure to obtain prior authorization for an item or  
20 service. In the case of a responsible third party that requires prior authorization for an item or  
21 service furnished to an individual eligible to receive medical assistance under the state Medicaid  
22 program, the third-party health insurer shall accept authorization provided by state medical  
23 assistance program that the item or service is covered by Medicaid as if that authorization is a  
24 prior authorization made by the third-party health insurer for the item or service.

25 (d) This information shall be made available by these insurers and health-maintenance  
26 organizations and used by the ~~department of human services~~ executive office of health and human  
27 services only for the purposes of, and to the extent necessary for, identifying these persons,  
28 determining the scope and terms of coverage, and ascertaining third-party liability. The  
29 ~~department of human services~~ executive office of health and human services shall provide  
30 information to the health insurers, including health insurers, self-insured plans, group health plans  
31 (as defined in § 607(1) of the Employee Retirement Income Security Act of 1974 [29 U.S.C. §  
32 1167(1)]), service-benefit plans, managed care organizations, pharmacy benefit managers, or  
33 other parties that are, by statute, contract, or agreement, legally responsible for payment of a  
34 claim for a healthcare item or service) only for the purposes described herein.

1 (e) No health insurer, health-maintenance organization, or third-party administrator that  
2 provides, or makes arrangements to provide, information pursuant to this section shall be liable in  
3 any civil or criminal action or proceeding brought by beneficiaries or members on account of this  
4 action for the purposes of violating confidentiality obligations under the law.

5 (f) The ~~department office~~ shall submit any appropriate and necessary state plan  
6 provisions.

7 (g) The ~~department of human services~~ executive office of health and human services is  
8 authorized and directed to promulgate regulations necessary to ensure the effectiveness of this  
9 section.

10 SECTION 3. Section 40-8-13.4 of the General Laws in Chapter 40-8 entitled “Medical  
11 Assistance” is hereby amended to read as follows:

12 **§ 40-8-13.4. Rate methodology for payment for in-state and out-of-state hospital**  
13 **services.**

14 (a) The executive office of health and human services (“executive office”) shall  
15 implement a new methodology for payment for in-state and out-of-state hospital services in order  
16 to ensure access to, and the provision of, high-quality and cost-effective hospital care to its  
17 eligible recipients.

18 (b) In order to improve efficiency and cost-effectiveness, the executive office shall:

19 (1)(i) With respect to inpatient services for persons in fee-for-service Medicaid, which is  
20 non-managed care, implement a new payment methodology for inpatient services utilizing the  
21 Diagnosis Related Groups (DRG) method of payment, which is, a patient-classification method  
22 that provides a means of relating payment to the hospitals to the type of patients cared for by the  
23 hospitals. It is understood that a payment method based on DRG may include cost outlier  
24 payments and other specific exceptions. The executive office will review the DRG-payment  
25 method and the DRG base price annually, making adjustments as appropriate in consideration of  
26 such elements as trends in hospital input costs; patterns in hospital coding; beneficiary access to  
27 care; and the Centers for Medicare and Medicaid Services national CMS Prospective Payment  
28 System (IPPS) Hospital Input Price Index. For the twelve-month (12) period beginning July 1,  
29 2015, the DRG base rate for Medicaid fee-for-service inpatient hospital services shall not exceed  
30 ninety-seven and one-half percent (97.5%) of the payment rates in effect as of July 1, 2014.  
31 Beginning July 1, 2019, the DRG base rate for Medicaid fee-for-service inpatient hospital  
32 services shall be 107.2% of the payment rates in effect as of July 1, 2018. Increases in the  
33 Medicaid fee-for-service DRG hospital payments for the twelve-month (12) period beginning  
34 July 1, 2020, shall be based on the payment rates in effect as of July 1 of the preceding fiscal

1 year, and shall be the Centers for Medicare and Medicaid Services national Prospective Payment  
2 System (IPPS) Hospital Input Price Index. Beginning July 1, 2022, the DRG base rate for  
3 Medicaid fee-for-service inpatient hospital services shall be one hundred five percent (105%) of  
4 the payment rates in effect as of July 1, 2021. For the twelve-month period beginning July 1,  
5 2025, the DRG base rate for Medicaid fee-for-service inpatient hospital services shall be one  
6 hundred two and three-tenths percent (102.3%) of the payment rates in effect as of July 1, 2024.  
7 Thereafter, increases in the Medicaid fee-for-service DRG hospital payments for each annual  
8 twelve-month (12) period beginning July 1, 2023~~6~~, shall be based on the payment rates in effect  
9 as of July 1 of the preceding fiscal year, and shall be the Centers for Medicare and Medicaid  
10 Services national Prospective Payment System (IPPS) Hospital Input Price Index~~7~~.

11 (ii) With respect to inpatient services, (A) It is required as of January 1, 2011, until  
12 December 31, 2011, that the Medicaid managed care payment rates between each hospital and  
13 health plan shall not exceed ninety and one-tenth percent (90.1%) of the rate in effect as of June  
14 30, 2010. Increases in inpatient hospital payments for each annual twelve-month (12) period  
15 beginning January 1, 2012, may not exceed the Centers for Medicare and Medicaid Services  
16 national CMS Prospective Payment System (IPPS) Hospital Input Price Index for the applicable  
17 period; (B) Provided, however, for the twenty-four-month (24) period beginning July 1, 2013, the  
18 Medicaid managed care payment rates between each hospital and health plan shall not exceed the  
19 payment rates in effect as of January 1, 2013, and for the twelve-month (12) period beginning  
20 July 1, 2015, the Medicaid managed care payment inpatient rates between each hospital and  
21 health plan shall not exceed ninety-seven and one-half percent (97.5%) of the payment rates in  
22 effect as of January 1, 2013; (C) Increases in inpatient hospital payments for each annual twelve-  
23 month (12) period beginning July 1, 2017, shall be the Centers for Medicare and Medicaid  
24 Services national CMS Prospective Payment System (IPPS) Hospital Input Price Index, less  
25 Productivity Adjustment, for the applicable period and shall be paid to each hospital retroactively  
26 to July 1; (D) Beginning July 1, 2019, the Medicaid managed care payment inpatient rates  
27 between each hospital and health plan shall be 107.2% of the payment rates in effect as of  
28 January 1, 2019, and shall be paid to each hospital retroactively to July 1; (E) Increases in  
29 inpatient hospital payments for each annual twelve-month (12) period beginning July 1, 2020,  
30 shall be based on the payment rates in effect as of January 1 of the preceding fiscal year, and shall  
31 be the Centers for Medicare and Medicaid Services national CMS Prospective Payment System  
32 (IPPS) Hospital Input Price Index, less Productivity Adjustment, for the applicable period and  
33 shall be paid to each hospital retroactively to July 1; the executive office will develop an audit  
34 methodology and process to assure that savings associated with the payment reductions will

1 accrue directly to the Rhode Island Medicaid program through reduced managed care plan  
2 payments and shall not be retained by the managed care plans; (F) Beginning July 1, 2022, the  
3 Medicaid managed care payment inpatient rates between each hospital and health plan shall be  
4 one hundred five percent (105%) of the payment rates in effect as of January 1, 2022, and shall be  
5 paid to each hospital retroactively to July 1 within ninety days of passage; (G) For the twelve-  
6 month period beginning July 1, 2025, the Medicaid managed care payment inpatient rates  
7 between each hospital and health plan shall be one hundred two and three-tenths percent  
8 (102.3%) of the payment rates in effect as of January 1, 2024, and shall be paid to each hospital  
9 retroactively to July 1 within ninety days of passage; (H) Increases in inpatient hospital payments  
10 for each annual twelve-month (12) period beginning July 1, 202~~3~~6, shall be based on the payment  
11 rates in effect as of January 1 of the preceding fiscal year, and shall be the Centers for Medicare  
12 and Medicaid Services national CMS Prospective Payment System (IPPS) Hospital Input Price  
13 Index, less Productivity Adjustment, for the applicable period and shall be paid to each hospital  
14 retroactively to July 1 within ninety days of passage; (H) All hospitals licensed in Rhode Island  
15 shall accept such payment rates as payment in full; and (I) For all such hospitals, compliance  
16 with the provisions of this section shall be a condition of participation in the Rhode Island  
17 Medicaid program.

18 (2) With respect to outpatient services and notwithstanding any provisions of the law to  
19 the contrary, for persons enrolled in fee-for-service Medicaid, the executive office will reimburse  
20 hospitals for outpatient services using a rate methodology determined by the executive office and  
21 in accordance with federal regulations. Fee-for-service outpatient rates shall align with Medicare  
22 payments for similar services. Notwithstanding the above, there shall be no increase in the  
23 Medicaid fee-for-service outpatient rates effective on July 1, 2013, July 1, 2014, or July 1, 2015.  
24 For the twelve-month (12) period beginning July 1, 2015, Medicaid fee-for-service outpatient  
25 rates shall not exceed ninety-seven and one-half percent (97.5%) of the rates in effect as of July 1,  
26 2014. Increases in the outpatient hospital payments for the twelve-month (12) period beginning  
27 July 1, 2016, may not exceed the CMS national Outpatient Prospective Payment System (OPPS)  
28 Hospital Input Price Index. Beginning July 1, 2019, the Medicaid fee-for-service outpatient rates  
29 shall be 107.2% of the payment rates in effect as of July 1, 2018. Increases in the outpatient  
30 hospital payments for the twelve-month (12) period beginning July 1, 2020, shall be based on the  
31 payment rates in effect as of July 1 of the preceding fiscal year, and shall be the CMS national  
32 Outpatient Prospective Payment System (OPPS) Hospital Input Price Index. Beginning July 1,  
33 2022, the Medicaid fee-for-service outpatient rates shall be one hundred five percent (105%) of  
34 the payment rates in effect as of July 1, 2021. For the twelve-month period beginning July 1,

1 [2025, the Medicaid fee-for-service outpatient rates shall be one hundred two and three-tenths](#)  
2 [percent \(102.3%\) of the payment rates in effect as of July 1, 2024.](#) Increases in the outpatient  
3 hospital payments for each annual twelve-month (12) period beginning July 1, 202~~3~~<sup>6</sup>, shall be  
4 based on the payment rates in effect as of July 1 of the preceding fiscal year, and shall be the  
5 CMS national Outpatient Prospective Payment System (OPPS) Hospital Input Price Index. With  
6 respect to the outpatient rate, (i) It is required as of January 1, 2011, until December 31, 2011,  
7 that the Medicaid managed care payment rates between each hospital and health plan shall not  
8 exceed one hundred percent (100%) of the rate in effect as of June 30, 2010; (ii) Increases in  
9 hospital outpatient payments for each annual twelve-month (12) period beginning January 1,  
10 2012, until July 1, 2017, may not exceed the Centers for Medicare and Medicaid Services  
11 national CMS Outpatient Prospective Payment System OPPS Hospital Price Index for the  
12 applicable period; (iii) Provided, however, for the twenty-four-month (24) period beginning July  
13 1, 2013, the Medicaid managed care outpatient payment rates between each hospital and health  
14 plan shall not exceed the payment rates in effect as of January 1, 2013, and for the twelve-month  
15 (12) period beginning July 1, 2015, the Medicaid managed care outpatient payment rates between  
16 each hospital and health plan shall not exceed ninety-seven and one-half percent (97.5%) of the  
17 payment rates in effect as of January 1, 2013; (iv) Increases in outpatient hospital payments for  
18 each annual twelve-month (12) period beginning July 1, 2017, shall be the Centers for Medicare  
19 and Medicaid Services national CMS OPPS Hospital Input Price Index, less Productivity  
20 Adjustment, for the applicable period and shall be paid to each hospital retroactively to July 1; (v)  
21 Beginning July 1, 2019, the Medicaid managed care outpatient payment rates between each  
22 hospital and health plan shall be one hundred seven and two-tenths percent (107.2%) of the  
23 payment rates in effect as of January 1, 2019, and shall be paid to each hospital retroactively to  
24 July 1; (vi) Increases in outpatient hospital payments for each annual twelve-month (12) period  
25 beginning July 1, 2020, shall be based on the payment rates in effect as of January 1 of the  
26 preceding fiscal year, and shall be the Centers for Medicare and Medicaid Services national CMS  
27 OPPS Hospital Input Price Index, less Productivity Adjustment, for the applicable period and  
28 shall be paid to each hospital retroactively to July 1; (vii) Beginning July 1, 2022, the Medicaid  
29 managed care outpatient payment rates between each hospital and health plan shall be one  
30 hundred five percent (105%) of the payment rates in effect as of January 1, 2022, and shall be  
31 paid to each hospital retroactively to July 1 within ninety days of passage; (viii) [For the twelve-](#)  
32 [month period beginning July 1, 2025, the Medicaid managed care outpatient payment rates](#)  
33 [between each hospital and health plan shall be one hundred two and three-tenths percent](#)  
34 [\(102.3%\) of the payment rates in effect as of January 1, 2024, and shall be paid to each hospital](#)

1 [retroactively to July 1 within ninety days of passage; \(ix\)](#) Increases in outpatient hospital  
2 payments for each annual twelve-month (12) period beginning July 1, 2020~~6~~, shall be based on  
3 the payment rates in effect as of January 1 of the preceding fiscal year, and shall be the Centers  
4 for Medicare and Medicaid Services national CMS OPPS Hospital Input Price Index, less  
5 Productivity Adjustment, for the applicable period and shall be paid to each hospital retroactively  
6 to July 1.

7 (3) "Hospital," as used in this section, shall mean the actual facilities and buildings in  
8 existence in Rhode Island, licensed pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter  
9 any premises included on that license, regardless of changes in licensure status pursuant to  
10 chapter 17.14 of title 23 (hospital conversions) and § 23-17-6(b) (change in effective control),  
11 that provides short-term, acute inpatient and/or outpatient care to persons who require definitive  
12 diagnosis and treatment for injury, illness, disabilities, or pregnancy. Notwithstanding the  
13 preceding language, the Medicaid managed care payment rates for a court-approved purchaser  
14 that acquires a hospital through receivership, special mastership or other similar state insolvency  
15 proceedings (which court-approved purchaser is issued a hospital license after January 1, 2013),  
16 shall be based upon the new rates between the court-approved purchaser and the health plan, and  
17 such rates shall be effective as of the date that the court-approved purchaser and the health plan  
18 execute the initial agreement containing the new rates. The rate-setting methodology for  
19 inpatient-hospital payments and outpatient-hospital payments set forth in subsections (b)(1)(ii)(C)  
20 and (b)(2), respectively, shall thereafter apply to increases for each annual twelve-month (12)  
21 period as of July 1 following the completion of the first full year of the court-approved  
22 purchaser's initial Medicaid managed care contract.

23 (c) It is intended that payment utilizing the DRG method shall reward hospitals for  
24 providing the most efficient care, and provide the executive office the opportunity to conduct  
25 value-based purchasing of inpatient care.

26 (d) The secretary of the executive office is hereby authorized to promulgate such rules  
27 and regulations consistent with this chapter, and to establish fiscal procedures he or she deems  
28 necessary, for the proper implementation and administration of this chapter in order to provide  
29 payment to hospitals using the DRG-payment methodology. Furthermore, amendment of the  
30 Rhode Island state plan for Medicaid, pursuant to Title XIX of the federal Social Security Act, 42  
31 U.S.C. § 1396 et seq., is hereby authorized to provide for payment to hospitals for services  
32 provided to eligible recipients in accordance with this chapter.

33 (e) The executive office shall comply with all public notice requirements necessary to  
34 implement these rate changes.

1 (f) As a condition of participation in the DRG methodology for payment of hospital  
2 services, every hospital shall submit year-end settlement reports to the executive office within one  
3 year from the close of a hospital's fiscal year. Should a participating hospital fail to timely submit  
4 a year-end settlement report as required by this section, the executive office shall withhold  
5 financial-cycle payments due by any state agency with respect to this hospital by not more than  
6 ten percent (10%) until the report is submitted. For hospital fiscal year 2010 and all subsequent  
7 fiscal years, hospitals will not be required to submit year-end settlement reports on payments for  
8 outpatient services. For hospital fiscal year 2011 and all subsequent fiscal years, hospitals will not  
9 be required to submit year-end settlement reports on claims for hospital inpatient services.  
10 Further, for hospital fiscal year 2010, hospital inpatient claims subject to settlement shall include  
11 only those claims received between October 1, 2009, and June 30, 2010.

12 (g) The provisions of this section shall be effective upon implementation of the new  
13 payment methodology set forth in this section and § 40-8-13.3, which shall in any event be no  
14 later than March 30, 2010, at which time the provisions of §§ 40-8-13.2, 27-19-14, 27-19-15, and  
15 27-19-16 shall be repealed in their entirety.

16 SECTION 4. Section 40-8-19 of the General Laws in Chapter 40-8 entitled "Medical  
17 Assistance" is hereby amended to read as follows:

18 **§ 40-8-19. Rates of payment to nursing facilities.**

19 (a) Rate reform.

20 (1) The rates to be paid by the state to nursing facilities licensed pursuant to chapter 17 of  
21 title 23, and certified to participate in Title XIX of the Social Security Act for services rendered to  
22 Medicaid-eligible residents, shall be reasonable and adequate to meet the costs that must be  
23 incurred by efficiently and economically operated facilities in accordance with 42 U.S.C. §  
24 1396a(a)(13). The executive office of health and human services ("executive office") shall  
25 promulgate or modify the principles of reimbursement for nursing facilities in effect as of July 1,  
26 2011, to be consistent with the provisions of this section and Title XIX, 42 U.S.C. § 1396 et seq.,  
27 of the Social Security Act.

28 (2) The executive office shall review the current methodology for providing Medicaid  
29 payments to nursing facilities, including other long-term care services providers, and is  
30 authorized to modify the principles of reimbursement to replace the current cost-based  
31 methodology rates with rates based on a price-based methodology to be paid to all facilities with  
32 recognition of the acuity of patients and the relative Medicaid occupancy, and to include the  
33 following elements to be developed by the executive office:

34 (i) A direct-care rate adjusted for resident acuity;

1 (ii) An indirect-care and other direct-care rate comprised of a base per diem for all  
2 facilities;

3 (iii) Revision of rates as necessary based on increases in direct and indirect costs  
4 beginning October 2024 utilizing data from the most recent finalized year of facility cost report.  
5 The per diem rate components deferred in subsections (a)(2)(i) and (a)(2)(ii) of this section shall  
6 be adjusted accordingly to reflect changes in direct and indirect care costs since the previous rate  
7 review;

8 (iv) Application of a fair-rental value system;

9 (v) Application of a pass-through system; and

10 (vi) Adjustment of rates by the change in a recognized national nursing home inflation  
11 index to be applied on October 1 of each year, beginning October 1, 2012. This adjustment will  
12 not occur on October 1, 2013, October 1, 2014, or October 1, 2015, but will occur on April 1,  
13 2015. The adjustment of rates will also not occur on October 1, 2017, October 1, 2018, October 1,  
14 2019, October 2022 and October 2025. Effective July 1, 2018, rates paid to nursing facilities from  
15 the rates approved by the Centers for Medicare and Medicaid Services and in effect on October 1,  
16 2017, both fee-for-service and managed care, will be increased by one and one-half percent  
17 (1.5%) and further increased by one percent (1%) on October 1, 2018, and further increased by  
18 one percent (1%) on October 1, 2019. Effective October 1, 2022, rates paid to nursing facilities  
19 from the rates approved by the Centers for Medicare and Medicaid Services and in effect on  
20 October 1, 2021, both fee-for-service and managed care, will be increased by three percent (3%).  
21 In addition to the annual nursing home inflation index adjustment, there shall be a base rate  
22 staffing adjustment of one-half percent (0.5%) on October 1, 2021, one percent (1.0%) on  
23 October 1, 2022, and one and one-half percent (1.5%) on October 1, 2023. [For the twelve-month](#)  
24 [period beginning October 1, 2025, rates paid to nursing facilities from the rates approved by the](#)  
25 [Centers for Medicare and Medicaid Services and in effect on October 1, 2024, both fee-for-](#)  
26 [service and managed care, will be increased by two and three-tenths percent \(2.3%\).](#) The  
27 inflation index shall be applied without regard for the transition factors in subsections (b)(1) and  
28 (b)(2). For purposes of October 1, 2016, adjustment only, any rate increase that results from  
29 application of the inflation index to subsections (a)(2)(i) and (a)(2)(ii) shall be dedicated to  
30 increase compensation for direct-care workers in the following manner: Not less than 85% of this  
31 aggregate amount shall be expended to fund an increase in wages, benefits, or related employer  
32 costs of direct-care staff of nursing homes. For purposes of this section, direct-care staff shall  
33 include registered nurses (RNs), licensed practical nurses (LPNs), certified nursing assistants  
34 (CNAs), certified medical technicians, housekeeping staff, laundry staff, dietary staff, or other

1 similar employees providing direct-care services; provided, however, that this definition of direct-  
2 care staff shall not include: (i) RNs and LPNs who are classified as “exempt employees” under  
3 the federal Fair Labor Standards Act (29 U.S.C. § 201 et seq.); or (ii) CNAs, certified medical  
4 technicians, RNs, or LPNs who are contracted, or subcontracted, through a third-party vendor or  
5 staffing agency. By July 31, 2017, nursing facilities shall submit to the secretary, or designee, a  
6 certification that they have complied with the provisions of this subsection (a)(2)(vi) with respect  
7 to the inflation index applied on October 1, 2016. Any facility that does not comply with the  
8 terms of such certification shall be subjected to a clawback, paid by the nursing facility to the  
9 state, in the amount of increased reimbursement subject to this provision that was not expended in  
10 compliance with that certification.

11 (3) Commencing on October 1, 2021, eighty percent (80%) of any rate increase that  
12 results from application of the inflation index to subsections (a)(2)(i) and (a)(2)(ii) of this section  
13 shall be dedicated to increase compensation for all eligible direct-care workers in the following  
14 manner on October 1, of each year.

15 (i) For purposes of this subsection, compensation increases shall include base salary or  
16 hourly wage increases, benefits, other compensation, and associated payroll tax increases for  
17 eligible direct-care workers. This application of the inflation index shall apply for Medicaid  
18 reimbursement in nursing facilities for both managed care and fee-for-service. For purposes of  
19 this subsection, direct-care staff shall include [the director of nursing services, nurses \(RNs/LPNs\)](#)  
20 [with administrative duties](#), registered nurses (RNs), licensed practical nurses (LPNs), certified  
21 nursing assistants (CNAs), certified medication technicians, [nurse aides in training](#), licensed  
22 physical therapists, licensed occupational therapists, [certified occupational therapy assistants](#),  
23 licensed speech-language pathologists, [licensed respiratory therapists](#), mental health workers who  
24 are also certified nurse assistants, physical therapist assistants, housekeeping staff, laundry staff,  
25 dietary staff, [maintenance staff, social workers and activities director/aides](#) or other similar  
26 employees providing direct-care services; provided, however that this definition of direct-care  
27 staff shall not include:

28 (A) RNs and LPNs who are classified as “exempt employees” under the federal Fair  
29 Labor Standards Act (29 U.S.C. § 201 et seq.); or

30 (B) CNAs, certified medication technicians, RNs, or LPNs who are contracted or  
31 subcontracted through a third-party vendor or staffing agency.

32 (4)(i) By July 31, 2021, and July 31 of each year thereafter, nursing facilities shall submit  
33 to the secretary or designee a certification that they have complied with the provisions of  
34 subsection (a)(3) of this section with respect to the inflation index applied on October 1. The

1 executive office of health and human services (EOHHS) shall create the certification form  
2 nursing facilities must complete with information on how each individual eligible employee's  
3 compensation increased, including information regarding hourly wages prior to the increase and  
4 after the compensation increase, hours paid after the compensation increase, and associated  
5 increased payroll taxes. A collective bargaining agreement can be used in lieu of the certification  
6 form for represented employees. All data reported on the compliance form is subject to review  
7 and audit by EOHHS. The audits may include field or desk audits, and facilities may be required  
8 to provide additional supporting documents including, but not limited to, payroll records.

9 (ii) Any facility that does not comply with the terms of certification shall be subjected to  
10 a clawback and twenty-five percent (25%) penalty of the unspent or impermissibly spent funds,  
11 paid by the nursing facility to the state, in the amount of increased reimbursement subject to this  
12 provision that was not expended in compliance with that certification.

13 (iii) In any calendar year where no inflationary index is applied, eighty percent (80%) of  
14 the base rate staffing adjustment in that calendar year pursuant to subsection (a)(2)(vi) of this  
15 section shall be dedicated to increase compensation for all eligible direct-care workers in the  
16 manner referenced in subsections (a)(3)(i), (a)(3)(i)(A), and (a)(3)(i)(B) of this section.

17 (b) Transition to full implementation of rate reform. For no less than four (4) years after  
18 the initial application of the price-based methodology described in subsection (a)(2) to payment  
19 rates, the executive office of health and human services shall implement a transition plan to  
20 moderate the impact of the rate reform on individual nursing facilities. The transition shall  
21 include the following components:

22 (1) No nursing facility shall receive reimbursement for direct-care costs that is less than  
23 the rate of reimbursement for direct-care costs received under the methodology in effect at the  
24 time of passage of this act; for the year beginning October 1, 2017, the reimbursement for direct-  
25 care costs under this provision will be phased out in twenty-five-percent (25%) increments each  
26 year until October 1, 2021, when the reimbursement will no longer be in effect; and

27 (2) No facility shall lose or gain more than five dollars (\$5.00) in its total, per diem rate  
28 the first year of the transition. An adjustment to the per diem loss or gain may be phased out by  
29 twenty-five percent (25%) each year; except, however, for the years beginning October 1, 2015,  
30 there shall be no adjustment to the per diem gain or loss, but the phase out shall resume  
31 thereafter; and

32 (3) The transition plan and/or period may be modified upon full implementation of  
33 facility per diem rate increases for quality of care-related measures. Said modifications shall be  
34 submitted in a report to the general assembly at least six (6) months prior to implementation.

1 (4) Notwithstanding any law to the contrary, for the twelve-month (12) period beginning  
2 July 1, 2015, Medicaid payment rates for nursing facilities established pursuant to this section  
3 shall not exceed ninety-eight percent (98%) of the rates in effect on April 1, 2015. Consistent  
4 with the other provisions of this chapter, nothing in this provision shall require the executive  
5 office to restore the rates to those in effect on April 1, 2015, at the end of this twelve-month (12)  
6 period.

7 SECTION 5. Sections 40-8.3-2, 40-8.3-3, and 40-8.3-10 of the General Laws in Chapter  
8 40-8.3 entitled "Uncompensated Care" are hereby amended to read as follows:

9 **§ 40-8.3-2. Definitions.** As used in this chapter:

10 (1) "Base year" means, for the purpose of calculating a disproportionate share payment  
11 for any fiscal year ending after September 30, ~~2023~~ 2024, the period from October 1, ~~2021~~ 2022,  
12 through September 30, ~~2022~~ 2023, and for any fiscal year ending after September 30, ~~2024~~ 2025,  
13 the period from October 1, ~~2022~~ 2023, through September 30, ~~2023~~ 2024.

14 (2) "Medicaid inpatient utilization rate for a hospital" means a fraction (expressed as a  
15 percentage), the numerator of which is the hospital's number of inpatient days during the base  
16 year attributable to patients who were eligible for medical assistance during the base year and the  
17 denominator of which is the total number of the hospital's inpatient days in the base year.

18 (3) "Participating hospital" means any ~~nongovernment and~~ nonpsychiatric hospital that:

19 (i) Was licensed as a hospital in accordance with chapter 17 of title 23 during the base  
20 year and shall mean the actual facilities and buildings in existence in Rhode Island, licensed  
21 pursuant to § 23-17-1 et seq. on June 30, 2010, and thereafter any premises included on that  
22 license, regardless of changes in licensure status pursuant to chapter 17.14 of title 23 (hospital  
23 conversions) and § 23-17-6(b) (change in effective control), that provides ~~short-term~~, acute  
24 inpatient and/or outpatient care to persons who require definitive diagnosis and treatment for  
25 injury, illness, disabilities, or pregnancy. Notwithstanding the preceding language, the negotiated  
26 Medicaid managed care payment rates for a court-approved purchaser that acquires a hospital  
27 through receivership, special mastership, or other similar state insolvency proceedings (which  
28 court-approved purchaser is issued a hospital license after January 1, 2013), shall be based upon  
29 the newly negotiated rates between the court-approved purchaser and the health plan, and the  
30 rates shall be effective as of the date that the court-approved purchaser and the health plan  
31 execute the initial agreement containing the newly negotiated rate. The rate-setting methodology  
32 for inpatient hospital payments and outpatient hospital payments set forth in §§ 40-8-  
33 13.4(b)(1)(ii)(C) and 40-8-13.4(b)(2), respectively, shall thereafter apply to negotiated increases  
34 for each annual twelve-month (12) period as of July 1 following the completion of the first full

1 year of the court-approved purchaser’s initial Medicaid managed care contract;

2 (ii) Achieved a medical assistance inpatient utilization rate of at least one percent (1%)  
3 during the base year; and

4 (iii) Continues to be licensed as a hospital in accordance with chapter 17 of title 23 during  
5 the payment year.

6 (4) “Uncompensated-care costs” means, as to any hospital, the sum of: (i) The cost  
7 incurred by the hospital during the base year for inpatient or outpatient services attributable to  
8 charity care (free care and bad debts) for which the patient has no health insurance or other third-  
9 party coverage less payments, if any, received directly from such patients; (ii) The cost incurred  
10 by the hospital during the base year for inpatient or outpatient services attributable to Medicaid  
11 beneficiaries less any Medicaid reimbursement received therefor; and (iii) the sum of subsections  
12 (4)(i) and (4)(ii) of this section shall be offset by the estimated hospital’s commercial equivalent  
13 rates state directed payment for the current SFY in which the disproportionate share hospital  
14 (DSH) payment is made. The sum of subsections (4)(i), (4)(ii), and (4)(iii) of this section shall be  
15 multiplied by the uncompensated care index.

16 (5) “Uncompensated-care index” means the annual percentage increase for hospitals  
17 established pursuant to § 27-19-14 [repealed] for each year after the base year, up to and  
18 including the payment year; provided, however, that the uncompensated-care index for the  
19 payment year ending September 30, 2007, shall be deemed to be five and thirty-eight hundredths  
20 percent (5.38%), and that the uncompensated-care index for the payment year ending September  
21 30, 2008, shall be deemed to be five and forty-seven hundredths percent (5.47%), and that the  
22 uncompensated-care index for the payment year ending September 30, 2009, shall be deemed to  
23 be five and thirty-eight hundredths percent (5.38%), and that the uncompensated-care index for  
24 the payment years ending September 30, 2010, September 30, 2011, September 30, 2012,  
25 September 30, 2013, September 30, 2014, September 30, 2015, September 30, 2016, September  
26 30, 2017, September 30, 2018, September 30, 2019, September 30, 2020, September 30, 2021,  
27 September 30, 2022, September 30, 2023, September 30, 2024, ~~and~~ September 30, 2025, and  
28 September 30, 2026, shall be deemed to be five and thirty hundredths percent (5.30%).

29 **§ 40-8.3-3. Implementation.**

30 ~~(a) For federal fiscal year 2023, commencing on October 1, 2022, and ending September~~  
31 ~~30, 2023, the executive office of health and human services shall submit to the Secretary of the~~  
32 ~~United States Department of Health and Human Services a state plan amendment to the Rhode~~  
33 ~~Island Medicaid DSH Plan to provide:~~

34 ~~(1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of~~

1 ~~\$159.0 million, shall be allocated by the executive office of health and human services to the Pool~~  
2 ~~D component of the DSH Plan; and~~

3 ~~(2) That the Pool D allotment shall be distributed among the participating hospitals in~~  
4 ~~direct proportion to the individual participating hospital's uncompensated care costs for the base~~  
5 ~~year, inflated by the uncompensated care index to the total uncompensated care costs for the base~~  
6 ~~year inflated by the uncompensated care index for all participating hospitals. The~~  
7 ~~disproportionate share payments shall be made on or before June 15, 2023, and are expressly~~  
8 ~~conditioned upon approval on or before June 23, 2023, by the Secretary of the United States~~  
9 ~~Department of Health and Human Services, or his or her authorized representative, of all~~  
10 ~~Medicaid state plan amendments necessary to secure for the state the benefit of federal financial~~  
11 ~~participation in federal fiscal year 2023 for the disproportionate share payments.~~

12 ~~(b)~~(a) For federal fiscal year 2024, commencing on October 1, 2023, and ending  
13 September 30, 2024, the executive office of health and human services shall submit to the  
14 Secretary of the United States Department of Health and Human Services a state plan amendment  
15 to the Rhode Island Medicaid DSH Plan to provide:

16 (1) That the DSH Plan to all participating hospitals, not to exceed an aggregate limit of  
17 \$14.8 million, shall be allocated by the executive office of health and human services to the Pool  
18 D component of the DSH Plan; and

19 (2) That the Pool D allotment shall be distributed among the participating hospitals in  
20 direct proportion to the individual participating hospital's uncompensated-care costs for the base  
21 year, inflated by the uncompensated-care index to the total uncompensated-care costs for the base  
22 year inflated by the uncompensated-care index for all participating hospitals. The  
23 disproportionate share payments shall be made on or before June 30, 2024, and are expressly  
24 conditioned upon approval on or before June 23, 2024, by the Secretary of the United States  
25 Department of Health and Human Services, or his or her authorized representative, of all  
26 Medicaid state plan amendments necessary to secure for the state the benefit of federal financial  
27 participation in federal fiscal year 2024 for the disproportionate share payments.

28 ~~(e)~~(b) For federal fiscal year 2025, commencing on October 1, 2024, and ending  
29 September 30, 2025, the executive office of health and human services shall submit to the  
30 Secretary of the United States Department of Health and Human Services a state plan amendment  
31 to the Rhode Island Medicaid DSH plan to provide:

32 (1) The creation of Pool C which allots no more than ~~nineteen million nine hundred~~  
33 ~~thousand dollars (\$19,900,000)~~ twelve million nine hundred thousand dollars (\$12,900,000) to  
34 Medicaid eligible government-owned hospitals;

1 (2) That the DSH plan to all participating hospitals, not to exceed an aggregate limit of  
2 ~~\$34.7~~ \$27.7 million, shall be allocated by the executive office of health and human services to the  
3 Pool C and D components of the DSH plan;

4 (3) That the Pool D allotment shall be distributed among the participating hospitals in  
5 direct proportion to the individual participating hospital's uncompensated-care costs for the base  
6 year, inflated by the uncompensated-care index to the total uncompensated-care costs for the base  
7 year inflated by the uncompensated-care index of all participating hospitals. The disproportionate  
8 share payments shall be made on or before June 30, 2025, and are expressly conditioned upon  
9 approval on or before June 23, 2025, by the Secretary of the United States Department of Health  
10 and Human Services, or their authorized representative, of all Medicaid state plan amendments  
11 necessary to secure for the state the benefit of federal financial participation in federal fiscal year  
12 2025 for the disproportionate share payments; and

13 (4) That the Pool C allotment shall be distributed among the participating hospitals in  
14 direct proportion to the individual participating hospital's uncompensated-care costs for the base  
15 year, inflated by the uncompensated-care index to the total uncompensated-care cost for the base  
16 year inflated by the uncompensated-care index of all participating hospitals. The disproportionate  
17 share payments shall be made on or before June 30, 2025, and are expressly conditioned upon  
18 approval on or before June 23, 2025, by the Secretary of the United States Department of Health  
19 and Human Services, or their authorized representative, of all Medicaid state plan amendments  
20 necessary to secure for the state the benefit of federal financial participation in federal fiscal year  
21 2025 for the disproportionate share payments.

22 (c) For federal fiscal year 2026, commencing on October 1, 2025, and ending September  
23 30, 2026, the executive office of health and human services shall submit to the Secretary of the  
24 United States Department of Health and Human Services a state plan amendment to the Rhode  
25 Island Medicaid DSH plan to provide:

26 (1) That the DSH plan to all participating hospitals, not to exceed an aggregate limit of  
27 \$13.9 million, shall be allocated by the executive office of health and human services to the Pool  
28 C and D components of the DSH plan. Pool C shall not exceed an aggregate limit of \$12.9  
29 million. Pool D shall not exceed an aggregate limit of \$1.0 million.

30 (2) That the Pool C allotment shall be distributed among the participating hospitals in  
31 direct 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 cost for the base  
33 year inflated by the uncompensated-care index of all participating hospitals. The disproportionate  
34 share payments shall be made on or before June 30, 2026, and are expressly conditioned upon

1 [approval on or before June 23, 2026, by the Secretary of the United States Department of Health](#)  
2 [and Human Services, or their authorized representative, of all Medicaid state plan amendments](#)  
3 [necessary to secure for the state the benefit of federal financial participation in federal fiscal year](#)  
4 [2026 for the disproportionate share payments; and](#)

5 [\(3\) That the Pool D allotment shall be distributed among the participating hospitals in](#)  
6 [direct proportion to the individual participating hospital's uncompensated-care costs for the base](#)  
7 [year, inflated by the uncompensated-care index to the total uncompensated-care costs for the base](#)  
8 [year inflated by the uncompensated-care index of all participating hospitals. The disproportionate](#)  
9 [share payments shall be made on or before June 30, 2026, and are expressly conditioned upon](#)  
10 [approval on or before June 23, 2026, by the Secretary of the United States Department of Health](#)  
11 [and Human Services, or their authorized representative, of all Medicaid state plan amendments](#)  
12 [necessary to secure for the state the benefit of federal financial participation in federal fiscal year](#)  
13 [2026 for the disproportionate share payments.](#)

14 (d) No provision is made pursuant to this chapter for disproportionate-share hospital  
15 payments to participating hospitals for uncompensated-care costs related to graduate medical  
16 education programs.

17 (e) The executive office of health and human services is directed, on at least a monthly  
18 basis, to collect patient-level uninsured information, including, but not limited to, demographics,  
19 services rendered, and reason for uninsured status from all hospitals licensed in Rhode Island.

20 (f) [Deleted by P.L. 2019, ch. 88, art. 13, § 6.]

21 **§ 40-8.3-10. Hospital Adjustment Payments.**

22 Effective July 1, 2021, and for each subsequent year, [through state fiscal year 2025](#), the  
23 executive office of health and human services is hereby authorized and directed to amend its  
24 regulations for reimbursement to hospitals for inpatient and outpatient services as follows:

25 (a) Each hospital in the state of Rhode Island, as defined in § 23-17-38.1, shall receive a  
26 quarterly outpatient adjustment payment each state fiscal year of an amount determined as  
27 follows:

28 (1) Determine the percent of the state's total Medicaid outpatient and emergency  
29 department services (exclusive of physician services) provided by each hospital during each  
30 hospital's prior fiscal year;

31 (2) Determine the sum of all Medicaid payments to hospitals made for outpatient and  
32 emergency department services (exclusive of physician services) provided during each hospital's  
33 prior fiscal year;

34 (3) Multiply the sum of all Medicaid payments as determined in subsection (a)(2) by a

1 percentage defined as the total identified upper payment limit for all hospitals divided by the sum  
2 of all Medicaid payments as determined in subsection (a)(2); and then multiply that result by each  
3 hospital's percentage of the state's total Medicaid outpatient and emergency department services  
4 as determined in subsection (a)(1) to obtain the total outpatient adjustment for each hospital to be  
5 paid each year;

6 (4) Pay each hospital on or before July 20, October 20, January 20, and April 20 one  
7 quarter ( $\frac{1}{4}$ ) of its total outpatient adjustment as determined in subsection (a)(3).

8 (b) [Deleted by P.L. 2019, ch. 88, art. 13, § 6.]

9 (c) Each hospital in the state of Rhode Island, as defined in § 23-17-38.1, shall receive a  
10 quarterly inpatient adjustment payment each state fiscal year of an amount determined as follows:

11 (1) Determine the percent of the state's total Medicaid inpatient services (exclusive of  
12 physician services) provided by each hospital during each hospital's prior fiscal year;

13 (2) Determine the sum of all Medicaid payments to hospitals made for inpatient services  
14 (exclusive of physician services) provided during each hospital's prior fiscal year;

15 (3) Multiply the sum of all Medicaid payments as determined in subsection (c)(2) by a  
16 percentage defined as the total identified upper payment limit for all hospitals divided by the sum  
17 of all Medicaid payments as determined in subsection (c)(2); and then multiply that result by each  
18 hospital's percentage of the state's total Medicaid inpatient services as determined in subsection  
19 (c)(1) to obtain the total inpatient adjustment for each hospital to be paid each year;

20 (4) Pay each hospital on or before July 20, October 20, January 20, and April 20 one  
21 quarter ( $\frac{1}{4}$ ) of its total inpatient adjustment as determined in subsection (c)(3).

22 (d) The amounts determined in subsections (a) and (c) are in addition to Medicaid  
23 inpatient and outpatient payments and emergency services payments (exclusive of physician  
24 services) paid to hospitals in accordance with current state regulation and the Rhode Island Plan  
25 for Medicaid Assistance pursuant to Title XIX of the Social Security Act and are not subject to  
26 recoupment or settlement.

27 SECTION 6. Section 40-8.9-9 of the General Laws in Chapter 40-8.9 entitled "Medical  
28 Assistance — Long-Term Care Service and Finance Reform" is hereby amended to read as  
29 follows:

30 **§ 40-8.9-9. Long-term-care rebalancing system reform goal.**

31 (a) Notwithstanding any other provision of state law, the executive office of health and  
32 human services is authorized and directed to apply for, and obtain, any necessary waiver(s), waiver  
33 amendment(s), and/or state-plan amendments from the Secretary of the United States Department  
34 of Health and Human Services, and to promulgate rules necessary to adopt an affirmative plan of

1 program design and implementation that addresses the goal of allocating a minimum of fifty percent  
2 (50%) of Medicaid long-term-care funding for persons aged sixty-five (65) and over and adults  
3 with disabilities, in addition to services for persons with developmental disabilities, to home- and  
4 community-based care; provided, further, the executive office shall report annually as part of its  
5 budget submission, the percentage distribution between institutional care and home- and  
6 community-based care by population and shall report current and projected waiting lists for long-  
7 term-care and home- and community-based care services. The executive office is further authorized  
8 and directed to prioritize investments in home- and community-based care and to maintain the  
9 integrity and financial viability of all current long-term-care services while pursuing this goal.

10 (b) The reformed long-term-care system rebalancing goal is person-centered and  
11 encourages individual self-determination, family involvement, interagency collaboration, and  
12 individual choice through the provision of highly specialized and individually tailored home-based  
13 services. Additionally, individuals with severe behavioral, physical, or developmental disabilities  
14 must have the opportunity to live safe and healthful lives through access to a wide range of  
15 supportive services in an array of community-based settings, regardless of the complexity of their  
16 medical condition, the severity of their disability, or the challenges of their behavior. Delivery of  
17 services and supports in less-costly and less-restrictive community settings will enable children,  
18 adolescents, and adults to be able to curtail, delay, or avoid lengthy stays in long-term-care  
19 institutions, such as behavioral health residential-treatment facilities, long-term-care hospitals,  
20 intermediate-care facilities, and/or skilled nursing facilities.

21 (c) Pursuant to federal authority procured under § 42-7.2-16, the executive office of health  
22 and human services is directed and authorized to adopt a tiered set of criteria to be used to determine  
23 eligibility for services. The criteria shall be developed in collaboration with the state's health and  
24 human services departments and, to the extent feasible, any consumer group, advisory board, or  
25 other entity designated for these purposes, and shall encompass eligibility determinations for long-  
26 term-care services in nursing facilities, hospitals, and intermediate-care facilities for persons with  
27 intellectual disabilities, as well as home- and community-based alternatives, and shall provide a  
28 common standard of income eligibility for both institutional and home- and community-based care.  
29 The executive office is authorized to adopt clinical and/or functional criteria for admission to a  
30 nursing facility, hospital, or intermediate-care facility for persons with intellectual disabilities that  
31 are more stringent than those employed for access to home- and community-based services. The  
32 executive office is also authorized to promulgate rules that define the frequency of re-assessments  
33 for services provided for under this section. Levels of care may be applied in accordance with the  
34 following:

1 (1) The executive office shall continue to apply the level-of-care criteria in effect on  
2 April 1, 2021, for any recipient determined eligible for and receiving Medicaid-funded long-term  
3 services and supports in a nursing facility, hospital, or intermediate-care facility for persons with  
4 intellectual disabilities on or before that date, unless:

5 (i) The recipient transitions to home- and community-based services because he or she  
6 would no longer meet the level-of-care criteria in effect on April 1, 2021; or

7 (ii) The recipient chooses home- and community-based services over the nursing facility,  
8 hospital, or intermediate-care facility for persons with intellectual disabilities. For the purposes of  
9 this section, a failed community placement, as defined in regulations promulgated by the  
10 executive office, shall be considered a condition of clinical eligibility for the highest level of care.

11 The executive office shall confer with the long-term-care ombudsperson with respect to the  
12 determination of a failed placement under the ombudsperson's jurisdiction. Should any Medicaid  
13 recipient eligible for a nursing facility, hospital, or intermediate-care facility for persons with  
14 intellectual disabilities as of April 1, 2021, receive a determination of a failed community  
15 placement, the recipient shall have access to the highest level of care; furthermore, a recipient  
16 who has experienced a failed community placement shall be transitioned back into his or her  
17 former nursing home, hospital, or intermediate-care facility for persons with intellectual  
18 disabilities whenever possible. Additionally, residents shall only be moved from a nursing home,  
19 hospital, or intermediate-care facility for persons with intellectual disabilities in a manner  
20 consistent with applicable state and federal laws.

21 (2) Any Medicaid recipient eligible for the highest level of care who voluntarily leaves a  
22 nursing home, hospital, or intermediate-care facility for persons with intellectual disabilities shall  
23 not be subject to any wait list for home- and community-based services.

24 (3) No nursing home, hospital, or intermediate-care facility for persons with intellectual  
25 disabilities shall be denied payment for services rendered to a Medicaid recipient on the grounds  
26 that the recipient does not meet level-of-care criteria unless and until the executive office has:

27 (i) Performed an individual assessment of the recipient at issue and provided written  
28 notice to the nursing home, hospital, or intermediate-care facility for persons with intellectual  
29 disabilities that the recipient does not meet level-of-care criteria; and

30 (ii) The recipient has either appealed that level-of-care determination and been  
31 unsuccessful, or any appeal period available to the recipient regarding that level-of-care  
32 determination has expired.

33 (d) The executive office is further authorized to consolidate all home- and community-  
34 based services currently provided pursuant to 42 U.S.C. § 1396n into a single system of home-

1 and community-based services that include options for consumer direction and shared living. The  
2 resulting single home- and community-based services system shall replace and supersede all 42  
3 U.S.C. § 1396n programs when fully implemented. Notwithstanding the foregoing, the resulting  
4 single program home- and community-based services system shall include the continued funding  
5 of assisted-living services at any assisted-living facility financed by the Rhode Island housing and  
6 mortgage finance corporation prior to January 1, 2006, and shall be in accordance with chapter  
7 66.8 of title 42 as long as assisted-living services are a covered Medicaid benefit.

8 (e) The executive office is authorized to promulgate rules that permit certain optional  
9 services including, but not limited to, homemaker services, home modifications, respite, and  
10 physical therapy evaluations to be offered to persons at risk for Medicaid-funded long-term care  
11 subject to availability of state-appropriated funding for these purposes.

12 (f) To promote the expansion of home- and community-based service capacity, the  
13 executive office is authorized to pursue payment methodology reforms that increase access to  
14 homemaker, personal care (home health aide), assisted living, adult supportive-care homes, and  
15 adult day services, as follows:

16 (1) Development of revised or new Medicaid certification standards that increase access  
17 to service specialization and scheduling accommodations by using payment strategies designed to  
18 achieve specific quality and health outcomes.

19 (2) Development of Medicaid certification standards for state-authorized providers of  
20 adult day services, excluding providers of services authorized under § 40.1-24-1(3), assisted  
21 living, and adult supportive care (as defined under chapter 17.24 of title 23) that establish for  
22 each, an acuity-based, tiered service and payment methodology tied to: licensure authority; level  
23 of beneficiary needs; the scope of services and supports provided; and specific quality and  
24 outcome measures.

25 The standards for adult day services for persons eligible for Medicaid-funded long-term  
26 services may differ from those who do not meet the clinical/functional criteria set forth in § 40-  
27 8.10-3.

28 (3) As the state's Medicaid program seeks to assist more beneficiaries requiring long-  
29 term services and supports in home- and community-based settings, the demand for home-care  
30 workers has increased, and wages for these workers has not kept pace with neighboring states,  
31 leading to high turnover and vacancy rates in the state's home-care industry, the executive office  
32 shall institute a one-time increase in the base-payment rates for FY 2019, as described below, for  
33 home-care service providers to promote increased access to and an adequate supply of highly  
34 trained home-healthcare professionals, in amount to be determined by the appropriations process,

1 for the purpose of raising wages for personal care attendants and home health aides to be  
2 implemented by such providers.

3 (i) A prospective base adjustment, effective not later than July 1, 2018, of ten percent  
4 (10%) of the current base rate for home-care providers, home nursing care providers, and hospice  
5 providers contracted with the executive office of health and human services and its subordinate  
6 agencies to deliver Medicaid fee-for-service personal care attendant services.

7 (ii) A prospective base adjustment, effective not later than July 1, 2018, of twenty percent  
8 (20%) of the current base rate for home-care providers, home nursing care providers, and hospice  
9 providers contracted with the executive office of health and human services and its subordinate  
10 agencies to deliver Medicaid fee-for-service skilled nursing and therapeutic services and hospice  
11 care.

12 (iii) Effective upon passage of this section, hospice provider reimbursement, exclusively  
13 for room and board expenses for individuals residing in a skilled nursing facility, shall revert to  
14 the rate methodology in effect on June 30, 2018, and these room and board expenses shall be  
15 exempted from any and all annual rate increases to hospice providers as provided for in this  
16 section.

17 (iv) On the first of July in each year, beginning on July 1, 2019, the executive office of  
18 health and human services will initiate an annual inflation increase to the base rate for home-care  
19 providers, home nursing care providers, and hospice providers contracted with the executive  
20 office and its subordinate agencies to deliver Medicaid fee-for-service personal care attendant  
21 services, skilled nursing and therapeutic services and hospice care. The base rate increase shall be  
22 a percentage amount equal to the New England Consumer Price Index card as determined by the  
23 United States Department of Labor for medical care and for compliance with all federal and state  
24 laws, regulations, and rules, and all national accreditation program requirements, except as of  
25 July 1, 2025, and thereafter, when no annual inflation increase shall occur for these rates.

26 (g) As the state's Medicaid program seeks to assist more beneficiaries requiring long-  
27 term services and supports in home- and community-based settings, the demand for home-care  
28 workers has increased, and wages for these workers has not kept pace with neighboring states,  
29 leading to high turnover and vacancy rates in the state's home-care industry. To promote  
30 increased access to and an adequate supply of direct-care workers, the executive office shall  
31 institute a payment methodology change, in Medicaid fee-for-service and managed care, for FY  
32 2022, that shall be passed through directly to the direct-care workers' wages who are employed  
33 by home nursing care and home-care providers licensed by the Rhode Island department of  
34 health, as described below:

1 (1) Effective July 1, 2021, increase the existing shift differential modifier by \$0.19 per  
2 fifteen (15) minutes for personal care and combined personal care/homemaker.

3 (i) Employers must pass on one hundred percent (100%) of the shift differential modifier  
4 increase per fifteen-minute (15) unit of service to the CNAs who rendered such services. This  
5 compensation shall be provided in addition to the rate of compensation that the employee was  
6 receiving as of June 30, 2021. For an employee hired after June 30, 2021, the agency shall use not  
7 less than the lowest compensation paid to an employee of similar functions and duties as of June  
8 30, 2021, as the base compensation to which the increase is applied.

9 (ii) Employers must provide to EOHHS an annual compliance statement showing wages  
10 as of June 30, 2021, amounts received from the increases outlined herein, and compliance with  
11 this section by July 1, 2022. EOHHS may adopt any additional necessary regulations and  
12 processes to oversee this subsection.

13 (2) Effective January 1, 2022, establish a new behavioral healthcare enhancement of  
14 \$0.39 per fifteen (15) minutes for personal care, combined personal care/homemaker, and  
15 homemaker only for providers who have at least thirty percent (30%) of their direct-care workers  
16 (which includes certified nursing assistants (CNA) and homemakers) certified in behavioral  
17 healthcare training.

18 (i) Employers must pass on one hundred percent (100%) of the behavioral healthcare  
19 enhancement per fifteen (15) minute unit of service rendered by only those CNAs and  
20 homemakers who have completed the thirty (30) hour behavioral health certificate training  
21 program offered by Rhode Island College, or a training program that is prospectively determined  
22 to be compliant per EOHHS, to those CNAs and homemakers. This compensation shall be  
23 provided in addition to the rate of compensation that the employee was receiving as of December  
24 31, 2021. For an employee hired after December 31, 2021, the agency shall use not less than the  
25 lowest compensation paid to an employee of similar functions and duties as of December 31,  
26 2021, as the base compensation to which the increase is applied.

27 (ii) By January 1, 2023, employers must provide to EOHHS an annual compliance  
28 statement showing wages as of December 31, 2021, amounts received from the increases outlined  
29 herein, and compliance with this section, including which behavioral healthcare training  
30 programs were utilized. EOHHS may adopt any additional necessary regulations and processes to  
31 oversee this subsection.

32 (h) The executive office shall implement a long-term-care-options counseling program to  
33 provide individuals, or their representatives, or both, with long-term-care consultations that shall  
34 include, at a minimum, information about: long-term-care options, sources, and methods of both

1 public and private payment for long-term-care services and an assessment of an individual's  
2 functional capabilities and opportunities for maximizing independence. Each individual admitted  
3 to, or seeking admission to, a long-term-care facility, regardless of the payment source, shall be  
4 informed by the facility of the availability of the long-term-care-options counseling program and  
5 shall be provided with long-term-care-options consultation if they so request. Each individual  
6 who applies for Medicaid long-term-care services shall be provided with a long-term-care  
7 consultation.

8 (i) The executive office shall implement, no later than January 1, 2024, a statewide  
9 network and rate methodology for conflict-free case management for individuals receiving  
10 Medicaid-funded home and community-based services. The executive office shall coordinate  
11 implementation with the state's health and human services departments and divisions authorized  
12 to deliver Medicaid-funded home and community-based service programs, including the  
13 department of behavioral healthcare, developmental disabilities and hospitals; the department of  
14 human services; and the office of healthy aging. It is in the best interest of the Rhode Islanders  
15 eligible to receive Medicaid home and community-based services under this chapter, title 40.1,  
16 title 42, or any other general laws to provide equitable access to conflict-free case management  
17 that shall include person-centered planning, service arranging, and quality monitoring in the  
18 amount, duration, and scope required by federal law and regulations. It is necessary to ensure that  
19 there is a robust network of qualified conflict-free case management entities with the capacity to  
20 serve all participants on a statewide basis and in a manner that promotes choice, self-reliance, and  
21 community integration. The executive office, as the designated single state Medicaid authority  
22 and agency responsible for coordinating policy and planning for health and human services under  
23 § 42-7.2-1 et seq., is directed to establish a statewide conflict-free case management network  
24 under the management of the executive office and to seek any Medicaid waivers, state plan  
25 amendments, and changes in rules, regulations, and procedures that may be necessary to ensure  
26 that recipients of Medicaid home and community-based services have access to conflict-free case  
27 management in a timely manner and in accordance with the federal requirements that must be met  
28 to preserve financial participation.

29 (j) The executive office is also authorized, subject to availability of appropriation of  
30 funding, and federal, Medicaid-matching funds, to pay for certain services and supports necessary  
31 to transition or divert beneficiaries from institutional or restrictive settings and optimize their  
32 health and safety when receiving care in a home or the community. The secretary is authorized to  
33 obtain any state plan or waiver authorities required to maximize the federal funds available to  
34 support expanded access to home- and community-transition and stabilization services; provided,

1 however, payments shall not exceed an annual or per-person amount.

2 (k) To ensure persons with long-term-care needs who remain living at home have  
3 adequate resources to deal with housing maintenance and unanticipated housing-related costs, the  
4 secretary is authorized to develop higher resource eligibility limits for persons or obtain any state  
5 plan or waiver authorities necessary to change the financial eligibility criteria for long-term  
6 services and supports to enable beneficiaries receiving home and community waiver services to  
7 have the resources to continue living in their own homes or rental units or other home-based  
8 settings.

9 (l) The executive office shall implement, no later than January 1, 2016, the following  
10 home- and community-based service and payment reforms:

11 (1) [Deleted by P.L. 2021, ch. 162, art. 12, § 6.]

12 (2) Adult day services level of need criteria and acuity-based, tiered-payment  
13 methodology; and

14 (3) Payment reforms that encourage home- and community-based providers to provide  
15 the specialized services and accommodations beneficiaries need to avoid or delay institutional  
16 care.

17 (m) The secretary is authorized to seek any Medicaid section 1115 waiver or state-plan  
18 amendments and take any administrative actions necessary to ensure timely adoption of any new  
19 or amended rules, regulations, policies, or procedures and any system enhancements or changes,  
20 for which appropriations have been authorized, that are necessary to facilitate implementation of  
21 the requirements of this section by the dates established. The secretary shall reserve the discretion  
22 to exercise the authority established under §§ 42-7.2-5(6)(v) and 42-7.2-6.1, in consultation with  
23 the governor, to meet the legislative directives established herein.

24 SECTION 7. Sections 40-8.10-2, 40-8.10-3, and 40-8.10-4 of the General Laws in  
25 Chapter 40-8.10 entitled "Long-Term Care Service Reform for Medicaid Eligible Individuals" are  
26 hereby amended to read as follows:

27 **§ 40-8.10-2. Definitions.**

28 As used in this chapter:

29 (1) "Core services" mean homemaker services, environmental modifications (home  
30 accessibility adaptations, special medical equipment (minor assistive devices), meals on wheels  
31 (home delivered meals), personal emergency response (PERS), licensed practical nurse services,  
32 community transition services, residential supports, day supports, supported employment,  
33 supported living arrangements, private duty nursing, supports for consumer direction (supports  
34 facilitation), participant directed goods and services, case management, senior companion

1 services, assisted living, personal care assistance services and respite.

2 ~~(2) “Preventive services” mean homemaker services, minor environmental modifications,~~  
3 ~~physical therapy evaluation and services, and respite services.~~

4 **§ 40-8.10-3. Levels of care.**

5 (a) The secretary of the executive office of health and human services shall coordinate  
6 responsibilities for long-term-care assessment in accordance with the provisions of this chapter.  
7 Importance shall be placed upon the proper and consistent determination of levels of care across  
8 the state departments for each long-term-care setting, including behavioral health residential  
9 treatment facilities, long-term-care hospitals, intermediate-care facilities, and/or skilled nursing  
10 facilities. Specialized plans of care that meet the needs of the individual Medicaid recipients shall  
11 be coordinated and consistent across all state departments. The development of care plans shall be  
12 person-centered and shall support individual self-determination, family involvement, when  
13 appropriate, individual choice, and interdepartmental collaboration.

14 (b) Levels of care for long-term-care institutions (behavioral health residential treatment  
15 facilities, long-term-care hospitals, intermediate-care facilities and/or skilled nursing facilities),  
16 for which alternative community-based services and supports are available, shall be established  
17 pursuant to § 40-8.9-9. The structure of the ~~three (3)~~ two (2) levels of care is as follows:

18 (1) Highest level of care. Individuals who are determined, based on medical need, to  
19 require the institutional level of care will have the choice to receive services in a long-term-care  
20 institution or in a home- and community-based setting.

21 (2) High level of care. Individuals who are determined, based on medical need, to benefit  
22 from home- and community-based services.

23 ~~(3) Preventive level of care. Individuals who do not presently need an institutional level~~  
24 ~~of care but who need services targeted at preventing admission, re-admissions, or reducing~~  
25 ~~lengths of stay in an institution.~~

26 (c) Determinations of levels of care and the provision of long-term-care health services  
27 shall be determined in accordance with this section and shall be in accordance with the applicable  
28 provisions of § 40-8.9-9.

29 **§ 40-8.10-4. Long-term care assessment and coordination.**

30 (a) The executive office of health and human services shall implement a long-term-care-  
31 options counseling program to provide individuals or their representative, or both, with long-term  
32 care consultations that shall include, at a minimum, information about long-term-care options,  
33 sources and methods of both public and private payment for long term-care services; information  
34 on caregiver support services, including respite care; and an assessment of an individual's

1 functional capabilities and opportunities for maximizing independence. Each individual admitted  
2 to or seeking admission to a long-term care facility, regardless of the payment source, shall be  
3 informed by the facility of the availability of the long-term-care-options counseling program and  
4 shall be provided with a long-term-care-options consultation, if he or she so requests. Each  
5 individual who applies for Medicaid long-term care services shall be provided with a long-term  
6 care consultation.

7 (b) Core ~~and preventative~~ home- and community-based services defined and delineated in  
8 § 40-8.10-2 shall be provided only to those individuals who meet one of the levels of care  
9 provided for in this chapter. Other long-term care services authorized by the federal government,  
10 such as medication management, may also be provided to Medicaid-eligible recipients who have  
11 established the requisite need.

12 (c) The assessments for individuals conducted in accordance with this section shall serve  
13 as the basis for individual budgets for those medical assistance recipients eligible to receive  
14 services utilizing a self-directed delivery system.

15 (d) Nothing in this section shall prohibit the secretary of the executive office of health  
16 and human services, or the directors of that office's departments from utilizing community  
17 agencies or contractors when appropriate to perform assessment functions outlined in this chapter.

18 SECTION 8. Sections 42-14.5-2.1 and 42-14.5-3 of the General Laws in Chapter 42-14.5  
19 entitled "The Rhode Island Health Care Reform Act of 2004 — Health Insurance Oversight" are  
20 hereby amended to read as follows:

21 **§ 42-14.5-2.1. Definitions.**

22 As used in this chapter:

23 (1) "Accountability standards" means measures including service processes, client and  
24 population outcomes, practice standard compliance and fiscal integrity of social and human service  
25 providers on the individual contractual level and service type for all state contacts of the state or  
26 any subdivision or agency to include, but not limited to, the department of children, youth and  
27 families (DCYF), the department of behavioral healthcare, developmental disabilities and hospitals  
28 (BHDDH), the department of human services (DHS), the department of health (DOH), and  
29 Medicaid. This may include mandatory reporting, consolidated, standardized reporting, audits  
30 regardless of organizational tax status, and accountability dashboards of aforementioned state  
31 departments or subdivisions that are regularly shared with the public.

32 (2) "Executive Office of Health and Human Services (EOHHS)" means the department  
33 that serves as "principal agency of the executive branch of state government" (§ 42-7.2-2)  
34 responsible for managing the departments and offices of: health (RIDOH), human services (DHS),

1 healthy aging (OHA), veterans services (VETS), children, youth and families (DCYF), and  
2 behavioral healthcare, developmental disabilities and hospitals (BHDDH). EOHHS is also  
3 designated as the single state agency with authority to administer the Medicaid program in Rhode  
4 Island.

5 (3) "Primary care services" means, for the purposes of the biennial review required under  
6 § 42-14.5-3(t), professional services rendered by primary care providers at a primary care site of  
7 care, including care management services performed in the context of team-based primary care.

8 ~~(3)~~ (4) "Rate review" means the process of reviewing and reporting of specific trending  
9 factors that influence the cost of service that informs rate setting.

10 ~~(4)~~ (5) "Rate setting" means the process of establishing rates for social and human service  
11 programs that are based on a thorough rate review process.

12 ~~(5)~~ (6) "Social and human service program" means a social, mental health, developmental  
13 disability, child welfare, juvenile justice, prevention services, habilitative, rehabilitative, substance  
14 use disorder treatment, residential care, adult or adolescent day services, vocational, employment  
15 and training, or aging service program or accommodations purchased by the state.

16 ~~(6)~~ (7) "Social and human service provider" means a provider of social and human service  
17 programs pursuant to a contract with the state or any subdivision or agency to include, but not be  
18 limited to, the department of children, youth and families (DCYF), the department of behavioral  
19 healthcare, developmental disabilities and hospitals (BHDDH), the department of human services  
20 (DHS), the department of health (DOH), and Medicaid.

21 ~~(7)~~ (8) "State government and the provider network" refers to the contractual relationship  
22 between a state agency or subdivision of a state agency and private companies the state contracts  
23 with to provide the network of mandated and discretionary social and human services.

24 **§ 42-14.5-3. Powers and duties.**

25 The health insurance commissioner shall have the following powers and duties:

26 (a) To conduct quarterly public meetings throughout the state, separate and distinct from  
27 rate hearings pursuant to § 42-62-13, regarding the rates, services, and operations of insurers  
28 licensed to provide health insurance in the state; the effects of such rates, services, and operations  
29 on consumers, medical care providers, patients, and the market environment in which the insurers  
30 operate; and efforts to bring new health insurers into the Rhode Island market. Notice of not less  
31 than ten (10) days of the hearing(s) shall go to the general assembly, the governor, the Rhode Island  
32 Medical Society, the Hospital Association of Rhode Island, the director of health, the attorney  
33 general, and the chambers of commerce. Public notice shall be posted on the department's website  
34 and given in the newspaper of general circulation, and to any entity in writing requesting notice.

1 (b) To make recommendations to the governor and the house of representatives and senate  
2 finance committees regarding healthcare insurance and the regulations, rates, services,  
3 administrative expenses, reserve requirements, and operations of insurers providing health  
4 insurance in the state, and to prepare or comment on, upon the request of the governor or  
5 chairpersons of the house or senate finance committees, draft legislation to improve the regulation  
6 of health insurance. In making the recommendations, the commissioner shall recognize that it is  
7 the intent of the legislature that the maximum disclosure be provided regarding the reasonableness  
8 of individual administrative expenditures as well as total administrative costs. The commissioner  
9 shall make recommendations on the levels of reserves, including consideration of: targeted reserve  
10 levels; trends in the increase or decrease of reserve levels; and insurer plans for distributing excess  
11 reserves.

12 (c) To establish a consumer/business/labor/medical advisory council to obtain information  
13 and present concerns of consumers, business, and medical providers affected by health insurance  
14 decisions. The council shall develop proposals to allow the market for small business health  
15 insurance to be affordable and fairer. The council shall be involved in the planning and conduct of  
16 the quarterly public meetings in accordance with subsection (a). The advisory council shall develop  
17 measures to inform small businesses of an insurance complaint process to ensure that small  
18 businesses that experience rate increases in a given year may request and receive a formal review  
19 by the department. The advisory council shall assess views of the health provider community  
20 relative to insurance rates of reimbursement, billing, and reimbursement procedures, and the  
21 insurers' role in promoting efficient and high-quality health care. The advisory council shall issue  
22 an annual report of findings and recommendations to the governor and the general assembly and  
23 present its findings at hearings before the house and senate finance committees. The advisory  
24 council is to be diverse in interests and shall include representatives of community consumer  
25 organizations; small businesses, other than those involved in the sale of insurance products; and  
26 hospital, medical, and other health provider organizations. Such representatives shall be nominated  
27 by their respective organizations. The advisory council shall be co-chaired by the health insurance  
28 commissioner and a community consumer organization or small business member to be elected by  
29 the full advisory council.

30 (d) To establish and provide guidance and assistance to a subcommittee ("the professional-  
31 provider-health-plan work group") of the advisory council created pursuant to subsection (c),  
32 composed of healthcare providers and Rhode Island licensed health plans. This subcommittee shall  
33 include in its annual report and presentation before the house and senate finance committees the  
34 following information:

- 1 (1) A method whereby health plans shall disclose to contracted providers the fee schedules  
2 used to provide payment to those providers for services rendered to covered patients;
  - 3 (2) A standardized provider application and credentials verification process, for the  
4 purpose of verifying professional qualifications of participating healthcare providers;
  - 5 (3) The uniform health plan claim form utilized by participating providers;
  - 6 (4) Methods for health maintenance organizations, as defined by § 27-41-2, and nonprofit  
7 hospital or medical service corporations, as defined by chapters 19 and 20 of title 27, to make  
8 facility-specific data and other medical service-specific data available in reasonably consistent  
9 formats to patients regarding quality and costs. This information would help consumers make  
10 informed choices regarding the facilities and clinicians or physician practices at which to seek care.  
11 Among the items considered would be the unique health services and other public goods provided  
12 by facilities and clinicians or physician practices in establishing the most appropriate cost  
13 comparisons;
  - 14 (5) All activities related to contractual disclosure to participating providers of the  
15 mechanisms for resolving health plan/provider disputes;
  - 16 (6) The uniform process being utilized for confirming, in real time, patient insurance  
17 enrollment status, benefits coverage, including copays and deductibles;
  - 18 (7) Information related to temporary credentialing of providers seeking to participate in the  
19 plan's network and the impact of the activity on health plan accreditation;
  - 20 (8) The feasibility of regular contract renegotiations between plans and the providers in  
21 their networks; and
  - 22 (9) Efforts conducted related to reviewing impact of silent PPOs on physician practices.
- 23 (e) To enforce the provisions of title 27 and title 42 as set forth in § 42-14-5(d).
  - 24 (f) To provide analysis of the Rhode Island affordable health plan reinsurance fund. The  
25 fund shall be used to effectuate the provisions of §§ 27-18.5-9 and 27-50-17.
  - 26 (g) To analyze the impact of changing the rating guidelines and/or merging the individual  
27 health insurance market, as defined in chapter 18.5 of title 27, and the small-employer health  
28 insurance market, as defined in chapter 50 of title 27, in accordance with the following:
    - 29 (1) The analysis shall forecast the likely rate increases required to effect the changes  
30 recommended pursuant to the preceding subsection (g) in the direct-pay market and small-employer  
31 health insurance market over the next five (5) years, based on the current rating structure and  
32 current products.
    - 33 (2) The analysis shall include examining the impact of merging the individual and small-  
34 employer markets on premiums charged to individuals and small-employer groups.

1 (3) The analysis shall include examining the impact on rates in each of the individual and  
2 small-employer health insurance markets and the number of insureds in the context of possible  
3 changes to the rating guidelines used for small-employer groups, including: community rating  
4 principles; expanding small-employer rate bonds beyond the current range; increasing the employer  
5 group size in the small-group market; and/or adding rating factors for broker and/or tobacco use.

6 (4) The analysis shall include examining the adequacy of current statutory and regulatory  
7 oversight of the rating process and factors employed by the participants in the proposed, new  
8 merged market.

9 (5) The analysis shall include assessment of possible reinsurance mechanisms and/or  
10 federal high-risk pool structures and funding to support the health insurance market in Rhode Island  
11 by reducing the risk of adverse selection and the incremental insurance premiums charged for this  
12 risk, and/or by making health insurance affordable for a selected at-risk population.

13 (6) The health insurance commissioner shall work with an insurance market merger task  
14 force to assist with the analysis. The task force shall be chaired by the health insurance  
15 commissioner and shall include, but not be limited to, representatives of the general assembly, the  
16 business community, small-employer carriers as defined in § 27-50-3, carriers offering coverage in  
17 the individual market in Rhode Island, health insurance brokers, and members of the general public.

18 (7) For the purposes of conducting this analysis, the commissioner may contract with an  
19 outside organization with expertise in fiscal analysis of the private insurance market. In conducting  
20 its study, the organization shall, to the extent possible, obtain and use actual health plan data. Said  
21 data shall be subject to state and federal laws and regulations governing confidentiality of health  
22 care and proprietary information.

23 (8) The task force shall meet as necessary and include its findings in the annual report, and  
24 the commissioner shall include the information in the annual presentation before the house and  
25 senate finance committees.

26 (h) To establish and convene a workgroup representing healthcare providers and health  
27 insurers for the purpose of coordinating the development of processes, guidelines, and standards to  
28 streamline healthcare administration that are to be adopted by payors and providers of healthcare  
29 services operating in the state. This workgroup shall include representatives with expertise who  
30 would contribute to the streamlining of healthcare administration and who are selected from  
31 hospitals, physician practices, community behavioral health organizations, each health insurer, and  
32 other affected entities. The workgroup shall also include at least one designee each from the Rhode  
33 Island Medical Society, Rhode Island Council of Community Mental Health Organizations, the  
34 Rhode Island Health Center Association, and the Hospital Association of Rhode Island. In any year

1 that the workgroup meets and submits recommendations to the office of the health insurance  
2 commissioner, the office of the health insurance commissioner shall submit such recommendations  
3 to the health and human services committees of the Rhode Island house of representatives and the  
4 Rhode Island senate prior to the implementation of any such recommendations and subsequently  
5 shall submit a report to the general assembly by June 30, 2024. The report shall include the  
6 recommendations the commissioner may implement, with supporting rationale. The workgroup  
7 shall consider and make recommendations for:

8 (1) Establishing a consistent standard for electronic eligibility and coverage verification.

9 Such standard shall:

10 (i) Include standards for eligibility inquiry and response and, wherever possible, be  
11 consistent with the standards adopted by nationally recognized organizations, such as the Centers  
12 for Medicare & Medicaid Services;

13 (ii) Enable providers and payors to exchange eligibility requests and responses on a system-  
14 to-system basis or using a payor-supported web browser;

15 (iii) Provide reasonably detailed information on a consumer's eligibility for healthcare  
16 coverage; scope of benefits; limitations and exclusions provided under that coverage; cost-sharing  
17 requirements for specific services at the specific time of the inquiry; current deductible amounts;  
18 accumulated or limited benefits; out-of-pocket maximums; any maximum policy amounts; and  
19 other information required for the provider to collect the patient's portion of the bill;

20 (iv) Reflect the necessary limitations imposed on payors by the originator of the eligibility  
21 and benefits information;

22 (v) Recommend a standard or common process to protect all providers from the costs of  
23 services to patients who are ineligible for insurance coverage in circumstances where a payor  
24 provides eligibility verification based on best information available to the payor at the date of the  
25 request of eligibility.

26 (2) Developing implementation guidelines and promoting adoption of the guidelines for:

27 (i) The use of the National Correct Coding Initiative code-edit policy by payors and  
28 providers in the state;

29 (ii) Publishing any variations from codes and mutually exclusive codes by payors in a  
30 manner that makes for simple retrieval and implementation by providers;

31 (iii) Use of Health Insurance Portability and Accountability Act standard group codes,  
32 reason codes, and remark codes by payors in electronic remittances sent to providers;

33 (iv) Uniformity in the processing of claims by payors; and the processing of corrections to  
34 claims by providers and payors;

1 (v) A standard payor-denial review process for providers when they request a  
2 reconsideration of a denial of a claim that results from differences in clinical edits where no single,  
3 common-standards body or process exists and multiple conflicting sources are in use by payors and  
4 providers.

5 (vi) Nothing in this section, nor in the guidelines developed, shall inhibit an individual  
6 payor's ability to employ, and not disclose to providers, temporary code edits for the purpose of  
7 detecting and deterring fraudulent billing activities. The guidelines shall require that each payor  
8 disclose to the provider its adjudication decision on a claim that was denied or adjusted based on  
9 the application of such edits and that the provider have access to the payor's review and appeal  
10 process to challenge the payor's adjudication decision.

11 (vii) Nothing in this subsection shall be construed to modify the rights or obligations of  
12 payors or providers with respect to procedures relating to the investigation, reporting, appeal, or  
13 prosecution under applicable law of potentially fraudulent billing activities.

14 (3) Developing and promoting widespread adoption by payors and providers of guidelines  
15 to:

16 (i) Ensure payors do not automatically deny claims for services when extenuating  
17 circumstances make it impossible for the provider to obtain a preauthorization before services are  
18 performed or notify a payor within an appropriate standardized timeline of a patient's admission;

19 (ii) Require payors to use common and consistent processes and time frames when  
20 responding to provider requests for medical management approvals. Whenever possible, such time  
21 frames shall be consistent with those established by leading national organizations and be based  
22 upon the acuity of the patient's need for care or treatment. For the purposes of this section, medical  
23 management includes prior authorization of services, preauthorization of services, precertification  
24 of services, post-service review, medical-necessity review, and benefits advisory;

25 (iii) Develop, maintain, and promote widespread adoption of a single, common website  
26 where providers can obtain payors' preauthorization, benefits advisory, and preadmission  
27 requirements;

28 (iv) Establish guidelines for payors to develop and maintain a website that providers can  
29 use to request a preauthorization, including a prospective clinical necessity review; receive an  
30 authorization number; and transmit an admission notification;

31 (v) Develop and implement the use of programs that implement selective prior  
32 authorization requirements, based on stratification of healthcare providers' performance and  
33 adherence to evidence-based medicine with the input of contracted healthcare providers and/or  
34 provider organizations. Such criteria shall be transparent and easily accessible to contracted

1 providers. Such selective prior authorization programs shall be available when healthcare providers  
2 participate directly with the insurer in risk-based payment contracts and may be available to  
3 providers who do not participate in risk-based contracts;

4 (vi) Require the review of medical services, including behavioral health services, and  
5 prescription drugs, subject to prior authorization on at least an annual basis, with the input of  
6 contracted healthcare providers and/or provider organizations. Any changes to the list of medical  
7 services, including behavioral health services, and prescription drugs requiring prior authorization,  
8 shall be shared via provider-accessible websites;

9 (vii) Improve communication channels between health plans, healthcare providers, and  
10 patients by:

11 (A) Requiring transparency and easy accessibility of prior authorization requirements,  
12 criteria, rationale, and program changes to contracted healthcare providers and patients/health plan  
13 enrollees which may be satisfied by posting to provider-accessible and member-accessible  
14 websites; and

15 (B) Supporting:

16 (I) Timely submission by healthcare providers of the complete information necessary to  
17 make a prior authorization determination, as early in the process as possible; and

18 (II) Timely notification of prior authorization determinations by health plans to impacted  
19 health plan enrollees, and healthcare providers, including, but not limited to, ordering providers,  
20 and/or rendering providers, and dispensing pharmacists which may be satisfied by posting to  
21 provider-accessible websites or similar electronic portals or services;

22 (viii) Increase and strengthen continuity of patient care by:

23 (A) Defining protections for continuity of care during a transition period for patients  
24 undergoing an active course of treatment, when there is a formulary or treatment coverage change  
25 or change of health plan that may disrupt their current course of treatment and when the treating  
26 physician determines that a transition may place the patient at risk; and for prescription medication  
27 by allowing a grace period of coverage to allow consideration of referred health plan options or  
28 establishment of medical necessity of the current course of treatment;

29 (B) Requiring continuity of care for medical services, including behavioral health services,  
30 and prescription medications for patients on appropriate, chronic, stable therapy through  
31 minimizing repetitive prior authorization requirements; and which for prescription medication shall  
32 be allowed only on an annual review, with exception for labeled limitation, to establish continued  
33 benefit of treatment; and

34 (C) Requiring communication between healthcare providers, health plans, and patients to

1 facilitate continuity of care and minimize disruptions in needed treatment which may be satisfied  
2 by posting to provider-accessible websites or similar electronic portals or services;

3 (D) Continuity of care for formulary or drug coverage shall distinguish between FDA  
4 designated interchangeable products and proprietary or marketed versions of a medication;

5 (ix) Encourage healthcare providers and/or provider organizations and health plans to  
6 accelerate use of electronic prior authorization technology, including adoption of national standards  
7 where applicable; and

8 (x) For the purposes of subsections (h)(3)(v) through (h)(3)(x) of this section, the  
9 workgroup meeting may be conducted in part or whole through electronic methods.

10 (4) To provide a report to the house and senate, on or before January 1, 2017, with  
11 recommendations for establishing guidelines and regulations for systems that give patients  
12 electronic access to their claims information, particularly to information regarding their obligations  
13 to pay for received medical services, pursuant to 45 C.F.R. § 164.524.

14 (5) No provision of this subsection (h) shall preclude the ongoing work of the office of  
15 health insurance commissioner's administrative simplification task force, which includes meetings  
16 with key stakeholders in order to improve, and provide recommendations regarding, the prior  
17 authorization process.

18 (i) To issue an anti-cancer medication report. Not later than June 30, 2014, and annually  
19 thereafter, the office of the health insurance commissioner (OHIC) shall provide the senate  
20 committee on health and human services, and the house committee on corporations, with: (1)  
21 Information on the availability in the commercial market of coverage for anti-cancer medication  
22 options; (2) For the state employee's health benefit plan, the costs of various cancer-treatment  
23 options; (3) The changes in drug prices over the prior thirty-six (36) months; and (4) Member  
24 utilization and cost-sharing expense.

25 (j) To monitor the adequacy of each health plan's compliance with the provisions of the  
26 federal Mental Health Parity Act, including a review of related claims processing and  
27 reimbursement procedures. Findings, recommendations, and assessments shall be made available  
28 to the public.

29 (k) To monitor the transition from fee-for-service and toward global and other alternative  
30 payment methodologies for the payment for healthcare services. Alternative payment  
31 methodologies should be assessed for their likelihood to promote access to affordable health  
32 insurance, health outcomes, and performance.

33 (l) To report annually, no later than July 1, 2014, then biannually thereafter, on hospital  
34 payment variation, including findings and recommendations, subject to available resources.

1 (m) Notwithstanding any provision of the general or public laws or regulation to the  
2 contrary, provide a report with findings and recommendations to the president of the senate and the  
3 speaker of the house, on or before April 1, 2014, including, but not limited to, the following  
4 information:

5 (1) The impact of the current, mandated healthcare benefits as defined in §§ 27-18-48.1,  
6 27-18-60, 27-18-62, 27-18-64, similar provisions in chapters 19, 20 and 41 of title 27, and §§ 27-  
7 18-3(c), 27-38.2-1 et seq., or others as determined by the commissioner, on the cost of health  
8 insurance for fully insured employers, subject to available resources;

9 (2) Current provider and insurer mandates that are unnecessary and/or duplicative due to  
10 the existing standards of care and/or delivery of services in the healthcare system;

11 (3) A state-by-state comparison of health insurance mandates and the extent to which  
12 Rhode Island mandates exceed other states benefits; and

13 (4) Recommendations for amendments to existing mandated benefits based on the findings  
14 in (m)(1), (m)(2), and (m)(3) above.

15 (n) On or before July 1, 2014, the office of the health insurance commissioner, in  
16 collaboration with the director of health and lieutenant governor's office, shall submit a report to  
17 the general assembly and the governor to inform the design of accountable care organizations  
18 (ACOs) in Rhode Island as unique structures for comprehensive healthcare delivery and value-  
19 based payment arrangements, that shall include, but not be limited to:

20 (1) Utilization review;

21 (2) Contracting; and

22 (3) Licensing and regulation.

23 (o) On or before February 3, 2015, the office of the health insurance commissioner shall  
24 submit a report to the general assembly and the governor that describes, analyzes, and proposes  
25 recommendations to improve compliance of insurers with the provisions of § 27-18-76 with regard  
26 to patients with mental health and substance use disorders.

27 (p) To work to ensure the health insurance coverage of behavioral health care under the  
28 same terms and conditions as other health care, and to integrate behavioral health parity  
29 requirements into the office of the health insurance commissioner insurance oversight and  
30 healthcare transformation efforts.

31 (q) To work with other state agencies to seek delivery system improvements that enhance  
32 access to a continuum of mental health and substance use disorder treatment in the state; and  
33 integrate that treatment with primary and other medical care to the fullest extent possible.

34 (r) To direct insurers toward policies and practices that address the behavioral health needs

1 of the public and greater integration of physical and behavioral healthcare delivery.

2 (s) The office of the health insurance commissioner shall conduct an analysis of the impact  
3 of the provisions of § 27-38.2-1(i) on health insurance premiums and access in Rhode Island and  
4 submit a report of its findings to the general assembly on or before June 1, 2023.

5 (t) To undertake the analyses, reports, and studies contained in this section:

6 (1) The office shall hire the necessary staff and prepare a request for proposal for a qualified  
7 and competent firm or firms to undertake the following analyses, reports, and studies:

8 (i) The firm shall undertake a comprehensive review of all social and human service  
9 programs having a contract with or licensed by the state or any subdivision of the department of  
10 children, youth and families (DCYF), the department of behavioral healthcare, developmental  
11 disabilities and hospitals (BHDDH), the department of human services (DHS), the department of  
12 health (DOH), and Medicaid for the purposes of:

13 (A) Establishing a baseline of the eligibility factors for receiving services;

14 (B) Establishing a baseline of the service offering through each agency for those  
15 determined eligible;

16 (C) Establishing a baseline understanding of reimbursement rates for all social and human  
17 service programs including rates currently being paid, the date of the last increase, and a proposed  
18 model that the state may use to conduct future studies and analyses;

19 (D) Ensuring accurate and adequate reimbursement to social and human service providers  
20 that facilitate the availability of high-quality services to individuals receiving home and  
21 community-based long-term services and supports provided by social and human service providers;

22 (E) Ensuring the general assembly is provided accurate financial projections on social and  
23 human service program costs, demand for services, and workforce needs to ensure access to entitled  
24 beneficiaries and services;

25 (F) Establishing a baseline and determining the relationship between state government and  
26 the provider network including functions, responsibilities, and duties;

27 (G) Determining a set of measures and accountability standards to be used by EOHHS and  
28 the general assembly to measure the outcomes of the provision of services including budgetary  
29 reporting requirements, transparency portals, and other methods; and

30 (H) Reporting the findings of human services analyses and reports to the speaker of the  
31 house, senate president, chairs of the house and senate finance committees, chairs of the house and  
32 senate health and human services committees, and the governor.

33 (2) The analyses, reports, and studies required pursuant to this section shall be  
34 accomplished and published as follows and shall provide:

- 1 (i) An assessment and detailed reporting on all social and human service program rates to  
2 be completed by January 1, 2023, including rates currently being paid and the date of the last  
3 increase;
- 4 (ii) An assessment and detailed reporting on eligibility standards and processes of all  
5 mandatory and discretionary social and human service programs to be completed by January 1,  
6 2023;
- 7 (iii) An assessment and detailed reporting on utilization trends from the period of January  
8 1, 2017, through December 31, 2021, for social and human service programs to be completed by  
9 January 1, 2023;
- 10 (iv) An assessment and detailed reporting on the structure of the state government as it  
11 relates to the provision of services by social and human service providers including eligibility and  
12 functions of the provider network to be completed by January 1, 2023;
- 13 (v) An assessment and detailed reporting on accountability standards for services for social  
14 and human service programs to be completed by January 1, 2023;
- 15 (vi) An assessment and detailed reporting by April 1, 2023, on all professional licensed  
16 and unlicensed personnel requirements for established rates for social and human service programs  
17 pursuant to a contract or established fee schedule;
- 18 (vii) An assessment and reporting on access to social and human service programs, to  
19 include any wait lists and length of time on wait lists, in each service category by April 1, 2023;
- 20 (viii) An assessment and reporting of national and regional Medicaid rates in comparison  
21 to Rhode Island social and human service provider rates by April 1, 2023;
- 22 (ix) An assessment and reporting on usual and customary rates paid by private insurers and  
23 private pay for similar social and human service providers, both nationally and regionally, by April  
24 1, 2023; and
- 25 (x) Completion of the development of an assessment and review process that includes the  
26 following components: eligibility; scope of services; relationship of social and human service  
27 provider and the state; national and regional rate comparisons and accountability standards that  
28 result in recommended rate adjustments; and this process shall be completed by September 1, 2023,  
29 and conducted biennially hereafter. [No later than September 1, 2027, all biennial reports shall](#)  
30 [include a review and recommendations of rates for primary care services.](#) The biennial rate setting  
31 shall be consistent with payment requirements established in § 1902(a)(30)(A) of the Social  
32 Security Act, 42 U.S.C. § 1396a(a)(30)(A), and all federal and state law, regulations, and quality  
33 and safety standards. The results and findings of this process shall be transparent, and public  
34 meetings shall be conducted to allow providers, recipients, and other interested parties an

1 opportunity to ask questions and provide comment beginning in September 2023 and biennially  
2 thereafter.

3 (3) In fulfillment of the responsibilities defined in subsection (t), the office of the health  
4 insurance commissioner shall consult with the Executive Office of Health and Human Services.

5 (u) Annually, each department (namely, EOHHS, DCYF, DOH, DHS, and BHDDH) shall  
6 include the corresponding components of the assessment and review (i.e., eligibility; scope of  
7 services; relationship of social and human service provider and the state; and national and regional  
8 rate comparisons and accountability standards including any changes or substantive issues between  
9 biennial reviews) including the recommended rates from the most recent assessment and review  
10 with their annual budget submission to the office of management and budget and provide a detailed  
11 explanation and impact statement if any rate variances exist between submitted recommended  
12 budget and the corresponding recommended rate from the most recent assessment and review  
13 process starting October 1, 2023, and biennially thereafter.

14 (v) The general assembly shall appropriate adequate funding as it deems necessary to  
15 undertake the analyses, reports, and studies contained in this section relating to the powers and  
16 duties of the office of the health insurance commissioner.

17 SECTION 9. Rhode Island Medicaid Reform Act of 2008 Resolution.

18 WHEREAS, the General Assembly enacted Chapter 12.4 of Title 42 entitled “The Rhode  
19 Island Medicaid Reform Act of 2008”; and

20 WHEREAS, a legislative enactment is required pursuant to Rhode Island General Laws  
21 section 42-12.4-1, et seq.; and

22 WHEREAS, Rhode Island General Laws section 42-7.2-5(3)(i) provides that the  
23 secretary of the executive office of health and human Services is responsible for the review and  
24 coordination of any Medicaid section 1115 demonstration waiver requests and renewals as well  
25 as any initiatives and proposals requiring amendments to the Medicaid state plan or category II or  
26 III changes as described in the demonstration, “with potential to affect the scope, amount, or  
27 duration of publicly-funded health care services, provider payments or reimbursements, or access  
28 to or the availability of benefits and services provided by Rhode Island general and public laws”;  
29 and

30 WHEREAS, in pursuit of a more cost-effective consumer choice system of care that is  
31 fiscally sound and sustainable, the secretary requests legislative approval of the following  
32 proposals to amend the demonstration; and

33 WHEREAS, implementation of adjustments may require amendments to the Rhode  
34 Island’s Medicaid state plan and/or section 1115 waiver under the terms and conditions of the

1 demonstration. Further, adoption of new or amended rules, regulations and procedures may also  
2 be required:

3       (a) *Nursing Facility Rate Increase Alignment with State Revenue Growth.* The executive  
4 office of health and human services will pursue and implement any state plan amendments  
5 needed to limit rate increases for nursing facilities in SFY 2026 to the anticipated rate of growth  
6 of state tax revenue, estimated to be 2.3 percent.

7       (b) *Inpatient and Outpatient Hospital Rate Increase Alignment with State Revenue*  
8 *Growth.* The executive office of health and human services will pursue and implement any state  
9 plan amendments needed to limit rate increases for inpatient and outpatient hospital services in  
10 SFY 2026 to the anticipated rate of growth of state tax revenue, estimated to be 2.3 percent.

11       (c) *Home Care Rates.* The secretary of the executive office of health and human services  
12 will pursue and implement any state plan amendments needed to eliminate annual rate increases  
13 for home care services.

14       (d) *Elimination of Inpatient and Outpatient Hospital Upper Payment Limit Payments.*  
15 The secretary of the executive office of health and human services will pursue and implement any  
16 state plan amendments needed to eliminate inpatient and outpatient hospital upper payment limit  
17 payments.

18       (e) *Establishment of interprofessional consultation program.* The secretary of the  
19 executive office of health and human services will pursue and implement any state plan  
20 amendments needed to establish an interprofessional consultation program in Medicaid effective  
21 October 1, 2025.

22       (f) *Federal Financing Opportunities.* The executive off health and human services  
23 proposes that it shall review Medicaid requirements and opportunities under the U.S. Patient  
24 Protection and Affordable Care Act of 2010 (PPACA) and various other recently enacted federal  
25 laws and pursue any changes in the Rhode Island Medicaid program that promote, increase and  
26 enhance service quality, access and cost-effectiveness that may require a Medicaid state plan  
27 amendment or amendment under the terms and conditions of Rhode Island's section 1115 waiver,  
28 its successor, or any extension thereof. Any such actions by the executive office of health and  
29 human services shall not have an adverse impact on beneficiaries or cause there to be an increase  
30 in expenditures beyond the amount appropriated for state fiscal year 2025.

31       Now, therefore, be it:

32       RESOLVED, that the General Assembly hereby approves the above-referenced  
33 proposals; and be it further;

34       RESOLVED, that the secretary of the executive office of health and human services is

1 authorized to pursue and implement any waiver amendments, state plan amendments, and/or  
2 changes to the applicable department's rules, regulations and procedures approved herein and as  
3 authorized by Rhode Island General Laws section 42-12.4; and be it further;

4           RESOLVED, that this Joint Resolution shall take effect on July 1, 2025.

5           SECTION 10. This article shall take effect upon passage, except Section 9 which shall  
6 take effect as of July 1, 2025.

1 **ARTICLE 9**

2 **RELATING TO LEASES**

3 SECTION 1. This article consists of a Joint Resolution that is submitted pursuant to Rhode  
4 Island General Law § 37-6-2, authorizing various lease agreements for office space and operating  
5 space.

6 SECTION 2. *Department of Children Youth and Families (101 Friendship Street,*  
7 *Providence).*

8 WHEREAS, the Department of Children Youth and Families currently occupies  
9 approximately 99,500 square feet at 101 Friendship Street in the City of Providence; and

10 WHEREAS, the Department of Children Youth and Families currently holds a lease  
11 agreement, in full force and effect, with Provident Property, LLC for approximately 99,500 square  
12 feet of office space located at 101 Friendship Street, in the City of Providence; and

13 WHEREAS, the existing lease expires on November 30, 2025, and the Department of  
14 Children Youth and Families wishes to renew this lease for an additional ten-year term; and

15 WHEREAS, the State of Rhode Island, acting by and through the Department of Children  
16 Youth and Families attests to the fact that there are no clauses in the lease agreement with Provident  
17 Property, LLC that would interfere with the Department of Children Youth and Families' lease  
18 agreement or use of the facility; and

19 WHEREAS, the leased premises provides a critical location for the offices of the  
20 Department of Children Youth and Families from which the Department can fulfill its mission; and

21 WHEREAS, the annual fixed rent in the agreement in the current fiscal year, ending June  
22 30, 2025 is \$2,089,500.00; and

23 WHEREAS, the annual fixed rent of the agreement in each of the first five (5) years of the  
24 renewal term will not exceed \$2,293,826.79 and shall not exceed \$2,490,076.79 in each of the  
25 remaining years of the renewal term [or in each of years six (6) through ten (10) of the renewal  
26 term]; and

27 WHEREAS, the payment of the annual fixed rent will be made from funds available to the  
28 Department of Children Youth and Families for the payments of rental and lease costs based on  
29 annual appropriations made by the General Assembly; and

30 WHEREAS, the State Properties Committee now respectfully requests the approval by the  
31 Rhode Island House of Representatives and the Rhode Island Senate of the lease agreement  
32 between the Department of Children Youth and Families and Provident Property, LLC for leased  
33 space located at 101 Friendship Street, Providence; now therefore be it

34 RESOLVED, that this General Assembly of the State of Rhode Island hereby approves the

1 lease agreement, for a term not to exceed ten (10) years and an aggregate fixed rent not to exceed  
2 \$23,919,517.90; and it be further

3 RESOLVED, that this Joint Resolution shall take effect upon passage by the General  
4 Assembly; and it be further

5 RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly  
6 certified copies of this resolution to the Governor, the Director of the Department of Children Youth  
7 and Families, the Director of Administration, the State Budget Officer, and the Chair of the State  
8 Properties Committee.

9 SECTION 3. *Rhode Island Emergency Management Agency (2700 Plainfield Pike,*  
10 *Cranston).*

11 WHEREAS, the Department of Administration currently holds a lease agreement which  
12 was enacted during the Covid-19 emergency, with EIM Plainfield Pike, LLC for approximately  
13 73,770 square feet of warehouse space located at 2700 Plainfield Pike, in the City of Cranston; and

14 WHEREAS, the existing lease expires on July 31, 2025, but the warehousing needs  
15 continue; and

16 WHEREAS, the annual gross rent in the agreement in the existing lease is \$684,585.60;

17 WHEREAS, the Department of Administration and Rhode Island Emergency Management  
18 officials received and reviewed proposals for warehouses that would meet Emergency Management  
19 Agency needs; and

20 WHEREAS, upon completing an evaluation of the submitted lease proposals, the Rhode  
21 Island Emergency Management Agency wishes to enter into a ten-year lease agreement with EIM  
22 Plainfield Pike, LLC for approximately 73,770 square feet of warehouse space located at 2700  
23 Plainfield Pike in the city/town of Cranston.

24 WHEREAS, the aggregate base rent for the ten-year lease will not exceed \$7,188,368.21.

25 WHEREAS, the payment of the annual base rent will be made from funds available to the  
26 Rhode Island Emergency Management Agency for the payments of rental and lease costs based on  
27 annual appropriations made by the General Assembly; and

28 WHEREAS, the State Properties Committee now respectfully requests the approval of the  
29 Rhode Island House of Representatives and the Rhode Island Senate for the lease agreement  
30 between the Rhode Island Emergency Management Agency and EIM Plainfield Pike, LLC for lease  
31 space located at 2700 Plainfield Pike; now therefore be it

32 RESOLVED, that this General Assembly of the State of Rhode Island hereby approves the  
33 lease agreement, for a term not to exceed ten (10) years and an aggregate base rent not to exceed  
34 \$7,188,368.21; and it be further

1           RESOLVED, that this Joint Resolution shall take effect upon passage by the General  
2 Assembly; and it be further

3           RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly  
4 certified copies of this resolution to the Governor, the Director of the Rhode Island Emergency  
5 Management Agency, the Director of Administration, the State Budget Officer, and the Chair of  
6 the State Properties Committee.

7           SECTION 4. This article shall take effect upon passage.



1 ~~healthcare costs and shall include any detail that may be prescribed by the state agency in rules and~~  
2 ~~regulations.~~

3 (6) “Department” means the Rhode Island department of health.

4 ~~(3)~~ (7) “Director” means the director of the Rhode Island state department of health.

5 ~~(4)(i)~~ (8) “Healthcare facility” means ~~any institutional health service provider, facility or~~  
6 ~~institution, place, building, agency, or portion of them, whether a partnership or corporation,~~  
7 ~~whether public or private, whether organized for profit or not, used, operated, or engaged in~~  
8 ~~providing healthcare services that are limited to~~ hospitals, nursing facilities, ~~home nursing care~~  
9 ~~provider, home care provider, hospice provider,~~ inpatient rehabilitation hospital centers ~~(including~~  
10 ~~drug and/or alcohol abuse treatment centers), and~~ freestanding emergency-care facilities as defined  
11 in § 23-17-2, ~~certain facilities providing surgical treatment to patients not requiring hospitalization~~  
12 ~~(surgi centers, multi practice, physician ambulatory surgery centers and multi practice, podiatry~~  
13 ~~ambulatory surgery centers) and facilities providing inpatient hospice care. Single practice~~  
14 ~~physician or podiatry ambulatory surgery centers (as defined in § 23-17-2(17), (18), respectively)~~  
15 ~~are exempt from the requirements of chapter 15 of this title; provided, however, that such~~  
16 ~~exemption shall not apply if a single practice physician or podiatry ambulatory surgery center is~~  
17 ~~established by a medical practice group (as defined in § 5-37-1) within two (2) years following the~~  
18 ~~formation of such medical practice group, when such medical practice group is formed by the~~  
19 ~~merger or consolidation of two (2) or more medical practice groups or the acquisition of one~~  
20 ~~medical practice group by another medical practice group. The term “healthcare facility” does not~~  
21 include Christian Science institutions (also known as Christian Science nursing facilities) listed and  
22 certified by the Commission for Accreditation of Christian Science Nursing  
23 Organizations/Facilities, Inc. ~~(ii) Any provider of hospice care who provides hospice care without~~  
24 ~~charge shall be exempt from the provisions of this chapter.~~

25 ~~(5)~~ (9) “Healthcare provider” means a person who is a direct provider of health services  
26 (including but not limited to licensed physicians, dentists, nurses, podiatrists, physician assistants,  
27 or nurse practitioners) ~~in that~~ where the person’s ~~primary~~ current activity is the provision of  
28 healthcare services for persons.

29 ~~(6)~~ (10) “Health services” means organized program components for preventive,  
30 assessment, maintenance, diagnostic, treatment, and rehabilitative services provided in a healthcare  
31 facility.

32 ~~(7)~~ (11) “Health services council” means the advisory body to the Rhode Island state  
33 department of health established in accordance with chapter 17-13.1 of this title, appointed and  
34 empowered as provided to serve as the advisory body to the ~~state agency~~ department in its review

1 functions under this chapter.

2 (12) “Innovation” means the potential of the proposal to demonstrate or provide one or  
3 more innovative approaches or methods for attaining a more cost effective and/or efficient  
4 healthcare system as may be further defined in rules and regulations promulgated by the  
5 department.

6 ~~(8)~~ (13) “Institutional health services” means health services provided in or through  
7 healthcare facilities and includes the entities in or through ~~that the~~ which such services are provided.

8 ~~(9)~~ (14) “New healthcare equipment” means linear accelerators and positron emission  
9 tomography (PET). ~~, any single piece of medical equipment (and any components that constitute~~  
10 ~~operational components of the piece of medical equipment) proposed to be utilized in conjunction~~  
11 ~~with the provision of services to patients or the public, the capital costs of which would exceed two~~  
12 ~~million two hundred fifty thousand dollars (\$2,250,000); provided, however, that the state agency~~  
13 ~~shall exempt from review any application that proposes one for one equipment replacement as~~  
14 ~~defined in regulation. Further, beginning July 1, 2012, and each July thereafter, the amount shall~~  
15 ~~be adjusted by the percentage of increase in the consumer price index for all urban consumers (CPI-~~  
16 ~~U) as published by the United States Department of Labor Statistics as of September 30 of the prior~~  
17 ~~calendar year.~~

18 ~~(10)~~ (15) “New institutional health services” means and includes:

19 (i) Construction, development, or other establishment of a new healthcare facility.

20 (ii) Any capital expenditure as defined herein. ~~, except acquisitions of an existing~~  
21 ~~healthcare facility, that will not result in a change in the services or bed capacity of the healthcare~~  
22 ~~facility by, or on behalf of, an existing healthcare facility in excess of five million two hundred~~  
23 ~~fifty thousand dollars (\$5,250,000) which is a capital expenditure including expenditures for~~  
24 ~~predevelopment activities; provided further, beginning July 1, 2012, and each July thereafter, the~~  
25 ~~amount shall be adjusted by the percentage of increase in the consumer price index for all urban~~  
26 ~~consumers (CPI-U) as published by the United States Department of Labor Statistics as of~~  
27 ~~September 30 of the prior calendar year.~~

28 (iii) Where a person makes an acquisition by, or on behalf of, a healthcare facility ~~or health~~  
29 ~~maintenance organization~~ under lease or comparable arrangement or through donation, which  
30 would have required review if the acquisition had been by purchase, the acquisition shall be deemed  
31 a capital expenditure subject to review.

32 (iv) Any increase in ~~capital expenditure that results in the addition of a health service or~~  
33 ~~that changes~~ the bed capacity of a licensed hospital. ~~healthcare facility with respect to which the~~  
34 ~~expenditure is made, except that the state agency may exempt from review, by rules and regulations~~

1 ~~promulgated for this chapter, any bed reclassifications made to licensed nursing facilities and~~  
2 ~~annual increases in licensed bed capacities of nursing facilities that do not exceed the greater of ten~~  
3 ~~(10) beds or ten percent (10%) of facility licensed bed capacity and for which the related capital~~  
4 ~~expenditure does not exceed two million dollars (\$2,000,000).~~

5 ~~(v) Any health service proposed to be offered to patients or the public by a healthcare~~  
6 ~~facility that was not offered on a regular basis in or through the facility within the twelve month~~  
7 ~~(12) period prior to the time the service would be offered, and that increases operating expenses by~~  
8 ~~more than one million five hundred thousand dollars (\$1,500,000), except that the state agency may~~  
9 ~~exempt from review, by rules and regulations promulgated for this chapter, any health service~~  
10 ~~involving reclassification of bed capacity made to licensed nursing facilities. Further, beginning~~  
11 ~~July 1, 2012, and each July thereafter, the amount shall be adjusted by the percentage of increase~~  
12 ~~in the consumer price index for all urban consumers (CPI-U) as published by the United States~~  
13 ~~Department of Labor Statistics as of September 30 of the prior calendar year.~~

14 ~~(vi) (v) Any new or expanded tertiary or specialty care service in the following areas:~~  
15 ~~cardiac catheterization, obstetrics, open heart surgery, organ transplantation, and neonatal intensive~~  
16 ~~care services. , regardless of capital expense or operating expense, as defined by and listed in~~  
17 ~~regulation, the list not to exceed a total of twelve (12) categories of services at any one time and~~  
18 ~~shall include full body magnetic resonance imaging and computerized axial tomography; provided,~~  
19 ~~however, that the state agency shall exempt from review any application that proposes one for one~~  
20 ~~equipment replacement as defined by and listed in regulation. Acquisition of full body magnetic~~  
21 ~~resonance imaging and computerized axial tomography shall not require a certificate of need~~  
22 ~~review and approval by the state agency if satisfactory evidence is provided to the state agency that~~  
23 ~~it was acquired for under one million dollars (\$1,000,000) on or before January 1, 2010, and was~~  
24 ~~in operation on or before July 1, 2010.~~

25 ~~(11) (16) “Person” means any individual, trust or estate, partnership, corporation (including~~  
26 ~~associations, joint stock companies, limited liability corporations, and insurance companies), state~~  
27 ~~or political subdivision, or instrumentality of a state.~~

28 ~~(12) “Predevelopment activities” means expenditures for architectural designs, plans,~~  
29 ~~working drawings, and specifications, site acquisition, professional consultations, preliminary~~  
30 ~~plans, studies, and surveys made in preparation for the offering of a new, institutional health~~  
31 ~~service.~~

32 ~~(13) “State agency” means the Rhode Island state department of health.~~

33 ~~(14) (17) “To develop” means to undertake those activities that, on their completion, will~~  
34 ~~result in the offering of a new, institutional health service or new healthcare equipment or the~~

1 incurring of a financial obligation, in relation to the offering of that service.

2 ~~(15)~~ (18) “To offer” means to hold oneself out as capable of providing, or as having the  
3 means for the provision of, specified health services or healthcare equipment.

4 23-15-4. Review and approval of new health care equipment and new institutional  
5 health services.

6 (a) No ~~health care healthcare provider or health care healthcare facility~~ person shall  
7 develop or offer new health care equipment or new institutional health services in Rhode Island,  
8 the magnitude of which exceeds the limits defined by this chapter, without prior review by the  
9 health services council and approval by the department ~~state agency~~; except that review by the  
10 health services council may be waived in the case of expeditious reviews conducted in accordance  
11 with § 23-15-5. ~~, and except that health maintenance organizations which fulfill criteria to be~~  
12 ~~established in rules and regulations promulgated by the state agency with the advice of the health~~  
13 ~~services council shall be exempted from the review and approval requirement established in this~~  
14 ~~section upon approval by the state agency of an application for exemption from the review and~~  
15 ~~approval requirement established in this section which contain any information that the state agency~~  
16 ~~may require to determine if the health maintenance organization meets the criteria.~~

17 (b) No approval shall be made without an adequate demonstration of need by the applicant  
18 ~~at the time and place and under the circumstances proposed~~, nor shall the approval be made without  
19 a determination that a proposal for which need has been demonstrated is also affordable and  
20 accessible by the people of the state.

21 ~~(e) No approval of new institutional health services for the provision of health services to~~  
22 ~~inpatients shall be granted unless the written findings required in accordance with § 23-15-6(b)(6)~~  
23 ~~are made.~~

24 ~~(d)~~ (c) Applications for determination of need shall be filed with the department ~~state~~  
25 ~~agency on a date fixed by the state agency~~ together with plans and specifications and any other  
26 appropriate data and information that the department ~~state agency~~ shall require by regulation, ~~and~~  
27 ~~shall be considered in relation to each other no less than once a year.~~ A duplicate copy of each  
28 application together with all supporting documentation shall be kept on file by the department ~~state~~  
29 ~~agency~~ as a public record.

30 ~~(e)~~ (d) ~~The health services council shall may consider, but shall not be limited to, the~~  
31 ~~following in conducting reviews and determining need:~~ In its recommendations to the department,  
32 the health services council may assess criteria, including but not limited to, affordability,  
33 accessibility, innovation and quality standards, as further defined in regulations adopted by the  
34 department.

- 1           ~~(1) The relationship of the proposal to state health plans that may be formulated by the state~~  
2 ~~agency;~~
- 3           ~~(2) The impact of approval or denial of the proposal on the future viability of the applicant~~  
4 ~~and of the providers of health services to a significant proportion of the population served or~~  
5 ~~proposed to be served by the applicant;~~
- 6           ~~(3) The need that the population to be served by the proposed equipment or services has~~  
7 ~~for the equipment or services;~~
- 8           ~~(4) The availability of alternative, less costly, or more effective methods of providing~~  
9 ~~services or equipment, including economies or improvements in service that could be derived from~~  
10 ~~feasible cooperative or shared services;~~
- 11           ~~(5) The immediate and long term financial feasibility of the proposal, as well as the~~  
12 ~~probable impact of the proposal on the cost of, and charges for, health services of the applicant;~~
- 13           ~~(6) The relationship of the services proposed to be provided to the existing health care~~  
14 ~~system of the state;~~
- 15           ~~(7) The impact of the proposal on the quality of health care in the state and in the population~~  
16 ~~area to be served by the applicant;~~
- 17           ~~(8) The availability of funds for capital and operating needs for the provision of the services~~  
18 ~~or equipment proposed to be offered;~~
- 19           ~~(9) The cost of financing the proposal including the reasonableness of the interest rate, the~~  
20 ~~period of borrowing, and the equity of the applicant in the proposed new institutional health service~~  
21 ~~or new equipment;~~
- 22           ~~(10) The relationship, including the organizational relationship of the services or~~  
23 ~~equipment proposed, to ancillary or support services;~~
- 24           ~~(11) Special needs and circumstances of those entities which provide a substantial portion~~  
25 ~~of their services or resources, or both, to individuals not residing within the state;~~
- 26           ~~(12) Special needs of entities such as medical and other health professional schools,~~  
27 ~~multidisciplinary clinics, and specialty centers; also, the special needs for and availability of~~  
28 ~~osteopathic facilities and services within the state;~~
- 29           ~~(13) In the case of a construction project:~~
  - 30           ~~(i) The costs and methods of the proposed construction;~~
  - 31           ~~(ii) The probable impact of the construction project reviewed on the costs of providing~~  
32 ~~health services by the person proposing the construction project; and~~
  - 33           ~~(iii) The proposed availability and use of safe patient handling equipment in the new or~~  
34 ~~renovated space to be constructed.~~

1 ~~(14) Those appropriate considerations that may be established in rules and regulations~~  
2 ~~promulgated by the state agency with the advice of the health services council;~~

3 ~~(15) The potential of the proposal to demonstrate or provide one or more innovative~~  
4 ~~approaches or methods for attaining a more cost-effective and/or efficient health care system;~~

5 ~~(16) The relationship of the proposal to the need indicated in any requests for proposals~~  
6 ~~issued by the state agency;~~

7 ~~(17) The input of the community to be served by the proposed equipment and services and~~  
8 ~~the people of the neighborhoods close to the health care facility who are impacted by the proposal;~~

9 ~~(18) The relationship of the proposal to any long-range capital improvement plan of the~~  
10 ~~health care facility applicant.~~

11 ~~(19) Cost impact statements forwarded pursuant to subsection 23-15-6(e).~~

12 ~~(f)~~ (e) In conducting its review, the health services council shall perform the following:

13 ~~(1)~~ Within one hundred and fifteen (115) days after initiating its review, which must be  
14 commenced no later than thirty-one (31) days after the filing of an application, the health services  
15 council shall make recommendations to the department relative to approval or denial of the new  
16 institutional health services or new health care equipment proposed. ~~determine as to each proposal~~  
17 ~~whether the applicant has demonstrated need at the time and place and under the circumstances~~  
18 ~~proposed, and in doing so may apply the criteria and standards set forth in subsection (e) of this~~  
19 ~~section; provided however, that a determination of need shall not alone be sufficient to warrant a~~  
20 ~~recommendation to the state agency that a proposal should be approved.~~ The director shall render,  
21 in writing, his or her decision within ~~five (5)~~ ten (10) days of the determination of the health services  
22 council.

23 ~~(2) Prior to the conclusion of its review in accordance with § 23-15-6(e), the health services~~  
24 ~~council shall evaluate each proposal for which a determination of need has been established in~~  
25 ~~relation to other proposals, comparing proposals with each other, whether similar or not,~~  
26 ~~establishing priorities among the proposals for which need has been determined, and taking into~~  
27 ~~consideration the criteria and standards relating to relative need and affordability as set forth in~~  
28 ~~subsection (e) of this section and § 23-15-6(f).~~

29 ~~(3) At the conclusion of its review, the health services council shall make recommendations~~  
30 ~~to the state agency relative to approval or denial of the new institutional health services or new~~  
31 ~~health care equipment proposed; provided that:~~

32 ~~(i) The health services council shall recommend approval of only those proposals found to~~  
33 ~~be affordable in accordance with the provisions of § 23-15-6(f); and~~

34 ~~(ii) If the state agency proposes to render a decision that is contrary to the recommendation~~

1 ~~of the health services council, the state agency must render its reasons for doing so in writing.~~

2 ~~(e)~~ (f) Approval of new institutional health services or new health care equipment by the  
3 ~~department state agency shall~~ may be subject to conditions as necessary to promote affordability,  
4 accessibility, innovation, and quality standards. ~~that may be prescribed by rules and regulations~~  
5 ~~developed by the state agency with the advice of the health services council, but those conditions~~  
6 ~~must relate to the considerations enumerated in subsection (e) and to considerations that may be~~  
7 ~~established in regulations in accordance with subsection (e)(14).~~

8 ~~(h)~~ (g) The offering or developing of new institutional health services or health care  
9 equipment by a health care facility without prior review by the health services council and approval  
10 by the ~~department state agency~~ shall be grounds for the imposition of licensure sanctions on the  
11 facility, including denial, suspension, revocation, or curtailment or for imposition of any monetary  
12 fines that may be statutorily permitted by virtue of individual health care facility licensing statutes.

13 ~~(i)~~ (h) No government agency ~~and no hospital or medical service corporation organized~~  
14 ~~under the laws of the state~~ shall reimburse any person ~~health care facility or health care provider~~  
15 for the costs associated with offering or developing new institutional health services or new health  
16 care equipment unless the person ~~health care facility or health care provider~~ has received the  
17 approval of the ~~department state agency~~ in accordance with this chapter. ~~Government agencies and~~  
18 ~~hospital and medical service corporations organized under the laws of the state shall, during budget~~  
19 ~~negotiations, hold health care facilities and health care providers accountable to operating~~  
20 ~~efficiencies claimed or projected in proposals which receive the approval of the state agency in~~  
21 ~~accordance with this chapter.~~

22 ~~(j)~~ (i) In addition, the ~~department state agency~~ shall not make grants to, enter into contracts  
23 with, or recommend approval of the use of federal or state funds by any person ~~health care facility~~  
24 ~~or health care provider~~ which proceeds with the offering or developing of new institutional health  
25 services or new health care equipment after disapproval by the ~~department state agency~~.

26 (j) The department may promulgate regulations as are necessary to effectuate the purposes  
27 of this chapter.

28 **23-15-4.1. Exemption for nonclinical capital expenditures.**

29 Notwithstanding the requirements of any other provisions of any general or public laws,  
30 capital expenditures by a health care facility that are not directly related to the provision of health  
31 services as defined in this chapter, ~~including, but not limited to, capital expenditures for parking~~  
32 ~~lots, billing computer systems, and telephone,~~ shall not require a certificate of need review and  
33 approval by the ~~department state agency~~.

34 **23-15-4.2. Exemption for Research**

1 Notwithstanding the requirements of any other provisions of any general or public laws,  
2 capital expenditures by a health care facility related to research in basic biomedical or medical  
3 research areas that are not directly related to the provision of clinical or patient care services shall  
4 not require a certificate of need review and approval by the ~~department~~ state agency.

5 **23-15-4.4. Exemption for voter approved capital bond issues and other state capital**  
6 **funds for health care facilities.**

7 Notwithstanding the requirements of any other provisions of any general law or public  
8 laws, voter approved state bond issues authorizing capital expenditures and any appropriations or  
9 authorization of state capital funds by the General Assembly for state health care facilities shall not  
10 require a certificate of need review and approval by the ~~department~~ state agency.

11 **23-15-5. Expeditious review.**

12 (a) Any person who proposes to offer or develop new institutional health services or new  
13 healthcare equipment for documented emergency needs; or for the purpose of eliminating or  
14 preventing documented fire or safety hazards affecting the lives and health of patients or staff; or  
15 for compliance with accreditation standards required for receipt of federal or state reimbursement;  
16 or for any other purpose ~~that the state agency may specify~~ as may be further defined in rules and  
17 regulations promulgated by the department, may apply for an expeditious review. The ~~department~~  
18 ~~state agency~~ may exercise its discretion in recommending approvals through an expeditious review;  
19 ~~except that no new institutional health service or new healthcare equipment may be approved~~  
20 ~~through the expeditious review if provision of the new institutional health service or new healthcare~~  
21 ~~equipment is contra indicated by the state health plan as may be formulated by the state agency.~~  
22 Specific procedures for the conduct of expeditious reviews shall be promulgated in rules and  
23 regulations adopted by the ~~department~~ state agency with the advice of the health services council.

24 ~~(b) The decision of the state agency not to conduct an expeditious review shall be~~  
25 ~~reconsidered upon a written petition to the state agency, and the state agency shall be required to~~  
26 ~~respond to the written petition within ten (10) days stating whether expeditious review is granted.~~  
27 ~~If the request for reconsideration is denied, the state agency shall state the reasons in writing why~~  
28 ~~the expeditious request had been denied.~~

29 ~~(c) The decision of the state agency in connection with an expeditious review shall be~~  
30 ~~rendered within thirty (30) days after the commencement of said review.~~

31 ~~(d) Any healthcare facility that provides a service performed in another state and that is not~~  
32 ~~performed in the state of Rhode Island, or such service is performed in the state on a very limited~~  
33 ~~basis, shall be granted expeditious review upon request under this section, provided that such~~  
34 ~~service, among other things, has a clear effect on the timeliness, access, or quality of care and is~~

1 ~~able to meet licensing standards.~~

2 **23-15-6. Procedures for review.**

3 (a) The ~~department~~ state agency, with the advice of the health services council, and in  
4 accordance with the Administrative Procedures Act, chapter 35 of title 42, after public hearing  
5 pursuant to reasonable notice, which notice shall include affected persons, shall promulgate  
6 appropriate rules and regulations that may be designated to further the accomplishment of the  
7 purposes of this chapter including the formulation of procedures that may be particularly necessary  
8 for the conduct ~~on~~ of reviews of particular types of new institutional health services or new health  
9 care equipment.

10 (b) Review procedures promulgated in accordance with subsection (a) shall include at least  
11 the following, except that substitute procedures for the conduct of expeditious ~~and accelerated~~  
12 reviews may be promulgated by the ~~department~~ state agency in accordance with § 23-15-5:

13 (1) Provision that the ~~department~~ state agency established a process requiring potential  
14 applicants to file a detailed letter of intent to submit an application at least forty-five (45) days prior  
15 to the submission of an application and that the state agency shall undertake reviews in a timely  
16 fashion ~~no less often than twice a year~~ and give written notification to affected persons of the  
17 beginning of the review. ~~including the proposed schedule for the review, the period within which~~  
18 ~~a public meeting may be held, and the manner by which notification will be provided of the time~~  
19 ~~and place of any public meeting so held.~~

20 ~~(2) Provision that no more than one hundred and twenty (120) days shall elapse between~~  
21 ~~initial notification of affected persons and the final decision of the state agency.~~

22 ~~(3)~~ (2) Provision that, if the ~~department~~ state agency fails to act upon an application within  
23 the applicable period established in ~~subsection (b)(2)~~ § 23-15-4(e)(1), the applicant may apply to  
24 the superior court of Providence County to require the ~~department~~ state agency to act upon the  
25 application.

26 ~~(4)~~ (3) Provision for review ~~and comment~~ by the health services council and comment by  
27 any affected person, ~~including but not limited to those parties defined in § 23-15-2(1) and the~~  
28 ~~department of business regulation, the department of behavioral healthcare, developmental~~  
29 ~~disabilities and hospitals, the department of human services, health maintenance organizations, and~~  
30 the state professional standards review organization, on every application for the determination of  
31 need.

32 ~~(5) Provision that a public meeting may be held during the course of the state agency review~~  
33 ~~at which any person may have the opportunity to present testimony. Procedures for the conduct of~~  
34 ~~the public meeting shall be established in rules and regulations promulgated by the state agency~~

1 ~~with the advice of the health services council.~~

2 ~~(6) (4)(i) Provision for issuance of a written decision by the department ~~state agency~~ which~~  
3 ~~shall ~~be based upon~~ address and consider the findings and recommendations of the health services~~  
4 ~~council ~~unless the department ~~state agency~~ shall afford written justification for variance from that~~~~  
5 ~~decision.~~

6 (ii) In the case of any proposed new institutional health service for the provision of health  
7 services to inpatients, a state agency shall not make a finding that the proposed new institutional  
8 health service is needed, unless it makes written ~~findings~~ recommendations as to:

9 (A) The efficiency and appropriateness of the use of existing inpatient facilities providing  
10 inpatient services similar to those proposed;

11 (B) The capital and operating costs (and their potential impact on patient charges),  
12 efficiency, and appropriateness of the proposed new institutional health services; and

13 ~~(C) Makes each of the following findings in writing:~~

14 ~~(I) That superior alternatives to inpatient services in terms of cost, efficiency, and~~  
15 ~~appropriateness do not exist and that the development of alternatives is not practicable;~~

16 ~~(II) That, in the case of new construction, alternatives to new construction (e.g.,~~  
17 ~~modernization or sharing arrangements) have been considered and implemented to the maximum~~  
18 ~~extent practicable;~~

19 ~~(III) That patients will experience serious problems in terms of costs, availability, or~~  
20 ~~accessibility, or any other problems that may be identified by the state agency, in obtaining inpatient~~  
21 ~~care of the type proposed in the absence of the proposed new service; and~~

22 ~~(IV) That, in the case of a proposal for the addition of beds for the provision of skilled~~  
23 ~~nursing or intermediate care, the relationship of the addition to the plans of other agencies of the~~  
24 ~~state responsible for providing and financing long term care (including home health services) has~~  
25 ~~been considered.~~

26 ~~(7) (5) Provision for the distribution of the decision of the department ~~state agency~~,~~  
27 ~~including its findings and recommendations, to the applicant and to affected persons.~~

28 ~~(8) (6) Provision that the department ~~state agency~~ may approve or disapprove in whole or~~  
29 ~~in part any application as submitted, but that the parties may mutually agree to a modification of~~  
30 ~~any element of an application as submitted, without requiring resubmission of the application.~~

31 ~~(9) (7)(i) Provision that any person affected may request in writing reconsideration of a~~  
32 ~~state agency decision if the person:~~

33 ~~(A) Presents significant relevant information not previously considered by the state~~  
34 ~~agency;~~

1 ~~(B) Demonstrates that there have been significant changes in factors or circumstances~~  
2 ~~relied upon by the state agency in reaching its decision;~~

3 ~~(C) Demonstrates that the state agency has materially failed to follow its adopted~~  
4 ~~procedures in reaching its decision; or~~

5 ~~(D) Provides any other basis for reconsideration that the state agency may have determined~~  
6 ~~by regulation to constitute good cause.~~

7 (ii) Procedures for reconsideration upon request of the applicant shall be established in  
8 regulations promulgated by the department ~~state agency~~ with the advice of the health services  
9 council.

10 ~~(10) (8) Provision that upon the request of any affected person, the decision of the state~~  
11 ~~agency to issue, deny, or withdraw a certificate of need or to grant or deny an exemption shall be~~  
12 ~~administratively reviewed under an appeals mechanism provided for in the rules and regulations of~~  
13 ~~the state agency, with the review to be conducted by a hearing officer appointed by the director of~~  
14 ~~health. The procedures for judicial review shall be in accordance with the provisions of § 42-35-~~  
15 ~~15. Provision for appeal by the applicant of the department's decision in accordance with § 42-35-~~  
16 ~~15.1(a).~~

17 (c) The department ~~state agency~~ shall publish, at least annually, a report of reviews of new  
18 institutional health services and new health care equipment conducted, together with the findings  
19 and decisions rendered in the course of the reviews. ~~The reports shall be published on or about~~  
20 ~~February 1 of each year and shall contain evaluations of the prior year's statutory changes where~~  
21 ~~feasible.~~

22 (d) All applications reviewed by the department ~~state agency~~ and all written materials  
23 pertinent to the department's ~~state agency~~ review, including minutes of all health services council  
24 meetings, shall be accessible to the public upon request.

25 ~~(e) In the case or review of proposals by health care facilities who by contractual~~  
26 ~~agreement, chapter 19 of title 27, or other statute are required to adhere to an annual schedule of~~  
27 ~~budget or reimbursement determination to which the state is a party, the state budget office, the~~  
28 ~~office of the health insurance commissioner, and hospital service corporations organized under~~  
29 ~~chapter 19 of title 27 shall forward to the health services council within forty five (45) days of the~~  
30 ~~initiation of the review of the proposals by the health services council under § 23-15-4(f)(1):~~

31 ~~(1) A cost impact analysis of each proposal which analysis shall include, but not be limited~~  
32 ~~to, consideration of increases in operating expenses, per diem rates, health care insurance~~  
33 ~~premiums, and public expenditures; and~~

34 ~~(2) Comments on acceptable interest rates and minimum equity contributions and/or~~

1 ~~maximum debt to be incurred in financing needed proposals.~~

2 ~~(f) The health services council shall not make a recommendation to the state agency that a~~  
3 ~~proposal be approved unless it is found that the proposal is affordable to the people of the state. In~~  
4 ~~determining whether or not a proposal is affordable, the health service council shall consider the~~  
5 ~~condition of the state's economy, the statements of authorities and/or parties affected by the~~  
6 ~~proposals, and any other factors that it may deem appropriate.~~

7 **23-15-6.1. Action subsequent to review.**

8 Development of any new institutional health services or new health care equipment  
9 approved by the ~~department state agency~~ must be initiated within ~~one~~ two years of the date of the  
10 approval ~~and may not exceed the maximum amount of capital expenditures specified in the decision~~  
11 ~~of the state agency without prior authorization of the state agency.~~ The ~~department state agency,~~  
12 with the advice of the health services council, shall ~~adopt procedures~~ promulgate rules and  
13 regulations for the review of the applicant's failure to develop new institutional health services or  
14 new health care equipment within the timeframe ~~and capital limitation~~ stipulated in this section,  
15 and for the withdrawal of approval in the absence of a good faith effort to meet the stipulated  
16 timeframe.

17 **23-15-10. Application fees.**

18 The ~~department state agency~~ shall require that any applicant for certificate of need submit  
19 an application fee prior to requesting any review of matters pursuant to the requirements of this  
20 chapter; except that health care facilities and equipment owned and operated by the state of Rhode  
21 Island shall be exempt from this application fee requirement. The application fee shall be paid by  
22 check made payable to the general treasurer. Except for applications that propose new or expanded  
23 ~~tertiary or specialty care~~ services as defined in subdivision ~~23-15-2(10)(vi)~~ 23-15-2(15)(v),  
24 submission of any application filed in accordance with § 23-15-4(d) shall include an application  
25 fee of five hundred dollars (\$500) per application plus an amount equal to one quarter of one percent  
26 (0.25%) of the total capital expenditure costs associated with the application. ~~For an application~~  
27 ~~filed in accordance with the requirements of § 23-15-5 (Expedition review), the application shall~~  
28 ~~include an application processing fee of seven hundred and fifty dollars (\$750) per application plus~~  
29 ~~an amount equal to one quarter of one percent (0.25%) of the total capital expenditure costs~~  
30 ~~associated with the application.~~ Applications that propose new or expanded ~~tertiary or specialty~~  
31 ~~care~~ services as defined in subdivision ~~23-15-2(10)(vi)~~ 23-15-2(15)(v), shall include an application  
32 fee of ten thousand dollars (\$10,000) plus an amount equal to one quarter of one percent (0.25%)  
33 of the total capital expenditure costs associated with the application. Application fees shall be non-  
34 refundable once the formal review of the application has commenced. All fees received pursuant

1 to this chapter shall be deposited in the general fund.

2 **23-15-11. Reports, use of experts, and all costs and expenses.**

3 The department ~~state agency~~ may in effectuating the purposes of this chapter engage  
4 experts or consultants including, but not limited to, actuaries, investment bankers, accountants,  
5 attorneys, or industry analysts. Except for privileged or confidential communications between the  
6 department ~~state agency~~ and engaged attorneys, all copies of final reports prepared by experts and  
7 consultants, and all costs and expenses associated with the reports, shall be public. All costs and  
8 expenses incurred under this provision shall be the responsibility of the applicant in an amount to  
9 be determined by the director as he or she shall deem appropriate. No application made pursuant to  
10 the requirements of this chapter shall be considered complete unless an agreement has been  
11 executed with the director for the payment of all costs and expenses in accordance with this section.  
12 The maximum cost and expense to an applicant for experts and/or consultants that may be required  
13 by the department ~~state agency~~ shall be fifty ~~twenty~~ thousand dollars (~~\$20,000~~ \$50,000); provided  
14 however, that the maximum amount shall be increased ~~by regulations promulgated by the state~~  
15 ~~agency on or after January 1, 2008~~ annually by the most recently available annual increase in the  
16 federal consumer price index as determined by the department ~~state agency~~.

17 SECTION 2. Sections 23-17.5-32, 23-17.5-33, and 23-17.5-34 of the General Laws in  
18 Chapter 23-17.5 entitled "Rights of Nursing Home Patients" are hereby amended to read as follows:

19 **23-17.5-32 Minimum staffing levels.**

20 (a) Each facility shall have the necessary nursing service personnel (licensed and non-  
21 licensed) in sufficient numbers on a twenty-four (24) hour basis, to assess the needs of residents,  
22 to develop and implement resident care plans, to provide direct resident care services, and to  
23 perform other related activities to maintain the health, safety, and welfare of residents. The  
24 facility shall have a registered nurse on the premises twenty-four (24) hours a day.

25 (b) For purposes of this section, the following definitions shall apply:

26 (1) "Direct caregiver" means a person who receives monetary compensation as an  
27 employee of the nursing facility or a subcontractor as a director of nursing services, a nurse  
28 (RNs/LPNs) with administrative duties, a registered nurse, a licensed practical nurse, a  
29 medication technician, a certified nurse assistant, a licensed physical therapist, a physical therapy  
30 assistant, a licensed occupational therapist, a certified occupational therapy assistant, a licensed  
31 speech-language pathologist, a licensed respiratory care practitioner, a mental health worker who  
32 is also a certified nurse assistant, a nurse aide in training, a social worker, or an activities  
33 director/aide.

34 (2) "Hours of direct nursing care" means the actual hours of work performed per patient

1 day by a direct caregiver.

2 (c)(i) Commencing on January 1, 2022, nursing facilities shall provide a quarterly  
3 minimum average of three and fifty-eight hundredths (3.58) hours of direct nursing care per  
4 resident, per day, of which at least two and forty-four hundredths (2.44) hours shall be provided  
5 by certified nurse assistants.

6 (ii) Commencing on January 1, 2023, nursing facilities shall provide a quarterly  
7 minimum of three and eighty-one hundredths (3.81) hours of direct nursing care per resident, per  
8 day, of which at least two and six tenths (2.6) hours shall be provided by certified nurse assistants

9 (iii) Commencing on July 1, 2025, nursing facilities shall provide a quarterly minimum  
10 of three and eighty-one hundredths (3.81) hours of direct nursing care per resident per day of  
11 which at least two and two tenths (2.2) hours shall be provided by certified nursing assistants  
12 (CNAs), certified nursing assistants (CNAs) who are specially trained and licensed as medication  
13 aides, and nurse aides in training.

14 ~~(d) Director of nursing hours and nursing staff hours spent on administrative duties or~~  
15 ~~non direct caregiving tasks are excluded and may not be counted toward compliance with the~~  
16 ~~minimum staffing hours requirement in this section.~~

17 ~~(e)~~(d) The minimum hours of direct nursing care requirements shall be minimum  
18 standards only. Nursing facilities shall employ and schedule additional staff as needed to ensure  
19 quality resident care based on the needs of individual residents and to ensure compliance with all  
20 relevant state and federal staffing requirements.

21 ~~(f)~~(e) The department shall promulgate rules and regulations to amend the Rhode Island  
22 code of regulations in consultation with stakeholders to implement these minimum staffing  
23 requirements on or before October 15, 2021.

24 ~~(g) On or before January 1, 2024, and every five (5) years thereafter, the department shall~~  
25 ~~consult with consumers, consumer advocates, recognized collective bargaining agents, and~~  
26 ~~providers to determine the sufficiency of the staffing standards provided in this section and may~~  
27 ~~promulgate rules and regulations to increase the minimum staffing ratios to adequate levels.~~

28 **23-17.5-33. Minimum staffing level compliance and enforcement program.**

29 (a) Compliance determination.

30 (1) The department shall submit proposed rules and regulations for adoption by October  
31 15, 2021, establishing a system for determining compliance with minimum staffing requirements  
32 set forth in § 23-17.5-32.

33 (2) Compliance shall be determined quarterly by comparing the number of hours  
34 provided per resident, per day using the Centers for Medicare and Medicaid Services' payroll-

1 based journal and the facility's daily census, as self-reported by the facility to the department on a  
2 quarterly basis.

3 (3) The department shall use the quarterly payroll-based journal and the self-reported  
4 census to calculate the number of hours provided per resident, per day and compare this ratio to  
5 the minimum staffing standards required under § 23-17.5-32. Discrepancies between job titles  
6 contained in § 23-17.5-32 and the payroll-based journal shall be addressed by rules and  
7 regulations.

8 (b) Monetary penalties.

9 (1) The department shall submit proposed rules and regulations for adoption on or before  
10 October 15, 2021, implementing monetary penalty provisions for facilities not in compliance with  
11 minimum staffing requirements set forth in § 23-17.5-32.

12 (2) Monetary penalties shall be imposed quarterly and shall be based on the latest quarter  
13 for which the department has data.

14 (3) No monetary penalty may be issued for noncompliance with the increase in the  
15 standard set forth in § 23-17.5-32(c)(ii) from January 1, 2023, to March 31, 2023. If a facility is  
16 found to be noncompliant with the increase in the standard during the period that extends from  
17 January 1, 2023, to March 31, 2023, the department shall provide a written notice identifying the  
18 staffing deficiencies and require the facility to provide a sufficiently detailed correction plan to  
19 meet the statutory minimum staffing levels.

20 (4) Monetary penalties shall be established based on a formula that calculates on a daily  
21 basis the cost of wages and benefits for the missing staffing hours.

22 (5) All notices of noncompliance shall include the computations used to determine  
23 noncompliance and establishing the variance between minimum staffing ratios and the  
24 department's computations.

25 ~~(6) The penalty for the first offense shall be two hundred percent (200%) of the cost of~~  
26 ~~wages and benefits for the missing staffing hours. The penalty shall increase to two hundred fifty~~  
27 ~~percent (250%) of the cost of wages and benefits for the missing staffing hours for the second~~  
28 ~~offense and three hundred percent (300%) of the cost of wages and benefits for the missing~~  
29 ~~staffing hours for the third and all subsequent offenses.~~

30 ~~(7) For facilities that have an offense in three (3) consecutive quarters, EOHHS shall~~  
31 ~~deny any further Medicaid Assistance payments with respect to all individuals entitled to benefits~~  
32 ~~who are admitted to the facility on or after January 1, 2022, or shall freeze admissions of new~~  
33 ~~residents.~~

34 (c)(1) The penalty shall be imposed regardless of whether the facility has committed

1 other violations of this chapter during the same period that the staffing offense occurred.

2 ~~(2) The penalty may not be waived except as provided in subsection (c)(3) of this section,~~  
3 ~~but the department shall have the discretion to determine the gravity of the violation in situations~~  
4 ~~where there is no more than a ten percent (10%) deviation from the staffing requirements and~~  
5 ~~make appropriate adjustments to the penalty.~~

6 (2) Beginning July 1, 2025, the Department shall impose a fine of up to one thousand  
7 dollars (\$1,000.00) per day for each day in a quarter in which a facility fails to comply with the  
8 minimum nursing staff requirements for the quarterly average, unless mitigating factors exist.  
9 The department may reduce penalties, to an amount no lower than two hundred and fifty dollars  
10 (\$250.00) per day in a quarter that a facility is non-compliant, if the department determines, in its  
11 sole discretion, that any of the following mitigating circumstances existed during the period of  
12 non-compliance:

13 ~~(a)~~ (i) Extraordinary circumstances faced the facility. For the purposes of this clause,  
14 extraordinary circumstances shall mean that the facility experienced a natural disaster; a  
15 national emergency affecting the facility has been officially declared; a State or  
16 municipal emergency affecting the facility has been declared; or the facility experienced  
17 a catastrophic event that caused physical damage to the facility or impaired the ability of  
18 facility personnel to access the facility. Provided, however, that the facility must first  
19 demonstrate, to the satisfaction of the department that such extraordinary circumstances  
20 could not have been prevented or mitigated through effective implementation of any of  
21 the facility's emergency plans, or

22 ~~(b)~~ (ii) An acute labor supply shortage of nurse aides, certified nurse aides, licensed  
23 practical nurses, or registered nurses exists in the metropolitan and nonmetropolitan area  
24 in which the facility is located, as such areas are defined by the federal Bureau of Labor  
25 Statistics.

26 ~~(3) The department is granted discretion to waive the penalty when unforeseen~~  
27 ~~circumstances have occurred that resulted in call-offs of scheduled staff. This provision shall be~~  
28 ~~applied no more than two (2) times per calendar year.~~

29 (3) A nursing facility may seek from the Department a waiver of the minimum direct care  
30 staffing requirements required hereunder. In deciding on the waiver request, the Director's  
31 determination shall be based on one or more of the following:

32 (i) the acuity levels of residents and how stable those levels are based on the case mix of  
33 residents;

34 (ii) documented evidence of the facility's inability to meet minimum staffing

1 [requirements, despite best efforts, such as offering wages at competitive rates for nursing facility](#)  
2 [staff in the community;](#)

3 [\(iii\) whether the facility has undergone a system-wide culture change as described in §](#)  
4 [23-17-44\(d\) and the impact the facility asserts that such change has had on resident care; and](#)

5 [\(iv\) the quality performance of the nursing facility, as evidenced by a four- or five-star](#)  
6 [overall rating from the Centers for Medicare or Medicaid Services \(“CMS”\), or a four- or five-](#)  
7 [star overall rating in the areas of quality or staffing, or consistent survey performance with no](#)  
8 [deficiencies at the substandard level of care scope and severity or higher.](#)

9 [Waivers may be granted for periods up to one year, after which a renewal must be](#)  
10 [requested by the facility. The Department may seek input from the Rhode Island Department of](#)  
11 [Labor and Training concerning labor availability in connection with any waiver request under this](#)  
12 [section.](#)

13 (4) Nothing in this section diminishes a facility’s right to appeal pursuant to the  
14 provisions of chapter 35 of title 42 (“administrative procedures”).

15 (d)(1) Pursuant to rules and regulations established by the department, funds that are  
16 received from financial penalties shall be used for technical assistance or specialized direct care  
17 staff training.

18 (2) The assessment of a penalty does not supplant the state’s investigation process or  
19 issuance of deficiencies or citations under this title.

20 (3) A notice of noncompliance, whether or not the penalty is waived, and the penalty  
21 assessment shall be prominently posted in the nursing facility and included on the department’s  
22 website.

23 [\(4\) Fines for periods prior to the third quarter of 2025 shall be waived and forgiven.](#)

24 **23-17.5-34. Nursing staff posting requirements.**

25 (a) Each nursing facility shall post its daily direct care nurse staff levels by shift in a  
26 public place within the nursing facility that is readily accessible to and visible by residents,  
27 employees, and visitors. The posting shall be accurate to the actual number of direct care nursing  
28 staff on duty for each shift per day. The posting shall be in a format prescribed by the director, to  
29 include:

30 (1) The number of registered nurses, licensed practical nurses, certified nursing assistants,  
31 medication technicians, licensed physical therapists, licensed occupational therapists, licensed  
32 speech-language pathologists, mental health workers who are also certified nurse assistants, and  
33 physical therapist assistants;

34 (2) The number of temporary, outside agency nursing staff;

1 (3) The resident census as of twelve o'clock (12:00) a.m.; and

2 (4) Documentation of the use of unpaid eating assistants (if utilized by the nursing facility  
3 on that date).

4 (b) The posting information shall be maintained on file by the nursing facility for no less  
5 than three (3) years and shall be made available to the public upon request.

6 (c) Each nursing facility shall report the information compiled pursuant to section (a) of  
7 this section and in accordance with department of health regulations to the department of health  
8 on a quarterly basis in an electronic format prescribed by the director. The director shall make  
9 this information available to the public on a quarterly basis on the department of health website,  
10 accompanied by a written explanation to assist members of the public in interpreting the  
11 information reported pursuant to this section.

12 (d) In addition to the daily direct nurse staffing level reports, each nursing facility shall  
13 post the following information in a legible format and in a conspicuous place readily accessible to  
14 and visible by residents, employees, and visitors of the nursing facility:

15 (1) The minimum number of nursing facility direct care staff per shift that is required to  
16 comply with the minimum staffing level requirements in § 23-17.5-32; and

17 (2) The telephone number or internet website that a resident, employee, or visitor of the  
18 nursing facility may use to report a suspected violation by the nursing facility of a regulatory  
19 requirement concerning staffing levels and direct patient care.

20 (e) No nursing facility shall discharge or in any manner discriminate or retaliate against  
21 any resident of any nursing facility, or any relative, guardian, conservator, or sponsoring agency  
22 thereof or against any employee of any nursing facility or against any other person because the  
23 resident, relative, guardian, conservator, sponsoring agency, employee, or other person has filed  
24 any complaint or instituted or caused to be instituted any proceeding under this chapter, or has  
25 testified or is about to testify in any such proceeding or because of the exercise by the resident,  
26 relative, guardian, conservator, sponsoring agency, employee, or other person on behalf of  
27 himself, herself, or others of any right afforded by §§ 23-17.5-32, 23-17.5-33, and 23-17.5-34.  
28 Notwithstanding any other provision of law to the contrary, any nursing facility that violates any  
29 provision of this section shall:

30 (1) Be liable to the injured party for treble damages; and

31 (2)(i) Reinstate the employee, if the employee was terminated from employment in  
32 violation of any provision of this section; or

33 (ii) Restore the resident to the resident's living situation prior to such discrimination or  
34 retaliation, including the resident's housing arrangement or other living conditions within the

1 nursing facility, as appropriate, if the resident's living situation was changed in violation of any  
2 provision of this section. For purposes of this section, "discriminate or retaliate" includes, but is  
3 not limited to, the discharge, demotion, suspension, or any other detrimental change in terms or  
4 conditions of employment or residency, or the threat of any such action.

5 (f)(1) The nursing facility shall prepare an annual report showing the average daily direct  
6 care nurse staffing level for the nursing facility by shift and by category of nurse to include:

7 (i) Registered nurses;

8 (ii) Licensed practical nurses;

9 (iii) Certified nursing assistants;

10 (iv) Medication technicians;

11 (v) Licensed physical therapists;

12 (vi) Licensed occupational therapists;

13 (vii) Licensed speech-language pathologists;

14 (viii) Mental health workers who are also certified nurse assistants;

15 (ix) Physical therapist assistants;

16 ~~(x) The use of registered and licensed practical nurses and certified nursing assistant staff~~  
17 ~~from temporary placement agencies; and~~ Director of nursing services;

18 ~~(xi) The nurse and certified nurse assistant turnover rates.~~ Nurse (RNs/LPNs) with  
19 administrative duties.

20 (xii) Certified Occupational Therapy Assistants;

21 (xiii) Licensed Respiratory Care Practitioner;

22 (xiv) Social Workers;

23 (xv) Activities Director/aides;

24 (xvi) nurse aide in training;

25 (xvii) The use of registered and licensed practical nurses and certified nursing assistant  
26 staff from temporary placement agencies; and

27 (xviii) The nurse and certified nurse assistant turnover rates.

28 (2) The annual report shall be submitted with the nursing facility's renewal application  
29 and provide data for the previous twelve (12) months and ending on or after September 30, for the  
30 year preceding the license renewal year. Annual reports shall be submitted in a format prescribed  
31 by the director.

32 (g) The information on nurse staffing shall be reviewed as part of the nursing facility's  
33 annual licensing survey and shall be available to the public, both in printed form and on the  
34 department's website, by nursing facility.

1 (h) The director of nurses may act as a charge nurse only when the nursing facility is  
2 licensed for thirty (30) beds or less.

3 (i) Whenever the licensing agency determines, in the course of inspecting a nursing  
4 facility, that additional staffing is necessary on any residential area to provide adequate nursing  
5 care and treatment or to ensure the safety of residents, the licensing agency may require the  
6 nursing facility to provide such additional staffing and any or all of the following actions shall be  
7 taken to enforce compliance with the determination of the licensing agency:

8 (1) The nursing facility shall be cited for a deficiency and shall be required to augment its  
9 staff within ten (10) days in accordance with the determination of the licensing agency;

10 (2) If failure to augment staffing is cited, the nursing facility shall be required to curtail  
11 admission to the nursing facility;

12 (3) If a continued failure to augment staffing is cited, the nursing facility shall be  
13 subjected to an immediate compliance order to increase the staffing, in accordance with § 23-1-  
14 21; or

15 (4) The sequence and inclusion or non-inclusion of the specific sanctions may be  
16 modified in accordance with the severity of the deficiency in terms of its impact on the quality of  
17 resident care.

18 (j) No nursing staff of any nursing facility shall be regularly scheduled for double shifts.

19 (k) A nursing facility that fails to comply with the provisions of this chapter, or any rules  
20 or regulations adopted pursuant thereto, shall be subject to a penalty as determined by the  
21 department.

22 SECTION 3. Section 33-21.1-23 of the General Laws Chapter 33-21.1 entitled "Deposit  
23 of funds" is hereby amended to read as follows:

24 **33-21.1-23. Deposit of funds.**

25 (a) Except as otherwise provided by this section, the administrator shall promptly deposit  
26 in the ~~general fund of this state all funds received under this chapter,~~ Rhode Island Baby Bond  
27 Trust a one-time \$3,000 allocation for each designated beneficiary as defined in § 35-24-1 born in  
28 the preceding calendar year, ~~including the proceeds from the sale of abandoned property under §~~  
29 ~~33-21.1-22.~~ The administrator shall promptly deposit all remaining funds into the general fund of  
30 this state, including the proceeds from the sale of abandoned property under § 33-21.1-22. The  
31 administrator shall retain in a separate bank account an amount not less than one hundred thousand  
32 dollars (\$100,000) from which prompt payment of claims duly allowed must be made by him or  
33 her. Before making the deposit, the administrator shall record the name and last known address of  
34 each person appearing from the holders' reports to be entitled to the property and the name and last

1 known address of each insured person or annuitant and beneficiary and with respect to each policy  
2 or contract listed in the report of an insurance company its number and the name of the company.  
3 The record with the exception of the amount due must be available for public inspection at all  
4 reasonable business hours.

5 (b) Before making any transfer from the account surplus pursuant to subsection (a) ~~to the~~  
6 ~~credit of the general fund~~, the administrator may deduct:

7 (1) Any costs in connection with the sale of abandoned property;

8 (2) Costs of mailing and publication in connection with any abandoned property;

9 (3) Reasonable service charges;

10 (4) Costs incurred in examining records of holders of property and in collecting the  
11 property from those holders; and

12 (5) Any other charges, costs or expenses incurred in the administration of this chapter.

13 SECTION 4. Title 35 of the General Laws entitled “Public Finance” is hereby amended by  
14 adding thereto the following chapter:

15 CHAPTER 24

16 RHODE ISLAND BABY BOND TRUST

17 **35-24-1. Definitions.**

18 As used in this chapter:

19 (1) “Designated beneficiary” means an individual who is: (i) born on or after January 1,  
20 2026; and (ii) whose parent or guardian is enrolled in the Rhode Island Works Program pursuant  
21 to R.I. Gen. Laws § 40-5.2-1, et seq. within the first twelve (12) months of their life.

22 (2) “Eligible expenditure” means an expenditure associated with any of the following:

23 (i) Continuing education of a designated beneficiary at an institution of higher learning,  
24 trade school, vocational school, or professional apprenticeship program in Rhode Island;

25 (ii) Ownership of a home in Rhode Island by a designated beneficiary;

26 (iii) Ownership of a business with a principal place of business in Rhode Island by a  
27 designated beneficiary; or

28 (iv) Any investment in financial assets or personal capital that provides long-term gains to  
29 wages or wealth, as defined by regulation promulgated by the general treasurer.

30 (3) “Trust” means the Rhode Island Baby Bond Trust, which consists of:

31 (i) All money from public or private sources appropriated or made available to the state for  
32 the benefit of the Trust; and

33 (ii) All earnings on the money in the trust.

34 **35-24-2. Establishment.**

1           (a) There is hereby established the Rhode Island Baby Bond Trust. The trust shall constitute  
2 an instrumentality of the state and shall perform essential governmental functions as provided under  
3 the provisions of this chapter. The trust shall receive and hold all payments and deposits or  
4 contributions intended for the trust, as well as gifts, bequests, endowments or federal, state or local  
5 grants and any other funds from any public or private source and all earnings until disbursed in  
6 accordance with § 35-24-7.

7           (b) The amounts on deposit in the trust shall not constitute property of the state and the  
8 trust shall not be construed to be a department, institution or agency of the state. Amounts on  
9 deposit in the trust shall not be commingled with state funds and the state shall have no claim to or  
10 against, or interest in, such funds. Any contract entered into by, or any obligation of, the trust shall  
11 not constitute a debt or obligation of the state and the state shall have no obligation to any  
12 designated beneficiary or any other person on account of the trust and all amounts obligated to be  
13 paid from the trust shall be limited to amounts available for such obligation on deposit in the trust.  
14 The amounts on deposit in the trust may only be disbursed in accordance with the provisions of this  
15 chapter. The trust shall continue in existence as long as it holds any deposits or has any obligations  
16 and until its existence is terminated by law. Upon termination, any unclaimed assets shall return to  
17 the state.

18           (c) The general treasurer shall be responsible for the receipt, maintenance, administration,  
19 investigation, and disbursements from the trust. The trust shall not receive deposits in any form  
20 other than cash.

21           **35-24-3. Powers of the general treasurer.**

22           (a) The general treasurer, on behalf of the trust and for purposes of the trust, may:

23           (1) Receive and invest moneys in the trust in any instruments, obligations, securities or  
24 property in accordance with the provisions of this chapter;

25           (2) Enter into one or more contractual agreements, including contracts for legal, actuarial,  
26 accounting, custodial, advisory, management, administrative, advertising, marketing and  
27 consulting services from the trust and pay for such services from the gains and earnings of the trust;

28           (3) Procure insurance in connection with the trust's property, assets, activities or deposits  
29 to the trust;

30           (4) Apply for, accept and expend gifts, grants or donations from public or private sources  
31 to enable the trust to carry out its objectives;

32           (5) Adopt rules and regulations it deems necessary to effectuate the purposes of this  
33 chapter;

34           (6) Sue and be sued;

1           (7) Establish one or more funds within the trust and maintain separate accounts for each  
2 designated beneficiary; and

3           (8) Take any other action necessary to effectuate the purposes of this chapter, and incidental  
4 to the duties imposed on the general treasurer pursuant to this chapter.

5           (b) The general treasurer shall create a process within the office of the general treasurer to  
6 determine whether an expenditure proposed by a designated beneficiary is an eligible expenditure  
7 before the designated beneficiary is to receive any distribution under § 35-24-7.

8           **35-24-4. Investment of funds in the trust.**

9           Notwithstanding the provisions of § 35-10-12 to § 35-10-14, inclusive, the general  
10 treasurer shall invest the amounts on deposit in the trust in a manner reasonable and appropriate to  
11 achieve the objectives of the trust, exercising the discretion and care of a prudent person in similar  
12 circumstances with similar objectives. The general treasurer shall give due consideration to rate of  
13 return, risk, term or maturity, diversification of the portfolio within the trust, liquidity, the projected  
14 disbursements of the total portfolio within the trust, liquidity, the projected disbursements and  
15 expenditures and the expected payments, deposits, contributions and gifts to be received. The  
16 general treasurer shall not require the trust to invest directly in obligations of the state or any  
17 political subdivision of the state or in any investment or other fund administered by the general  
18 treasurer. The assets of the trust shall be continuously invested and reinvested in a manner  
19 consistent with the objectives of the trust until disbursed for eligible expenditures as defined by this  
20 act or expended on expenses incurred by the operations of the trust.

21           **35-24-5. Exemption from taxation.**

22           (a) The property of the trust and the earnings on the trust shall be exempt from all taxation  
23 by the state and all political subdivisions of the state. Distributions made pursuant to § 35-24-7  
24 shall be considered income subject to taxation in accordance with chapter 30 title 44 and shall be  
25 subject to federal and state withholdings.

26           (b) The tax administrator may adopt rules and regulations necessary to monitor, implement,  
27 and administer the Rhode Island personal income tax provisions referred to in subsection (a) of this  
28 section.

29           **35-24-6. Moneys invested in trust not considered assets or income.**

30           Except as otherwise required by federal law, any money deposited into the trust and  
31 credited to a designated beneficiary, and any increase in the values thereof, shall not be used to  
32 calculate the personal assets of a designated beneficiary for purposes of determining income  
33 eligibility of the designated beneficiary for state or local assistance programs including:

34           (1) Any disability, medical or other health benefits administered by the state; and

1           (2) Any student loan program, student grant program or other student financial program  
2 administered by the state.

3           **35-24-7. Accounting for designated beneficiary. Claim for accounting.**

4           (a) The general treasurer shall establish in the Rhode Island Baby Bond Trust an accounting  
5 for each designated beneficiary. Each such account shall include the amount transferred to the trust  
6 pursuant to § 35-24-8, plus the designated beneficiary's pro rata share of total net earnings from  
7 investments of sums as determined by the general treasurer and held in the trust.

8           (b) The Department of Human Services shall notify the office of the general treasurer of  
9 the birth or enrollment of each designated beneficiary.

10          (c) Upon a designated beneficiary's eighteenth birthday, if such a beneficiary is a resident  
11 of the state and has been for the two (2) years immediately preceding receipt of any distribution  
12 under this section, such beneficiary shall become eligible to receive the total sum of the accounting  
13 under subsection (a) of this section to be used for eligible expenditures.

14          (d) A designated beneficiary must submit a claim that meets the requirements set forth in  
15 this chapter before the designated beneficiary reaches thirty five (35) years of age.

16          (e) If a designated beneficiary is deceased before their eighteenth birthday, does not submit  
17 a timely claim, or is no longer a resident of the state upon reaching thirty five (35) years of age,  
18 such accounting shall be credited back to the general fund of the state.

19          (f) The general treasurer shall furnish each eligible beneficiary with an annual statement  
20 relating to the individual's accounting, which shall include:

21           (1) A statement of the balance attributable to the individual;

22           (2) A projection of the balance's growth by the time the individual attains the age of  
23 eighteen (18);

24           (3) Resources and information to promote financial wellness and literacy of the designated  
25 beneficiary; and

26           (4) Such other information as the general treasurer deems relevant.

27          **35-24-8. Transfer to trust upon birth of designated beneficiary.**

28          (a) Upon the birth of a designated beneficiary, the general treasurer shall allocate three  
29 thousand dollars (\$3,000) from the trust to be credited toward the accounting of such designated  
30 beneficiary pursuant to § 35-24-7.

31          SECTION 5. This article shall take effect upon passage, except for section 3 and section 4,  
32 which shall take effect on July 1, 2026.



- 1 (D) A shroud attached to the barrel or that partially or completely encircles  
2 the barrel, allowing the bearer to hold the firearm with the non-trigger hand  
3 without being burned, but excluding a slide that encloses the barrel.
- 4 (v) A semi-automatic pistol that has a fixed magazine capacity exceeding ten (10)  
5 rounds.
- 6 (vi) A semi-automatic pistol that has an ability to accept a detachable magazine, or  
7 that may be readily modified to accept a detachable magazine, and has at least one  
8 of the following:
- 9 (A) The capacity to accept an ammunition magazine at a location outside  
10 of the pistol grip;
- 11 (B) A threaded barrel capable of accepting a barrel extender, a non pin-  
12 welded flash suppressor, forward handgrip, or silencer;
- 13 (C) A shroud that is attached to, or partially or completely encircles, the  
14 barrel and that permits the shooter to hold the firearm with the non-trigger  
15 hand without being burned but excluding a slide that encloses the barrel;
- 16 (D) A manufactured weight of fifty ounces (50 oz.) or more when the  
17 pistol is unloaded; or
- 18 (E) A buffer tube, arm brace, or other part that protrudes horizontally  
19 behind the pistol grip and is designed or redesigned to allow or facilitate  
20 firing the weapon from the shoulder.
- 21 (vii) A semi-automatic firearm that has the capacity to accept belt ammunition  
22 feeding device.
- 23 (viii) Any firearm that has been modified to be operable as an assault weapon as  
24 defined in this section.
- 25 (ix) A combination of parts in the possession or under the control of the same  
26 person from which an assault weapon as defined in this section may be readily  
27 assembled.
- 28 (x) "Assault weapon" shall not include a semi-automatic rifle which has an  
29 attached tubular device and which is capable of operating only with .22 caliber  
30 rimfire ammunition.
- 31 (3) "Detachable magazine" means an ammunition feeding device that attaches to a firearm  
32 and which can be removed without disassembly of the firearm, including an ammunition feeding  
33 device that may be readily removed from a firearm with the use of a bullet, cartridge, accessory, or  
34 other tool, or any other object that functions as a tool.

1           (4) "Federally licensed firearm dealer" means a person who holds a valid federal firearm  
2 dealers license issued pursuant to 18 U.S.C. § 923(a).

3           (6) "Fixed magazine" means an ammunition feeding device that is permanently fixed to the  
4 firearm in such a manner that it cannot be removed without disassembly of the firearm, or contained  
5 in and not removable from a firearm, or that is otherwise not a detachable magazine, but does not  
6 include an attached tubular device designed to accept, and capable of operating only with, .22  
7 caliber rimfire ammunition.

8           (7) "Folding, telescoping, or detachable stock" means a stock that folds, telescopes,  
9 detaches or otherwise operates to reduce the length, size, or any other dimension, or otherwise  
10 enhances the concealability, of a firearm.

11           (8) "Forward grip" means a grip or handle located forward of the trigger.

12           (9) "Grandfathered assault weapon" means any assault weapon for which a certificate of  
13 possession has been issued pursuant to § 11-47.2-4.

14           (10) "Grenade launcher" means a device designed to fire, launch or propel a grenade.

15           (11) "Pistol grip" means a well-defined handle, similar to that found on a handgun, that  
16 protrudes conspicuously beneath the action of the weapon, and which permits the firearm to be held  
17 and fired with one hand.

18           (12) "Secure storage" means a firearm that is stored in a locked container or equipped with  
19 a tamper-resistant mechanical lock or other safety device, properly engaged so as to render such  
20 weapon inoperable by any person other than the owner or other lawfully authorized user.

21           (13) "Semi-automatic" means a firearm which fires a single projectile for each single pull  
22 of the trigger and is self-reloading or automatically chambers a round, cartridge, or bullet.

23           (14) "Threaded barrel" means threads on the muzzle end of a barrel and shall include, but  
24 not be limited to, any barrel on which a flash suppressor, muzzle brake or silencer has been attached.

25           **11-47.2-3. Restrictions on manufacture, sale, purchase and possession of assault**  
26 **weapons.**

27           (a) No person shall manufacture, sell, offer to sell, transfer, purchase, possess, or have  
28 under his or her control an assault weapon, except as otherwise authorized under this section. Any  
29 person convicted of violating this subsection shall be punished by imprisonment of not more than  
30 ten (10) years, or by a fine up to ten thousand dollars (\$10,000), and the assault weapon shall be  
31 subject to forfeiture.

32           (b) Subsection (a) of this section shall not apply to:

33           (1) A person who, on the effective date of this chapter, lawfully possessed an  
34 assault weapon and who, within one year of the effective date of this chapter:

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(i) Registers the assault weapon with the police department in the city or town where the person resides or, if there is no such police department or the person resides out of state, with the Rhode Island state police in accordance with the provisions of this chapter; or

(ii) Renders the assault weapon permanently inoperable, as provided in subsection (f) of this section; or

(iii) Surrenders the assault weapon to the police department in the city or town where the person resides, or, if there is no such police department or the person resides out of state, to the Rhode Island state police, in accordance with the procedures for surrender of weapons set forth by the police department or the Rhode Island state police;

(iv) Surrenders the assault weapon to any police station or other location designated as a site of a bona fide “gun buy-back” program, but only if said weapon is unloaded and any ammunition for said weapon is not readily or directly accessible from the passenger compartment of such vehicle while transporting same and further provided, that in the case of a vehicle without a compartment separate from the passenger compartment, the weapon or the ammunition shall be stored in a locked container; or

(v) Transfers or sells the assault weapon to a federally licensed firearm dealer or person or firm lawfully entitled to own or possess such weapon.

(2) A federally licensed firearms dealer who manufactures, purchases, possesses or has under his or her control an assault weapon, or who sells, offers to sell, or transfers an assault weapon to another federally licensed firearms dealer, to an entity identified in subsection (b)(3) of this section, or to an individual outside the state who may lawfully possess such weapon.

(3) A law enforcement agency, acting under authority of the United States, the State or any of its political subdivisions, to import, possess, or transfer an assault weapon.

(4) A law enforcement officer to possess or have under his or her control an assault weapon received through the authority of the United States or any department or agency thereof; a state or a department, agency, or political subdivision thereof; a municipality or a department or agency thereof or a federally recognized Indian tribe or a department or agency thereof for purposes of employment provided said officer is not otherwise prohibited from receiving such a weapon and who is either:

1                   (i) Exempt under §§ 11-47-9 and 11-47-9.1; or  
2                   (ii) A qualified law enforcement officer under 18 U.S.C. 926B(c) and who  
3                   is carrying the identification required by 18 U.S.C. 926B(d);

4                   (d) Notwithstanding subsection (a), an active duty member of the armed forces of the  
5                   United States or the national guard, or a member of the United States military reserves, may possess  
6                   or have under his or her control an assault weapon when he or she is acting in the commission of  
7                   the member's official duty.

8                   (e) If the holder of a certificate to possess an assault weapon dies, or if the owner of an  
9                   assault weapon which has been registered pursuant to this chapter dies, then the heir(s) or estate of  
10                  the deceased person shall have one hundred eighty (180) days from the date of death to transfer the  
11                  firearm to a federally licensed firearm dealer or person or firm lawfully entitled to own or possess  
12                  such firearm; voluntarily surrender the firearm to the police department in the city or town where  
13                  the deceased resided, or to the Rhode Island state police; remove the assault weapon from the state;  
14                  within ninety (90) days of obtaining title, register the assault weapon in accordance with the  
15                  provisions of § 11-47.2-4; or, render such weapon permanently inoperable.

16                  (f) If the owner of an assault weapon elects to render such weapon permanently inoperable,  
17                  the owner shall file a certification under penalty of perjury on a form prescribed by the  
18                  superintendent of the state police indicating the date on which the assault weapon was rendered  
19                  permanently inoperable. This certification shall be filed with either the chief law enforcement  
20                  officer of the municipality in which the owner resides or, if there is no such police department or  
21                  in the case of an owner who resides outside this state but stores or possesses an assault weapon in  
22                  this state, with the superintendent of the state police. For purposes of this section, "permanently  
23                  inoperable" shall mean that the assault weapon is altered in such a manner that it is incapable of  
24                  discharging a shot by means of an explosive and incapable of being readily restored to a firing  
25                  condition.

26                  **11-47.2-4. Registration of assault weapons.**

27                  (a) Notwithstanding the provisions of § 11-47-41, the owner of an assault weapon lawfully  
28                  possessed on or before the effective date of this statute shall have one year from the effective date  
29                  of this statute to register that weapon. To register an assault weapon, the owner shall:

- 30                               (1) Complete an assault weapon registration statement, in the form to be prescribed  
31                               by the superintendent of the state police;  
32                               (2) Submit to a fingerprint-supported criminal background check to ascertain  
33                               whether the person is disqualified from the lawful possession of firearms; and,  
34                               (3) Pay a registration fee of twenty-five dollars (\$25.00) per each person

1 registering one or more assault weapons:

2 (b) The information to be provided in the registration statement shall include:

3 (1) The full name, date of birth, address, motor vehicle operator's license number  
4 or state identification card number of the registrant;

5 (2) The make, model, caliber, and serial number of the assault weapon being  
6 registered; and

7 (3) Each registration statement shall be signed by the registrant, and the signature  
8 shall constitute a representation of the accuracy of the information contained in the  
9 registration statement.

10 (c) For an applicant who resides in a municipality with an organized full-time police  
11 department, the registration shall take place at the main office of the police department. For all  
12 other applicants, the registration shall take place at a Rhode Island state police barracks.

13 (d) Within ninety (90) days of the effective date of this chapter, the superintendent of the  
14 state police shall prepare the registration statement as described in subsection (a) of this section and  
15 a certificate of inoperability as described in § 11-47.2-3(f), and shall provide a suitable supply of  
16 such statements to each organized full-time municipal police department and each state police  
17 barracks.

18 (e) One copy of the completed assault weapons registration statement shall be returned to  
19 the registrant and shall constitute a certificate of possession of that assault weapon. A second copy  
20 shall be sent to the superintendent, and, if the registration takes place at a municipal police  
21 department, a third copy shall be retained by that municipal police department. A fourth copy of  
22 the registration statement shall be sent to the attorney general.

23 (f) A certificate of possession shall only authorize the possession of the assault weapon  
24 specified in the certificate. Any person in possession of multiple assault weapons on the effective  
25 date of this chapter must submit a separate registration statement to obtain a certificate of  
26 possession for each of the assault weapons of which they wish to retain possession; provided,  
27 however, that only one registration fee of twenty-five dollars (\$25.00) shall be collected pursuant  
28 to subsection (a)(3) of this section.

29 (g) The name and address of a person issued a certificate of possession shall be kept  
30 confidential and shall not be disclosed without a lawful court order, except such records may be  
31 disclosed to state or federal law enforcement officers and state and federal probation and parole  
32 officers acting in the performance of their duties.

33 **11-47.2-5. Use and possession of assault weapons with certificate of possession.**

34 (a) Any person who has been issued a certificate of possession for an assault weapon as

1 provided for in this chapter, may possess the assault weapon only under the following conditions:

2 (1) At that person's residence, or place of business or other property owned by that  
3 person, except the grandfathered assault weapon shall be kept in secure storage  
4 when not in the immediate possession and control and as required by § 11-47-60.1;

5 (2) While on a target range which holds a regulatory or business license for the  
6 purpose of practicing shooting at that target range;

7 (3) While on the premises of a licensed shooting club;

8 (4) While attending any exhibition, display or educational project which is about  
9 firearms and which is sponsored by, conducted under the auspices of, or approved  
10 by a law enforcement agency or a nationally or state recognized entity that fosters  
11 proficiency in, or promotes education about, firearms;

12 (5) While transporting the grandfathered assault weapon to any federally licensed  
13 firearm dealer for servicing, repair or sale; or

14 (6) While transporting an assault weapon for lawful use between any of the places  
15 set forth in subsections (a)(1) through (a)(5) of this section or for lawful use out-  
16 of-state; provided, the assault weapon is placed in a secure storage.

17 (b) Any person who violates the provisions of subsection (a) of this section, shall be fined  
18 not more than two thousand five hundred dollars (\$2,500) or imprisoned not more than three (3)  
19 years, or both, and shall be subject to forfeiture of the assault weapon pursuant to § 11-47-22.

20 **11-47.2-6. Licensed firearm dealers -- Certificate of transfer.**

21 (a) If an owner of a grandfathered assault weapon sells or transfers the assault weapon to a  
22 federally licensed firearm dealer, such dealer shall, at the time of delivery of the firearm, in addition  
23 to any other reports required by law, execute a certificate of transfer and cause copies of the  
24 certificate of transfer to be mailed or delivered to the superintendent of the state police and the  
25 attorney general.

26 (b) The certificate of transfer shall contain:

27 (1) The date of sale or transfer;

28 (2) The full name, date of birth, address, motor vehicle operator's license number  
29 or state identification card number of the seller or transferor;

30 (3) The federally licensed firearm dealer's federal firearms license number and  
31 seller or transferor's certificate of possession number; and

32 (4) A description of the grandfathered assault weapon, including the caliber of the  
33 assault weapon and its make, model and serial number.

34 (c) The federally licensed firearm dealer shall retain possession of the seller or transferor's

1 certificate of possession and affix the certificate of possession to the certificate of transfer before  
2 mailing or delivering copies of the certificate of transfer to the superintendent of the state police  
3 and the attorney general.

4 (d) A federally licensed firearm dealer may receive and possess a lawfully grandfathered  
5 assault weapon at their business premises, lawfully transport the grandfathered assault weapon  
6 between dealers or out of the state, or lawfully sell or transfer the firearm outside the state.

7 (e) A federally licensed firearm dealer may take possession of a grandfathered assault  
8 weapon for the purposes of servicing or repair from any person to whom certificate of possession  
9 for such weapon has been issued pursuant this chapter.

10 (f) A federally licensed firearm dealer may temporarily transfer possession of a  
11 grandfathered assault weapon received pursuant to subsection (a) of this section to another federally  
12 licensed firearm dealer for the purpose of servicing or repairing the firearm.

13 **11-47.2-7. Severability.**

14 If any provisions of the act or the application thereof to any person or circumstances is held  
15 invalid, such invalidity shall not affect any other provisions or applications of this act, which can  
16 be given effect without the invalid provision or application, and to this end the provisions of this  
17 act are declared to be severable.

18 SECTION 2. This article shall take effect upon passage.

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**ARTICLE 12**

**RELATING TO EFFECTIVE DATE**

SECTION 1. This act shall take effect as of July 1, 2025, except as otherwise provided herein.

SECTION 2. This article shall take effect upon passage.

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