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LC00567/SUB A
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR
THE FISCAL YEAR ENDING JUNE 30, 2014

Introduced By: Representative Helio Melo

Date Introduced: January 22, 2013

Referred To: House Finance

It is enacted by the General Assembly as follows:

- 1 ARTICLE 1.....RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2014
- 2 ARTICLE 2.....RELATING TO MEDICARE EXCHANGE PROGRAM FOR MEDICARE
- 3 ELIGIBLE RETIREES
- 4 ARTICLE 3.....RELATING TO HEALTH INSURANCE BENEFITS
- 5 ARTICLE 4.....RELATING TO FICA ALTERNATE RETIREMENT PLAN
- 6 ARTICLE 5RELATING TO STATE FUNDS
- 7 ARTICLE 6RELATING TO DIVISION OF MOTOR VEHICLES
- 8 ARTICLE 7.....RELATING TO RHODE ISLAND PUBLIC TELECOMMUNICATIONS
- 9 AUTHORITY
- 10 ARTICLE 8.....RELATING TO LEASE AGREEMENTS FOR LEASED OFFICE AND
- 11 OPERATING SPACE
- 12 ARTICLE 9.....RELATING TO TAXATION
- 13 ARTICLE 10RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF
- 14 FY 2013
- 15 ARTICLE 11.....RELATING TO MUNICIPAL INCENTIVE AID
- 16 ARTICLE 12.....RELATING TO HOSPITAL UNCOMPENSATED CARE
- 17 ARTICLE 13RELATING TO EDUCATION AID
- 18 ARTICLE 14.....RELATING TO EMPLOYMENT SECURITY JOB DEVELOPMENT

1	FUND ASSESSMENT
2	ARTICLE 15.....RELATING TO HUMAN RESOURCE INVESTMENT COUNCIL
3	ARTICLE 16.....RELATING TO RESTRICTED RECEIPT ACCOUNTS
4	ARTICLE 17.....RELATING TO EMERGENCY AND PUBLIC COMMUNICATION
5	ACCESS FUND
6	ARTICLE 18RELATING TO HUMAN SERVICES – TEMPORARY ASSISTANCE FOR
7	NEEDY FAMILIES AND CHILD CARE
8	ARTICLE 19.....RELATING TO MEDICAL ASSISTANCE
9	ARTICLE 20.....RELATING TO MUNICIPAL ROAD AND BRIDGE REVOLVING FUND
10	ARTICLE 21.....RELATING TO RHODE ISLAND PUBLIC TRANSIT AUTHORITY
11	ARTICLE 22RELATING TO HISTORIC TAX CREDITS
12	ARTICLE 23.....RELATING TO STATE AFFAIRS AND GOVERNMENT – THE
13	INNOVATE RHODE ISLAND SMALL BUSINESS PROGRAM
14	ARTICLE 24.....RELATING TO STATE AFFAIRS AND GOVERNMENT – THE
15	MANUFACTURING INDUSTRY REVITALIZATION ACT
16	ARTICLE 25.....RELATING TO ECONOMIC DEVELOPMENT
17	ARTICLE 26.....RELATING TO THE EFFECTIVE DATE
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ARTICLE 1

RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2014

SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained in this act, the following general revenue amounts are hereby appropriated out of any money in the treasury not otherwise appropriated to be expended during the fiscal year ending June 30, 2014. The amounts identified for federal funds and restricted receipts shall be made available pursuant to section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For the purposes and functions hereinafter mentioned, the state controller is hereby authorized and directed to draw his or her orders upon the general treasurer for the payment of such sums or such portions thereof as may be required from time to time upon receipt by him or her of properly authenticated vouchers.

Administration

Central Management

General Revenues	2,111,597
Office of Digital Excellence	810,441
Federal Funds	194,591
Total – Central Management	3,116,629

Legal Services General Revenues 1,948,683

Accounts and Control General Revenues 4,016,422

Office of Management and Budget

General Revenues	4,049,888
Restricted Receipts	481,303
Total – Office of Management and Budget	4,531,191

Purchasing

General Revenues	2,739,542
Federal Funds	193,710
Other Funds	360,814
Total – Purchasing	3,294,066

Auditing General Revenues 1,394,585

Human Resources

1	General Revenues	8,329,216
2	Federal Funds	808,123
3	Restricted Receipts	469,283
4	Other Funds	1,580,772
5	Total - Human Resources	11,187,394
6	<i>Personnel Appeal Board</i> General Revenues	75,036
7	<i>Facilities Management</i>	
8	General Revenues	32,198,875
9	Federal Funds	925,630
10	Restricted Receipts	616,083
11	Other Funds	3,696,513
12	Total – Facilities Management	37,437,101
13	<i>Capital Projects and Property Management</i> General Revenues	1,240,545
14	<i>Information Technology</i>	
15	General Revenues	19,443,222
16	Federal Funds	7,135,490
17	Restricted Receipts	5,370,582
18	Other Funds	2,182,024
19	Total – Information Technology	34,131,318
20	<i>Library and Information Services</i>	
21	General Revenues	1,007,465
22	Federal Funds	1,183,126
23	Restricted Receipts	1,694
24	Total - Library and Information Services	2,192,285
25	<i>Planning</i>	
26	General Revenues	3,951,094
27	Federal Funds	10,935,098
28	Other Funds	
29	Federal Highway – PL Systems Planning	5,039,312
30	Total - Planning	19,925,504
31	<i>General</i>	
32	General Revenues	
33	Economic Development Corporation	4,692,056
34	EDC – Airport Impact Aid	1,025,000

1 Sixty percent (60%) of the first one million dollars (\$1,000,000) appropriated for airport
2 impact aid shall be distributed to each airport serving more than one million (1,000,000)
3 passengers based upon its percentage of the total passengers served by all airports serving more
4 than 1,000,000 passengers. Forty percent (40%) of the first one million dollars (\$1,000,000) shall
5 be distributed based on the share of landings during the calendar year 2013 at North Central
6 Airport, Newport-Middletown Airport, Block Island Airport, Quonset Airport, T.F. Green Airport
7 and Westerly Airport, respectively. The Economic Development Corporation shall make an
8 impact payment to the towns or cities in which the airport is located based on this calculation.
9 Each community upon which any parts of the above airports are located shall receive at least
10 twenty-five thousand dollars (\$25,000).

11	EDC – EPScore (Research Alliance)	1,150,000
12	Innovative Matching Grants	750,000
13	Miscellaneous Grants/Payments	146,049
14	Slater Centers of Excellence	1,000,000
15	Torts – Courts	400,000
16	Current Care/Health Information Exchange	450,000
17	I-195 Commission	501,000
18	RI Film and Television Office	310,747
19	State Employees/Teachers Retiree Health Subsidy	2,321,057
20	Resource Sharing and State Library Aid	8,773,398
21	Library Construction Aid	2,500,666
22	Federal Funds	4,345,555
23	Restricted Receipts	421,500
24	Rhode Island Capital Plan Funds	
25	Statehouse Renovations	1,879,000
26	DoIT Enterprise Operations Center	250,000
27	Cranston Street Armory	1,650,000
28	Cannon Building	650,000
29	Zambarano Building Rehabilitation	1,530,000
30	Pastore Center Rehab DOA Portion	1,155,000
31	Old State House	500,000
32	State Office Building	715,000
33	Old Colony House	175,000
34	William Powers Building	2,700,000

1	Fire Code Compliance State Buildings	500,000
2	Pastore Center Fire Code Compliance	1,691,596
3	Pastore Center Utility Systems Upgrade	2,745,789
4	Replacement of Fueling Tanks	300,000
5	Environmental Compliance	200,000
6	Big River Management Area	180,000
7	Pastore Center Building Demolition	2,400,000
8	Washington County Government Center	612,000
9	Veterans Memorial Auditorium	5,298,789
10	Chapin Health Laboratory	1,725,000
11	Pastore Center Parking	300,000
12	Pastore Center Water Tanks	300,000
13	Board of Elections New Location	1,250,000
14	Pastore Cottages Rehab	800,000
15	Ladd Center Buildings Demolition	1,500,000
16	I-195 Commission	250,000
17	RI Convention Center Authority	1,000,000
18	Dunkin Donuts Center	925,000
19	Mathias	1,600,000
20	Pastore Center Power Plant	1,600,000
21	Virks	1,000,000
22	Harrington Hall Renovations	1,000,000
23	Veterans Land Purchase	4,150,000
24	<i>Provided that the cost for the land purchase shall not exceed \$70.00 per square foot.</i>	
25	Total – General	71,319,202
26	<i>Debt Service Payments</i>	
27	General Revenues	158,137,801
28	<i>Of the general revenue appropriation for debt service, two million five hundred thousand</i>	
29	<i>dollars (\$2,500,000) is appropriated for transfer to the Capital Reserve Fund of the EDC Job</i>	
30	<i>Creation Guaranty Program.</i>	
31	Federal Funds	2,759,328
32	Restricted Receipts	2,131,275
33	Other Funds	
34	Transportation Debt Service	29,619,820

1	Investment Receipts – Bond Funds	100,000
2	COPS - DLT Building – TDI	278,848
3	Total - Debt Service Payments	193,027,072
4	<i>Energy Resources</i>	
5	Federal Funds	590,080
6	Federal Funds – Stimulus	5,150,000
7	Restricted Receipts	5,459,477
8	Total – Energy Resources	11,199,557
9	<i>Rhode Island Health Benefits Exchange</i> Federal Funds	28,348,926
10	<i>Construction Permitting, Approvals and Licensing</i>	
11	General Revenues	1,421,350
12	Restricted Receipts	1,408,159
13	Total – Construction Permitting, Approvals and Licensing	2,829,509
14	<i>Personnel Savings</i>	
15	General Revenues	(1,398,040)
16	Federal Funds	(379,988)
17	Restricted Receipts	(446,548)
18	Other Funds	(342,628)
19	Total – Personnel Savings	(2,567,204)
20	Grand Total – Administration	428,647,821
21	Business Regulation	
22	<i>Central Management</i> General Revenues	1,197,671
23	<i>Banking Division</i>	
24	General Revenues	1,715,225
25	Restricted Receipts	125,000
26	Total - Banking Division	1,840,225
27	<i>Securities Regulation</i>	
28	General Revenues	980,090
29	Restricted Receipts	15,000
30	Total - Securities Regulation	995,090
31	<i>Insurance Regulation</i>	
32	General Revenues	3,767,883
33	Restricted Receipts	1,345,584
34	Total - Insurance Regulation	5,113,467

1	<i>Office of the Health Commissioner</i>	
2	General Revenues	542,180
3	Federal Funds	1,747,589
4	Restricted Receipts	10,500
5	Total – Office of the Health Commissioner	2,300,269
6	<i>Board of Accountancy</i> General Revenues	81,034
7	<i>Commercial Licensing, Racing & Athletics</i>	
8	General Revenues	707,941
9	Restricted Receipts	500,329
10	Total - Commercial Licensing, Racing & Athletics	1,208,270
11	<i>Board for Design Professionals</i> General Revenues	253,854
12	Grand Total - Business Regulation	12,989,880
13	Labor and Training	
14	<i>Central Management</i>	
15	General Revenues	118,760
16	Restricted Receipts	342,730
17	Rhode Island Capital Plan Funds	
18	Center General Asset Protection	702,000
19	Total - Central Management	1,163,490
20	<i>Workforce Development Services</i>	
21	General Funds	1,250,000
22	Federal Funds	22,942,484
23	Restricted Receipts	9,134,984
24	Total - Workforce Development Services	33,327,468
25	<i>Workforce Regulation and Safety</i> General Revenues	3,027,408
26	<i>Income Support</i>	
27	General Revenues	4,299,157
28	Federal Funds	17,957,752
29	Federal Funds - Stimulus - UI	54,810,000
30	Restricted Receipts	2,008,358
31	Job Development Fund	22,500,000
32	Other Funds	
33	Temporary Disability Insurance Fund	172,549,295
34	Employment Security Fund	271,329,801

1	Total - Income Support	545,454,363
2	<i>Injured Workers Services</i> Restricted Receipts	9,139,647
3	<i>Labor Relations Board</i> General Revenues	393,736
4	Grand Total - Labor and Training	592,506,112
5	Department of Revenue	
6	<i>Director of Revenue</i> General Revenues	1,222,847
7	<i>Office of Revenue Analysis</i> General Revenues	528,721
8	<i>Lottery Division</i> Lottery Funds	245,451,858
9	<i>Municipal Finance</i> General Revenues	2,351,173
10	<i>Taxation</i>	
11	General Revenues	18,127,851
12	Federal Funds	1,261,962
13	Restricted Receipts	849,626
14	Other Funds	
15	Motor Fuel Tax Evasion	43,232
16	Temporary Disability Insurance	916,617
17	Total – Taxation	21,199,288
18	<i>Registry of Motor Vehicles</i>	
19	General Revenues	19,045,421
20	Federal Funds	1,786,689
21	Restricted Receipts	14,763
22	Rhode Island Capital Plan Funds	
23	Safety & Emissions Lift Replacement	150,000
24	Total – Registry of Motor Vehicles	20,996,873
25	<i>State Aid</i>	
26	General Revenue	
27	Distressed Communities Relief Fund	10,384,458
28	Payment in Lieu of Tax Exempt Properties	35,080,409
29	Motor Vehicle Excise Tax Payments	10,000,000
30	Property Revaluation Program	516,615
31	Municipal Aid	5,000,000
32	Restricted Receipts	957,497
33	Total – State Aid	61,938,979
34	Grand Total – Revenue	353,689,739

1	Legislature	
2	General Revenues	36,986,933
3	Restricted Receipts	1,604,615
4	Grand Total – Legislature	38,591,548
5	Lieutenant Governor	
6	General Revenues	986,890
7	Federal Funds	1,108,488
8	Grand Total - Lieutenant Governor	2,095,378
9	Secretary of State	
10	<i>Administration</i> General Revenues	2,078,542
11	<i>Corporations</i> General Revenues	2,152,424
12	<i>State Archives</i>	
13	General Revenues	131,705
14	Restricted Receipts	449,931
15	Total - State Archives	581,636
16	<i>Elections & Civics</i> General Revenues	1,262,821
17	<i>State Library</i> General Revenues	611,318
18	<i>Office of Public Information</i>	
19	General Revenues	361,023
20	Restricted Receipts	5,000
21	Total - Office of Public Information	366,023
22	Grand Total – Secretary of State	7,052,764
23	General Treasurer	
24	<i>Treasury</i>	
25	General Revenues	2,471,194
26	Federal Funds	293,099
27	Restricted Receipts	40,000
28	Other Funds	
29	Temporary Disability Insurance Funds	228,923
30	Total – Treasury	3,033,216
31	<i>State Retirement System</i>	
32	Restricted Receipts	
33	Admin Expenses - State Retirement System	10,256,532
34	Retirement – Treasury Investment Operations	1,162,562

1	Defined Contribution – Administration	246,971
2	Total - State Retirement System	11,666,065
3	<i>Unclaimed Property</i> Restricted Receipts	18,559,092
4	<i>Crime Victim Compensation Program</i>	
5	General Revenues	183,498
6	Federal Funds	837,323
7	Restricted Receipts	1,128,267
8	Total - Crime Victim Compensation Program	2,149,088
9	Grand Total – General Treasurer	35,407,461
10	Board of Elections	
11	General Revenues	1,589,361
12	Public Financing of General Elections	150,000
13	Grand Total – Board of Elections	1,739,361
14	Rhode Island Ethics Commission General Revenues	1,577,204
15	Office of Governor	
16	General Revenues	4,243,513
17	Contingency Fund	250,000
18	Grand Total – Office of Governor	4,493,513
19	Commission for Human Rights	
20	General Revenues	1,150,785
21	Federal Funds	308,638
22	Grand Total - Commission for Human Rights	1,459,423
23	Public Utilities Commission	
24	Federal Funds	90,574
25	Federal Funds – Stimulus	76,244
26	Restricted Receipts	8,253,475
27	Grand Total - Public Utilities Commission	8,420,293
28	Office of Health and Human Services	
29	<i>Central Management</i>	
30	General Revenues	27,949,190
31	Federal Funds	88,057,656
32	Federal Funds – Stimulus	537,780
33	Restricted Receipts	982,284
34	Total – Central Management	117,526,910

1	<i>Medical Assistance</i>	
2	General Revenues	
3	Managed Care	281,682,858
4	Hospitals	107,499,737
5	Nursing Facilities	179,263,818
6	Home and Community Based Services	48,645,073
7	Other Services	44,013,672
8	Pharmacy	51,721,344
9	Rhody Health	100,701,958
10	Affordable Care Act Transition Program	2,000,000
11	Federal Funds	
12	Managed Care	311,563,733
13	Hospitals	111,449,104
14	Nursing Facilities	182,155,169
15	Home and Community Based Services	49,429,970
16	Other Services	150,655,199
17	Pharmacy	243,742
18	Rhody Health	101,617,845
19	Special Education	19,000,000
20	Restricted Receipts	9,015,000
21	Total – Medical Assistance	1,750,658,222
22	Grand Total – Health and Human Services	1,868,185,132
23	Children, Youth, and Families	
24	<i>Central Management</i>	
25	General Revenues	4,911,020
26	Federal Funds	2,155,735
27	Restricted Receipts	34,991
28	Total – Central Management	7,101,746
29	<i>Children's Behavioral Health Services</i>	
30	General Revenues	4,491,441
31	Federal Funds	5,572,682
32	Rhode Island Capital Plan Funds	
33	NAFI Center	280,000
34	Mt. Hope Building Façade	275,000

1	Total - Children's Behavioral Health Services	10,619,123
2	<i>Juvenile Correctional Services</i>	
3	General Revenue	26,877,697
4	Federal Funds	330,645
5	Federal Funds – Stimulus	4,270
6	Rhode Island Capital Plan Funds	
7	Thomas C. Slater Training School Maintenance Building	535,000
8	Total - Juvenile Correctional Services	27,747,612
9	<i>Child Welfare</i>	
10	General Revenues	107,380,058
11	18 to 21 Year Olds	11,116,775
12	Federal Funds	44,503,996
13	18 to 21 Year Olds	2,239,970
14	Federal Funds – Stimulus	385,107
15	Restricted Receipts	2,579,179
16	Rhode Island Capital Plan Funds	
17	Fire Code Upgrades	500,000
18	Total – Child Welfare	168,705,085
19	<i>Higher Education Incentive Grants</i> General Revenues	200,000
20	Grand Total – Children, Youth, and Families	214,373,566
21	Health	
22	<i>Central Management</i>	
23	General Revenues	1,044,959
24	Federal Funds	8,645,598
25	Restricted Receipts	3,739,580
26	Total – Central Management	13,430,137
27	<i>State Medical Examiner</i>	
28	General Revenues	2,365,037
29	Federal Funds	163,940
30	Total – State Medical Examiner	2,528,977
31	<i>Environmental and Health Services Regulation</i>	
32	General Revenues	9,616,266
33	Federal Funds	5,856,356
34	Restricted Receipts	4,199,254

1	Total – Environmental and Health Services Regulation	19,671,876
2	<i>Health Laboratories</i>	
3	General Revenues	6,324,240
4	Federal Funds	1,492,480
5	Total – Health Laboratories	7,816,720
6	<i>Public Health Information</i>	
7	General Revenues	1,524,091
8	Federal Funds	847,574
9	Federal Funds – Stimulus	97,959
10	Total – Public Health Information	2,469,624
11	<i>Community and Family Health and Equity</i>	
12	General Revenues	2,448,286
13	Federal Funds	41,420,480
14	Federal Funds – Stimulus	382,645
15	Restricted Receipts	26,194,072
16	Other Funds	
17	Safe and Active Commuting	35,310
18	Total – Community and Family Health and Equity	70,480,793
19	<i>Infectious Disease and Epidemiology</i>	
20	General Revenues	1,735,122
21	Federal Funds	3,097,510
22	Total – Infectious Disease and Epidemiology	4,832,632
23	Grand Total – Health	121,230,759
24	Human Services	
25	<i>Central Management</i>	
26	General Revenues	5,543,121
27	Federal Funds	5,244,172
28	Restricted Receipts	414,962
29	Total - Central Management	11,202,255
30	<i>Child Support Enforcement</i>	
31	General Revenues	2,370,212
32	Federal Funds	6,095,358
33	Total – Child Support Enforcement	8,465,570
34	<i>Individual and Family Support</i>	

1	General Revenues	21,147,405
2	Federal Funds	123,955,725
3	Federal Funds – Stimulus	9,635,784
4	Restricted Receipts	7,352,671
5	Rhode Island Capital Plan Fund	
6	Blind Vending Facilities	165,000
7	Intermodal Surface Transportation Fund	4,165,364
8	Food Stamp Bonus Funding	150,000
9	Total - Individual and Family Support	166,571,949
10	<i>Veterans' Affairs</i>	
11	General Revenues	21,168,993
12	Federal Funds	7,678,815
13	Restricted Receipts	1,467,376
14	Total - Veterans' Affairs	30,315,184
15	<i>Health Care Eligibility</i>	
16	General Revenues	8,141,377
17	Federal Funds	11,060,155
18	Total - Health Care Eligibility	19,201,532
19	<i>Supplemental Security Income Program</i> General Revenues	18,234,514
20	<i>Rhode Island Works</i>	
21	General Revenues - Child Care	9,668,635
22	Federal Funds	80,298,745
23	Total – Rhode Island Works	89,967,380
24	<i>State Funded Programs</i>	
25	General Revenues	
26	General Public Assistance	1,906,800
27	Of this appropriation, \$210,000 shall be used for hardship contingency payments.	
28	Federal Funds	298,637,602
29	Total - State Funded Programs	300,544,402
30	<i>Elderly Affairs</i>	
31	General Revenues	5,522,367
32	RIPAE	174,484
33	Care and Safety of the Elderly	1,287
34	Federal Funds	11,761,746

1	Restricted Receipts	527,491
2	Total – Elderly Affairs	17,987,375
3	Grand Total – Human Services	662,490,161
4	Behavioral Health, Developmental Disabilities, and Hospitals	
5	<i>Central Management</i>	
6	General Revenues	816,045
7	Federal Funds	429,446
8	Total – Central Management	1,245,491
9	<i>Hospital and Community System Support</i>	
10	General Revenues	1,592,216
11	Restricted Receipts	734,152
12	Rhode Island Capital Plan Funds	
13	Medical Center Rehabilitation	925,000
14	Community Facilities Fire Code	325,000
15	Total – Hospital and Community System Support	3,576,368
16	<i>Services for the Developmentally Disabled</i>	
17	General Revenues	109,767,984
18	Federal Funds	112,094,959
19	Restricted Receipts	1,652,750
20	Rhode Island Capital Plan Funds	
21	DD Private Waiver	225,431
22	Regional Center Repair/Rehabilitation	400,000
23	MR Community Facilities/Access to Independence	500,000
24	Total – Services for the Developmentally Disabled	224,641,124
25	<i>Behavioral Healthcare Services</i>	
26	General Revenues	39,770,207
27	Federal Funds	53,105,582
28	Federal Funds – Stimulus	232,500
29	Restricted Receipts	125,000
30	Rhode Island Capital Plan Funds	
31	MH Community Facilities Repair	225,000
32	MH Housing Development-Thresholds	800,000
33	Substance Abuse Asset Production	125,000
34	Total – Behavioral Healthcare Services	94,383,289

1	<i>Hospital and Community Rehabilitative Services</i>	
2	General Revenues	51,404,596
3	Federal Funds	52,038,727
4	Restricted Receipts	4,884,970
5	Rhode Island Capital Plan Funds	
6	Zambarano Buildings and Utilities	150,000
7	Hospital Consolidation	3,000,000
8	Eleanor Slater HVAC/Elevators	3,000,000
9	MR Community Facilities	925,000
10	Total - Hospital and Community Rehabilitative Services	115,403,293
11	Grand Total – Behavioral Health, Developmental	
12	Disabilities, and Hospitals	439,249,565
13	Office of the Child Advocate	
14	General Revenues	608,651
15	Federal Funds	39,997
16	Grand Total – Office of the Child Advocate	648,648
17	Commission on the Deaf and Hard of Hearing	
18	General Revenues	391,609
19	Restricted Receipts	80,000
20	Grand Total – Com on Deaf and Hard of Hearing	471,609
21	Governor's Commission on Disabilities	
22	General Revenues	357,711
23	Federal Funds	129,989
24	Restricted Receipts	10,365
25	Rhode Island Capital Plan Funds	
26	Accessibility to Disability Service Providers	247,938
27	Accessibility Fire Safety Renovations	115,833
28	Accessibility to Higher Education	593,500
29	Grand Total – Governor's Commission on Disabilities	1,455,336
30	Office of the Mental Health Advocate General Revenues	486,144
31	Elementary and Secondary Education	
32	<i>Administration of the Comprehensive Education Strategy</i>	
33	General Revenues	19,426,703
34	Federal Funds	192,856,736

1	Federal Funds – Stimulus	19,956,823
2	RTTT LEA Share	11,022,400
3	Restricted Receipts	1,400,286
4	HRIC Adult Education Grants	3,800,000
5	Rhode Island Capital Plan Funds	
6	State-Owned Cranston	872,583
7	State-Owned East Providence	175,000
8	State-Owned Warwick	500,000
9	State-Owned Woonsocket	1,575,000
10	Total – Administration of the Comprehensive	
11	Education Strategy	251,585,531
12	<i>Davies Career and Technical School</i>	
13	General Revenues	12,792,048
14	Federal Funds	1,384,139
15	Federal Funds – Stimulus	123,877
16	Restricted Receipts	2,564,848
17	Rhode Island Capital Plan Funds	
18	Davies HVAC	830,271
19	Davies Asset Protection	95,000
20	Total – Davies Career and Technical School	17,790,183
21	<i>RI School for the Deaf</i>	
22	General Revenues	6,070,194
23	Federal Funds	281,867
24	Federal Funds – Stimulus	120,812
25	Restricted Receipts	300,000
26	Total – RI School for the Deaf	6,772,873
27	<i>Metropolitan Career and Technical School</i>	
28	General Revenues	11,085,049
29	Rhode Island Capital Plan Funds	
30	MET School East Bay	2,580,000
31	MET Asset Protection	100,000
32	MET School HVAC	833,333
33	Total – Metropolitan Career and Technical School	14,598,382
34	<i>Education Aid</i>	

1	General Revenues	724,642,567
2	Restricted Receipts	19,593,382
3	Permanent School Fund – Education Aid	300,000
4	Total – Education Aid	744,535,949
5	<i>Central Falls School District</i> General Revenues	38,399,591
6	<i>Housing Aid</i> General Revenues	70,374,504
7	<i>Teachers' Retirement</i> General Revenues	81,691,253
8	Grand Total - Elementary and Secondary Education	1,225,748,266
9	Public Higher Education	
10	<i>Board of Governors/Office of Higher Education</i>	
11	General Revenues	4,994,523
12	Federal Funds	6,190,306
13	Total - Board of Governors/Office of Higher Education	11,184,829
14	<i>University of Rhode Island</i>	
15	General Revenues	
16	General Revenues	64,086,076
17	The University of Rhode Island shall maintain tuition charges in the 2013 – 2014	
18	academic year at the same level as the 2012 – 2013 academic year. The University shall not	
19	decrease internal student financial aid in the 2013 – 2014 academic year below the level of the	
20	2012 – 2013 academic year. The President of the institution shall report, prior to the	
21	commencement of the 2013-2014 academic year, to the chair of the Rhode Island Board of	
22	Education that such tuition charges and student aid levels have been achieved at the start of FY	
23	2014 as prescribed above.	
24	Debt Service	20,585,263
25	State Crime Lab	1,027,327
26	University and College Funds	
27	University and College Funds	600,530,024
28	Debt – Dining Services	1,160,911
29	Debt – Educational and General	3,304,053
30	Debt – Health Services	152,595
31	Debt – Housing Loan Funds	11,049,281
32	Debt – Memorial Union	301,628
33	Debt – Ryan Center	2,798,704
34	Debt – Alton Jones Services	115,305

1	Debt - Parking Authority	1,040,836
2	Debt – Sponsored Research (Ind. Cost)	100,238
3	Debt – Energy Conservation	2,905,496
4	Rhode Island Capital Plan Funds	
5	Asset Protection	7,357,500
6	Fire and Safety Protection	10,100,000
7	Nursing Education Center	2,500,000
8	Total – University of Rhode Island	729,115,237

9 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
10 unencumbered balances as of June 30, 2014 relating to the University of Rhode Island are hereby
11 reappropriated to fiscal year 2015.

12 *Rhode Island College*

13 General Revenues

14	General Revenues	39,004,298
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15 Rhode Island College shall maintain tuition charges in the 2013 – 2014 academic year at
16 the same level as the 2012 – 2013 academic year. The College shall not decrease internal student
17 financial aid in the 2013 – 2014 academic year below the level of the 2012 – 2013 academic year.
18 The President of the institution shall report, prior to the commencement of the 2013-2014
19 academic year, to the chair of the Rhode Island Board of Education that such tuition charges and
20 student aid levels have been achieved at the start of FY 2014 as prescribed above.

21	Debt Service	3,887,576
22	University and College Funds	
23	University and College Funds	110,482,163
24	Debt – Educational and General	886,640
25	Debt – Housing	2,050,004
26	Debt – Student Center and Dining	172,078
27	Debt – Student Union	234,113
28	Debt– G.O. Debt Service	1,638,017
29	Rhode Island Capital Plan Funds	
30	Asset Protection	2,843,250
31	Infrastructure Modernization	5,000,000
32	Total – Rhode Island College	166,198,139

33 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
34 unencumbered balances as of June 30, 2014 relating to Rhode Island College are hereby

1	General Revenues	861,710
2	Federal Funds	267,044
3	Other Funds	
4	URI Sponsored Research	257,977
5	Rhode Island Capital Plan Funds	
6	RINSC Asset Protection	50,000
7	Grand Total - RI Atomic Energy Commission	1,436,731
8	RI Higher Education Assistance Authority	
9	General Revenues	
10	Needs Based Grants and Work Opportunities	4,884,726
11	Authority Operations and Other Grants	147,000
12	Federal Funds	13,274,020
13	Other Funds	
14	Tuition Savings Program – Needs Based Grants and Work Opportunities	8,050,000
15	Tuition Savings Program – Administration	407,989
16	Grand Total – RI Higher Education Assistance Authority	26,763,735
17	RI Historical Preservation and Heritage Commission	
18	General Revenues	1,357,510
19	Federal Funds	609,949
20	Restricted Receipts	454,491
21	Other Funds	
22	RIDOT Project Review	84,999
23	Rhode Island Capital Funds	
24	Eisenhower House Asset Protection	1,000,000
25	Grand Total – RI Historical Preservation and Heritage Comm	3,506,949
26	Attorney General	
27	<i>Criminal</i>	
28	General Revenues	14,446,868
29	Federal Funds	1,619,532
30	Restricted Receipts	4,440,620
31	Total – Criminal	20,507,020
32	<i>Civil</i>	
33	General Revenues	4,985,425
34	Restricted Receipts	632,970

1	Total – Civil	5,618,395
2	<i>Bureau of Criminal Identification</i> General Revenues	1,503,119
3	<i>General</i>	
4	General Revenues	2,721,567
5	Rhode Island Capital Plan Funds	
6	Building Renovations and Repairs	50,000
7	Total – General	2,771,567
8	Grand Total - Attorney General	30,400,101
9	Corrections	
10	<i>Central Management</i>	
11	General Revenues	9,227,039
12	Federal Funds	45,094
13	Federal Funds - Stimulus	10,770
14	Total – Central Management	9,282,903
15	<i>Parole Board</i>	
16	General Revenues	1,354,433
17	Federal Funds	38,000
18	Total - Parole Board	1,392,433
19	<i>Custody and Security</i>	
20	General Revenues	115,418,407
21	Federal Funds	761,526
22	Total – Custody and Security	116,179,933
23	<i>Institutional Support</i>	
24	General Revenues	15,728,306
25	RICAP – Asset Protection	3,000,000
26	RICAP – Maximum – General Renovations	1,100,000
27	RICAP – General Renovations Women's	1,000,000
28	RICAP – Bernadette Guay Roof	1,165,000
29	RICAP – ISC Exterior Envelope and HVAC	4,000,000
30	RICAP – Minimum Security Kitchen Expansion	2,485,392
31	RICAP – Medium Infrastructure	4,719,359
32	Total – Institutional Support	33,198,057
33	<i>Institutional Based Rehab./Population Management</i>	
34	General Revenues	9,129,775

1	Federal Funds	794,918
2	Federal Funds – Stimulus	64,394
3	Restricted Receipts	29,758
4	Total – Institutional Based Rehab/Population Mgt.	10,018,845
5	<i>Healthcare Services</i> General Revenues	19,889,269
6	<i>Community Corrections</i>	
7	General Revenues	15,131,969
8	Federal Funds	73,986
9	Restricted Receipts	35,132
10	Total – Community Corrections	15,241,087
11	Grand Total – Corrections	205,202,527
12	Judiciary	
13	<i>Supreme Court</i>	
14	General Revenues	26,501,542
15	Defense of Indigents	3,562,240
16	Federal Funds	272,163
17	Restricted Receipts	3,356,909
18	Rhode Island Capital Plan Funds	
19	Judicial HVAC	425,000
20	Judicial Complexes Asset Protection	650,000
21	Murray Judicial Complex Cell Block	440,000
22	Total - Supreme Court	35,207,854
23	<i>Judicial Tenure and Discipline</i> General Revenues	115,627
24	<i>Superior Court</i>	
25	General Revenues	22,494,581
26	Federal Funds	94,205
27	Restricted Receipts	306,723
28	Total - Superior Court	22,895,509
29	<i>Family Court</i>	
30	General Revenues	19,071,385
31	Federal Funds	2,257,880
32	Total - Family Court	21,329,265
33	<i>District Court</i>	
34	General Revenues	12,545,634

1	Restricted Receipts	297,822
2	Total - District Court	12,843,456
3	<i>Traffic Tribunal</i> General Revenues	8,190,350
4	<i>Workers' Compensation Court</i> Restricted Receipts	7,842,060
5	Grand Total – Judiciary	108,424,121
6	Military Staff	
7	<i>National Guard</i>	
8	General Revenues	1,361,037
9	Federal Funds	14,816,306
10	Restricted Receipts	300,000
11	Rhode Island Capital Plan Funds	
12	Armory of Mounted Command Roof Replacement	280,000
13	State Armories Fire Code Compliance	20,250
14	Federal Armories Fire Code Compliance	20,250
15	Asset Protection	775,000
16	Logistics/Maintenance Facilities Fire Code Comp.	12,500
17	Benefit Street Arsenal Rehabilitation	800,000
18	Hurricane Sandy Cleanup	1,500,000
19	Total - National Guard	19,885,343
20	<i>Emergency Management</i>	
21	General Revenues	2,508,946
22	Federal Funds	20,062,446
23	Restricted Receipts	700,779
24	Total - Emergency Management	23,272,171
25	Grand Total - Military Staff	43,157,514
26	Public Safety	
27	<i>Central Management</i>	
28	General Revenues	1,240,692
29	Federal Funds	4,032,164
30	Federal Funds – Stimulus	73,809
31	Restricted Receipts	850
32	Total – Central Management	5,347,515
33	<i>E-911 Emergency Telephone System</i> General Revenues	5,488,731
34	<i>State Fire Marshal</i>	

1	General Revenues	2,894,425
2	Restricted Receipts	277,338
3	Rhode Island Capital Plan Funds	
4	Fire Academy	800,000
5	Quonset Development Corporation	55,303
6	Total - State Fire Marshal	4,027,066
7	<i>Security Services</i> General Revenues	21,914,553
8	<i>Municipal Police Training Academy</i>	
9	General Revenues	293,022
10	Federal Funds	269,151
11	Total – Municipal Police Training Academy	562,173
12	<i>State Police</i>	
13	General Revenues	64,630,376
14	Federal Funds	1,780,411
15	Restricted Receipts	12,475,000
16	Rhode Island Capital Plan Funds	
17	Barracks and Training	1,409,743
18	Headquarters Repairs/Rehabilitation	500,000
19	Parking Area Improvements	225,000
20	HQ Expansion	210,000
21	Traffic Enforcement – Municipal Training	130,150
22	Lottery Commission Assistance	1,558,727
23	Airport Corporation	240,304
24	Road Construction Reimbursement	3,078,000
25	Total – State Police	86,237,711
26	Grand Total – Public Safety	123,577,749
27	Office of Public Defender	
28	General Revenues	11,034,686
29	Federal Funds	291,996
30	Grand Total – Office of Public Defender	11,326,682
31	Environmental Management	
32	<i>Office of the Director</i>	
33	General Revenues	4,575,920
34	Permit Streamlining	33,414

1	Federal Funds	150,000
2	Restricted Receipts	2,929,180
3	Total – Office of the Director	7,688,514
4	<i>Natural Resources</i>	
5	General Revenues	18,768,638
6	Federal Funds	27,119,465
7	Restricted Receipts	4,394,688
8	Other Funds	
9	DOT Recreational Projects	370,428
10	Blackstone Bikepath Design	2,060,087
11	Transportation MOU	78,579
12	Rhode Island Capital Plan Funds	
13	Dam Repair	1,300,000
14	Fort Adams Rehabilitation	500,000
15	Fort Adams America's Cup	3,883,558
16	Recreational Facilities Improvements	3,390,000
17	Galilee Piers Upgrade	2,696,307
18	Newport Piers	250,000
19	World War II Facility	2,600,000
20	Blackstone Valley Bike Path	596,000
21	Natural Resources Office/Visitor's Center	1,800,000
22	Rocky Point Acquisition/Renovations	2,500,000
23	Total - Natural Resources	72,307,750
24	<i>Environmental Protection</i>	
25	General Revenues	11,428,346
26	Federal Funds	11,122,266
27	Restricted Receipts	8,557,647
28	Other Funds	
29	Transportation MOU	165,000
30	Retrofit Heavy-Duty Diesel Vehicles	2,760,000
31	Total – Environmental Protection	34,033,259
32	Grand Total - Environmental Management	114,029,523
33	Coastal Resources Management Council	
34	General Revenues	2,144,331

1	Federal Funds	1,754,919
2	Federal Funds - Stimulus	405,674
3	Restricted Receipts	374,982
4	Grand Total - Coastal Resources Mgmt. Council	4,679,906
5	Transportation	
6	<i>Central Management</i>	
7	Federal Funds	11,307,723
8	Other Funds	
9	Gasoline Tax	1,455,983
10	Total - Central Management	12,763,706
11	<i>Management and Budget</i>	
12	Other Funds - Gasoline Tax	1,549,669
13	<i>Infrastructure Engineering- GARVEE/Motor Fuel Tax Bonds</i>	
14	Federal Funds	293,587,942
15	Of these federal funds, \$1,790,000 is appropriated to the Public Rail Corporation from	
16	CMAQ federal funds for the payment of liability insurance.	
17	Federal Funds – Stimulus	6,865,921
18	Restricted Receipts	8,010,496
19	Other Funds	
20	Gasoline Tax	53,061,714
21	Land Sale Revenue	14,809,264
22	Rhode Island Capital Funds	
23	RIPTA Land and Buildings	104,000
24	Highway Projects Match Plan	21,135,000
25	Total - Infrastructure Engineering – GARVEE	397,574,337
26	<i>Infrastructure Maintenance</i>	
27	Other Funds	
28	Gasoline Tax	43,001,075
29	Non-Land Surplus Property	125,000
30	Outdoor Advertising	175,000
31	Rhode Island Capital Plan Funds	
32	Maintenance Facilities Improvements	776,210
33	Salt Storage Facilities	1,500,000
34	Portsmouth Facility	1,835,000

1	Maintenance Equipment Replacement	1,000,000
2	Train Station Maintenance and Repairs	100,000
3	Cooperative Maintenance Facility DOT/RIPTA	600,000

4 All monies appropriated for the local road program shall be distributed to municipalities
5 based on a formula that distributes funding according to miles of locally-maintained roads in each
6 municipality, with no community receiving less than one hundred thousand dollars (\$100,000) in
7 FY 2014.

8	Total - Infrastructure Maintenance	49,112,285
9	Grand Total – Transportation	460,999,997

10 **Statewide Totals**

11	General Revenues	3,368,281,273
12	Federal Funds	2,716,314,921
13	Restricted Receipts	252,335,912
14	Other Funds	1,879,847,557
15	Statewide Grand Total	8,216,779,663

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

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

22 SECTION 4. From the appropriation for contingency shall be paid such sums as may be
23 required at the discretion of the Governor to fund expenditures for which appropriations may not
24 exist. Such contingency funds may also be used for expenditures in the several departments and
25 agencies where appropriations are insufficient, or where such requirements are due to unforeseen
26 conditions or are non-recurring items of an unusual nature. Said appropriations may also be used
27 for the payment of bills incurred due to emergencies or to any offense against public peace and
28 property, in accordance with the provisions of Titles 11 and 45 of the General Laws of 1956, as
29 amended. All expenditures and transfers from this account shall be approved by the Governor.

30 SECTION 5. The general assembly authorizes the state controller to establish the internal
31 service accounts shown below, and no other, to finance and account for the operations of state
32 agencies that provide services to other agencies, institutions and other governmental units on a
33 cost reimbursed basis. The purpose of these accounts is to ensure that certain activities are
34 managed in a businesslike manner, promote efficient use of services by making agencies pay the

1 full costs associated with providing the services, and allocate the costs of central administrative
 2 services across all fund types, so that federal and other non-general fund programs share in the
 3 costs of general government support. The controller is authorized to reimburse these accounts for
 4 the cost of work or services performed for any other department or agency subject to the
 5 following expenditure limitations:

<u>Account</u>	<u>Expenditure Limit</u>
7 State Assessed Fringe Benefit Internal Service Fund	33,644,675
8 Administration Central Utilities Internal Service Fund	20,253,728
9 State Central Mail Internal Service Fund	5,336,633
10 State Telecommunications Internal Service Fund	4,084,660
11 State Automotive Fleet Internal Service Fund	13,668,556
12 Surplus Property Internal Service Fund	2,500
13 Health Insurance Internal Service Fund	250,127,757
14 Other Post-Employment Benefits Fund	
15 Retired State Employees	49,727,160
16 Retired Higher Education Employees	2,536,462
17 Retired Teachers	7,531,279
18 Retired State Police	3,073,102
19 Retired Legislators	772,532
20 Retired Judges	931,493
21 Capitol Police Internal Service Fund	872,233
22 Corrections Central Distribution Center Internal Service Fund	6,701,947
23 Correctional Industries Internal Service Fund	8,341,086
24 Secretary of State Record Center Internal Service Fund	869,457

26 SECTION 6. The General Assembly may provide a written "statement of legislative
 27 intent" signed by the chairperson of the House Finance Committee and by the chairperson of the
 28 Senate Finance Committee to show the intended purpose of the appropriations contained in
 29 Section 1 of this Article. The statement of legislative intent shall be kept on file in the House
 30 Finance Committee and in the Senate Finance Committee.

31 At least twenty (20) days prior to the issuance of a grant or the release of funds, which
 32 grant or funds are listed on the legislative letter of intent, all department, agency and corporation
 33 directors, shall notify in writing the chairperson of the House Finance Committee and the
 34 chairperson of the Senate Finance Committee of the approximate date when the funds are to be

1 released or granted.

2 SECTION 7. Appropriation of Temporary Disability Insurance Funds -- There is hereby
3 appropriated pursuant to sections 28-39-5 and 28-39-8 of the Rhode Island General Laws all
4 funds required to be disbursed for the benefit payments from the Temporary Disability Insurance
5 Fund and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2014.

6 SECTION 8. Appropriation of Employment Security Funds -- There is hereby
7 appropriated pursuant to section 28-42-19 of the Rhode Island General Laws all funds required to
8 be disbursed for benefit payments from the Employment Security Fund for the fiscal year ending
9 June 30, 2014.

10 SECTION 9. Appropriation of Lottery Division Funds – There is hereby appropriated to
11 the Lottery Division any funds required to be disbursed by the Lottery Division for the purposes
12 of paying commissions or transfers to the prize fund for the fiscal year ending June 30, 2014.

13 SECTION 10. Departments and agencies listed below may not exceed the number of full-
14 time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do
15 not include seasonal or intermittent positions whose scheduled period of employment does not
16 exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and
17 twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include
18 individuals engaged in training, the completion of which is a prerequisite of employment.
19 Provided, however, that the Governor or designee, Speaker of the House of Representatives or
20 designee, and the President of the Senate or designee may authorize an adjustment to any
21 limitation. Prior to the authorization, the State Budget Officer shall make a detailed written
22 recommendation to the Governor, the Speaker of the House, and the President of the Senate. A
23 copy of the recommendation and authorization to adjust shall be transmitted to the chairman of
24 the House Finance Committee, Senate Finance Committee, the House Fiscal Advisor and the
25 Senate Fiscal Advisor.

26 No agency or department may employ contracted employees or employee services where
27 contract employees would work under state employee supervisors without determination of need
28 by the Director of Administration acting upon positive recommendations of the Budget Officer
29 and the Personnel Administrator and 15 days after a public hearing.

30 Nor may any agency or department contract for services replacing work done by state
31 employees at that time without determination of need by the Director of Administration acting
32 upon the positive recommendations of the Budget Officer and the Personnel Administrator and 30
33 days after a public hearing.

34 State employees whose funding is from non-state general revenue funds that are time

1 limited shall receive limited term appointment with the term limited to the availability of non-
2 state general revenue funding source.

3 FY 2014 FTE POSITION AUTHORIZATION

4	<u>Departments and Agencies</u>	<u>Full-Time Equivalent</u>
5	Administration	718.7
6	Business Regulation	94.0
7	Labor and Training	392.0
8	Revenue	492.0
9	Legislature	298.5
10	Office of the Lieutenant Governor	8.0
11	Office of the Secretary of State	57.0
12	Office of the General Treasurer	83.0
13	Board of Elections	11.0
14	Rhode Island Ethics Commission	12.0
15	Office of the Governor	45.0
16	Commission for Human Rights	14.5
17	Public Utilities Commission	47.0
18	Office of Health and Human Services	184.0
19	Children, Youth, and Families	670.5
20	Health	494.1
21	Human Services	959.1
22	Behavioral Health, Developmental Disabilities, and Hospitals	1,423.4
23	Office of the Child Advocate	6.0
24	Commission on the Deaf and Hard of Hearing	3.0
25	Governor's Commission on Disabilities	4.0
26	Office of the Mental Health Advocate	3.7
27	Elementary and Secondary Education	171.4
28	School for the Deaf	60.0
29	Davies Career and Technical School	126.0
30	Office of Higher Education	12.8
31	Provided that 1.0 of the total authorization would be available only for positions that are	
32	supported by third-party funds.	
33	University of Rhode Island	2,456.5

34 Provided that 593.2 of the total authorization would be available only for positions that

1 are supported by third-party funds.

2 Rhode Island College 923.6

3 Provided that 82.0 of the total authorization would be available only for positions that are
4 supported by third-party funds.

5 Community College of Rhode Island 854.1

6 Provided that 100.0 of the total authorization would be available only for positions that
7 are supported by third-party funds.

8 Rhode Island State Council on the Arts 6.0

9 RI Atomic Energy Commission 8.6

10 Higher Education Assistance Authority 23.0

11 Historical Preservation and Heritage Commission 16.6

12 Office of the Attorney General 233.1

13 Corrections 1419.0

14 Judicial 723.3

15 Military Staff 112.0

16 Public Safety 647.2

17 Office of the Public Defender 93.0

18 Environmental Management 399.0

19 Coastal Resources Management Council 29.0

20 Transportation 772.6

21 **Total 15,107.3**

22 SECTION 11. The amounts reflected in this Article include the appropriation of Rhode
23 Island Capital Plan funds for fiscal year 2014 and supersede appropriations provided for FY 2014
24 within Section 11 of Article 1 of Chapter 241 of the P.L. of 2012.

25 The following amounts are hereby appropriated out of any money in the state's Rhode
26 Island Capital Plan Fund not otherwise appropriated to be expended during the fiscal years ending
27 June 30, 2015, June 30, 2016, June 30, 2017, and June 30, 2018. These amounts supersede
28 appropriations provided within Section 1 of Article 1 of Chapter 241 of the P.L. of 2012. For the
29 purposes and functions hereinafter mentioned, the State Controller is hereby authorized and
30 directed to draw his or her orders upon the General Treasurer for the payment of such sums and
31 such portions thereof as may be required by him or her upon receipt of properly authenticated
32 vouchers.

33 Fiscal Year Fiscal Year Fiscal Year Fiscal Year
34 Ending Ending Ending Ending

1	<u>Project</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
2	DOA-Big River Management Area	120,000	120,000	120,000	120,000
3	DOA-Cannon Building	150,000	150,000	150,000	300,000
4	DOA-Chapin Health Lab	1,400,000	0	0	0
5	DOA-Cranston Street Armory	1,000,000	500,000	500,000	1,000,000
6	DOA-Environmental Compliance	200,000	200,000	200,000	200,000
7	DOA-Fire Code Compliance - State				
8	Buildings	500,000	500,000	500,000	500,000
9	DOA-Harrington Hall Renovations	500,000	0	0	0
10	DOA-Ladd Center Buildings				
11	Demolition	2,100,000	0	0	0
12	DOA-Old State House	1,000,000	500,000	50,000	50,000
13	DOA-Pastore Center Buildings				
14	Demolition	975,000	1,025,000	1,500,000	1,000,000
15	DOA-Pastore Center Fire Code				
16	Compliance	1,300,000	500,000	500,000	500,000
17	DOA-Pastore Medical Center				
18	Rehabilitation	1,000,000	1,475,000	1,060,000	760,000
19	DOA-Pastore Cottages Rehabilitation	630,000	0	0	0
20	DOA-Pastore Utilities Upgrade	250,000	250,000	0	0
21	DOA-Pastore Center Utility Systems				
22	Water Tanks and Pipes	150,000	0	0	0
23	DOA-State House Renovations	4,500,000	4,500,000	3,000,000	400,000
24	DOA-State Office Building				
25	[DOT Bldg.]	3,000,000	3,000,000	3,760,000	0
26	DOA-Washington County Government				
27	Center	350,000	350,000	350,000	350,000
28	DOA-William Powers Administration				
29	Building	500,000	300,000	300,000	500,000
30	DOA-Zambarano Utilities and				
31	Infrastructure	2,000,000	1,000,000	0	0
32	DLT-Center General Asset Protection	962,500	152,000	0	0
33	DHS-Blind Vending Facilities	165,000	165,000	165,000	165,000
34	BHDDH-Hospital Consolidation	11,900,000	14,500,000	4,295,000	0

1	El. Sec.-Cranston Career and Technical	400,000	0	0	
2		0			
3	El. Sec.-Davies School Asset Protection	384,500	250,000	271,500	150,000
4	El. Sec.-Met School HVAC	833,334	0	0	
5		0			
6	El. Sec.-Met School Asset Protection	100,000	100,000	100,000	100,000
7	El. Sec.-Warwick Career and Technical	500,000	652,996	0	
8		0			
9	El. Sec.-Woonsocket Career and				
10	Technical	1,518,050	0	0	
11		0			
12	Higher Ed-Asset Protection-CCRI	2,138,305	2,184,100	2,232,100	2,278,974
13	Higher Ed-Asset Protection-RIC	2,963,548	3,080,400	3,357,700	
14		3,458,431			
15	Higher Ed-Asset Protection-URI	7,520,000	5,482,900	7,856,000	8,030,000
16	Higher Ed-CCRI Knight Campus				
17	Renewal	2,000,000	2,000,000	5,000,000	
18		11,000,000			
19	Higher Ed-RIC Infrastructure				
20	Modernization	3,000,000	3,000,000	3,000,000	
21		3,500,000			
22	Higher Ed-URI Fire Safety - Administration and				
23	Academic	3,250,000	0	0	
24		0			
25	AG-Building Renovations and Repairs	150,000	150,000	150,000	
26		150,000			
27	DOC Asset Protection	3,000,000	4,020,000	3,000,000	3,000,000
28	Judiciary-Judicial Complexes				
29	Asset Protection	675,000	700,000	725,000	800,000
30	Judiciary-Judicial Complexes HVAC	525,000	750,000	900,000	
31		900,000			
32	Mil Staff-Armory of Mounted				
33	Commands	300,000	200,000	485,000	
34		475,000			

1	Mil Staff-Federal Armories - Fire Code			
2	Compliance	20,250	3,750	3,750
3	0			
4	Mil Staff-Logistics/Maintenance Facilities -			
5	Fire Code Compliance	9,500	0	0
6	0			
7	Mil Staff-Asset Protection	530,000	800,000	555,000
8	500,000			
9	Mil Staff-State Armories - Fire Code			
10	Compliance	20,250	10,000	10,000
11	0			
12	DEM-Dam Repair	550,000	500,000	500,000
13	500,000			
14	DEM-Fort Adams Rehabilitation	500,000	300,000	0
15	0			
16	DEM-Galilee Piers	125,000	665,000	250,000
17	250,000			
18	DEM-Natural Resources Offices/Visitor's			
19	Center	1,250,000	0	0
20	0			
21	DEM-Newport Piers	250,000	0	0
22	0			
23	DEM-Recreational Facilities			
24	Improvements	2,750,000	2,850,000	2,250,000
25	1,500,000			
26	DOT-Highway Projects Match Plan	21,650,000	23,200,000	23,200,000
27	23,200,000			
28	DOT-Maintenance Facilities Asset			
29	Protection	400,000	500,000	500,000
30	500,000			
31	DOT-Salt Storage Facilities	1,500,000	1,500,000	1,500,000
32	1,500,000			

33 SECTION 12. Reappropriation of Funding for Rhode Island Capital Plan Fund Projects. -
34 Any unexpended and unencumbered funds from Rhode Island Capital Plan Fund project

1 appropriations shall be reappropriated in the ensuing fiscal year and made available for the same
2 purpose. However, any such reappropriations are subject to final approval by the General
3 Assembly as part of the supplemental appropriations act. Any unexpended funds of less than five
4 hundred dollars (\$500) shall be reappropriated at the discretion of the State Budget Officer.

5 SECTION 13. For the Fiscal Year ending June 30, 2014, the Rhode Island Housing and
6 Mortgage Finance Corporation shall provide from its resources such sums as appropriate in
7 support of the Neighborhood Opportunities Program. The Corporation shall provide a report
8 detailing the amount of funding provided to this program, as well as information on the number
9 of units of housing provided as a result to the Director of Administration, the Chair of the
10 Housing Resources Commission, the Chair of the House Finance Committee, the Chair of the
11 Senate Finance Committee and the State Budget Officer.

12 SECTION 14. Notwithstanding any public laws to the contrary, nine million nine
13 hundred ninety two thousand eight hundred ninety dollars (\$9,992,890) of bond premium
14 proceeds shall be transferred from the Rhode Island Capital Plan Fund to the Municipal Road and
15 Bridge Revolving Fund.

16 SECTION 15. Notwithstanding any general laws to the contrary, the State Controller
17 shall transfer ten million dollars (\$10,000,000) from the State General Fund to the Accelerated
18 Depreciation Fund by June 30, 2014.

19 SECTION 16. This article shall take effect as of July 1, 2013.

1 **ARTICLE 2**

2 RELATING TO MEDICARE EXCHANGE PROGRAM FOR MEDICARE ELIGIBLE

3 SECTION 1. Sections 36-12-1 and 36-12-4 of the General Laws in Chapter 36-12
4 entitled "Insurance Benefits" are hereby amended to read as follows:

5 **36-12-1. Definitions.** -- The following words, as used in sections 36-12-1 -- 36-12-14,
6 shall have the following meanings:

7 (1) "Employer", means the state of Rhode Island.

8 (2) "Employee", means all persons who are classified employees as the term "classified
9 employee" is defined under section 36-3-3, and all persons in the unclassified and non-classified
10 service of the state; provided, however, that the following shall not be included as "employees"
11 under sections 36-12-1 -- 36-12-14:

12 (i) Part-time personnel whose work week is less than twenty (20) hours a week and
13 limited period and seasonal personnel;

14 (ii) Members of the general assembly, its clerks, doorkeepers, and pages.

15 (3) "Dependents" means an employee's spouse, domestic partner and unmarried children
16 under nineteen (19) years of age. Domestic partners shall certify by affidavit to the benefits
17 director of the division of personnel that the (i) partners are at least eighteen (18) years of age and
18 are mentally competent to contract, (ii) partners are not married to anyone, (iii) partners are not
19 related by blood to a degree which would prohibit marriage in the state of Rhode Island, (iv)
20 partners reside together and have resided together for at least one year, (v) partners are financially
21 interdependent as evidenced by at least two (2) of the following: (A) domestic partnership
22 agreement or relationship contract; (B) joint mortgage or joint ownership of primary residence,
23 (C) two (2) of: (I) joint ownership of motor vehicle; (II) joint checking account; (III) joint credit
24 account; (IV) joint lease; and/or (D) the domestic partner has been designated as a beneficiary for
25 the employee's will, retirement contract or life insurance. Misrepresentation of information in the
26 affidavit will result in an obligation to repay the benefits received, and a civil fine not to exceed
27 one thousand dollars (\$1000) enforceable by the attorney general and payable to the general fund.
28 The employee will notify the benefits director of the division of personnel by completion of a
29 form prescribed by the benefits director when the domestic partnership ends.

30 (4) "Retired employee", means all persons retired from the active service of the state,

1 who, immediately prior to retirement, were employees of the state as determined by the
2 retirement board under section 36-8-1, and also all retired teachers who have elected to come
3 under the employees' retirement system of the state of Rhode Island.

4 (5) "State retiree", means all persons retired from the active service of the state who,
5 immediately prior to retirement, were employees of the state as determined by the retirement
6 board under section 36-8-1.

7 (6) "Teacher retiree", means all retired teachers who have elected to come under the
8 employees' retirement system of the state of Rhode Island.

9 ~~(5)~~(7) "Long-term health care insurance", means any insurance policy or rider
10 advertised, marketed, offered, or designed to provide coverage for not less than twelve (12)
11 consecutive months for each covered person on an expense incurred, indemnity, prepaid, or other
12 basis for one or more necessary or medically necessary diagnostic, preventive, therapeutic,
13 rehabilitative, maintenance, or personal care services, provided in a setting other than an acute
14 care unit of a hospital. The term includes: group and individual policies or riders whether issued
15 by insurers, fraternal benefit societies, nonprofit health, hospital, and medical service
16 corporations; prepaid health plans, health maintenance organizations; or any similar organization.
17 Long-term health care insurance shall not include: any insurance policy which is offered
18 primarily to provide basic medicare supplement coverage; basic hospital expense coverage; basic
19 medical-surgical expense coverage; hospital confinement indemnity coverage; major medical
20 expense coverage; disability income protection coverage; accident only coverage; specified
21 disease or specified accident coverage; or limited benefit health coverage. This list of excluded
22 coverages is illustrative and is not intended to be all inclusive.

23 ~~(6)~~(8) "Non-Medicare-eligible retiree "Retiree health care insurance", means the health
24 benefit employees who retire from active service of the state (subsequent to July 1, 1989), who
25 immediately prior to retirement were employees of the state as determined by the retirement
26 board pursuant to section 36-8-1, shall be entitled to receive; until attaining Medicare eligibility.
27 ~~which~~ This health care insurance shall be equal to semi-private hospital care, surgical/medical
28 care and major medical with a one hundred seventy-five dollar (\$175) calendar year deductible.
29 ~~Employees who retire prior to age sixty five (65) shall, upon the attainment of Medicare~~
30 ~~eligibility, receive hospital care, surgical/medical services, rights and benefits which, when taken~~
31 ~~together with their federal Medicare program benefits (public law 89-97), 42 U.S.C. section 1305~~
32 ~~et seq., shall be comparable to those provided for retirees prior to that age. The aforementioned~~
33 program will be provided on a shared basis in accordance with section 36-12-4.

34 (9) "Medicare-eligible retiree health care insurance", means the health benefit employees

1 who retire from active service of the state (subsequent to July 1, 1989), who immediately prior to
2 retirement were employees of the state as determined by the retirement board pursuant to section
3 36-8-1, shall have access to when eligible for Medicare. This health care insurance shall include
4 plans providing hospital care, surgical/medical services, rights and benefits which, when taken
5 together with their federal Medicare program benefits, 42 U.S.C. section 1305 et seq., shall be
6 comparable to those provided for retirees prior to the attainment of Medicare eligibility.

7 (10) "Health reimbursement arrangement", or "HRA" means an account that:

8 (i) Is paid for and funded solely by state contributions;

9 (ii) Reimburses a Medicare-eligible state retiree for medical care expenses as defined in
10 section 213(d) of the Internal Revenue Code of 1986, as amended, which includes
11 reimbursements for health care insurance premiums;

12 (iii) Provides reimbursements up to a maximum dollar amount for a coverage period; and

13 (iv) Provides that any unused portion of the maximum dollar amount at the end of a
14 coverage period is carried forward to increase the maximum reimbursement amount in
15 subsequent coverage periods.

16 **36-12-4. Coverage of retired employees Coverage of Non-Medicare-eligible retired**
17 **employees. --** (a) Non-Medicare-eligible retired Retired employees who ~~retire~~ retired on or before
18 September 30, 2008. - Any retired employee who retired on or before September 30, 2008 shall
19 be entitled, until attaining Medicare eligibility, to be covered under sections 36-12-1 -- 36-12-5
20 for himself and herself and, if he or she so desires, his or her non-Medicare-eligible dependents,
21 upon agreeing to pay the total cost of his or her contract at the group rate for active state
22 employees. Payments of any non-Medicare-eligible retired employee for coverage shall be
23 deducted from his or her retirement allowance and remitted from time to time in payment for such
24 contract. In addition, any retired employee who retired on or before September 30, 2008 shall be
25 permitted to purchase coverage for his or her non-Medicare-eligible dependents upon agreeing to
26 pay the additional cost of the contract at the group rate for active state employees. Payment for
27 coverage for these dependents shall be deducted from his or her retirement allowances and
28 remitted as required in payment for the contract.

29 (b) Non-Medicare-eligible State-state employees retirees who ~~retire~~ retired subsequent to
30 July 1, 1989, and on or before September 30, 2008. Non-Medicare-eligible state retirees ~~State~~
31 ~~employees~~ who ~~retire~~ retired subsequent to July 1, 1989, and on or before September 30, 2008,
32 from active service of the state, and who were employees of the state as determined by the
33 retirement board under section 36-8-1, shall be entitled to receive for himself or herself non-
34 Medicare-eligible a retiree health care insurance benefit as described in section 36-12-1 in

1 accordance with the following formula:

2	Years of	Age	State's	Employee's
3	<u>Service</u>	<u>at Retirement</u>	<u>Share</u>	<u>Share</u>
4	10-15	60	50%	50%
5	16-22	60	70%	30%
6	23-27	60	80%	20%
7	28+	--	90%	10%
8	28+	60	100%	0%
9	35+		any	100% 0%

10 If the retired employee is receiving a subsidy on September 30, 2008, the state will
11 continue to pay the same subsidy share until the retiree attains age sixty-five (65).

12 Until December 31, 2013, when ~~When~~ the state retiree reaches that age which will
13 qualify him or her for Medicare supplement, the formula shall be:

14	Years of Service	State's Contribution	Employees' Share
15	10 – 15	50%	50%
16	16 – 19	70%	30%
17	20 – 27	90%	10%
18	28+	100%	0%

19 (c) Non-Medicare-eligible retired ~~Retired~~ employees who retire on or after October 1,
20 2008. Any retired employee who retires on or after October 1, 2008 shall be entitled, until
21 attaining Medicare eligibility, to be covered under sections 36-12-1 – 36-12-5 for himself and
22 herself and, if he or she so desires, his or her non-Medicare-eligible dependents, upon agreeing to
23 pay the total cost of the contract in the plan in which he or she enrolls. Payments of any non-
24 Medicare-eligible retired employee for coverage shall be deducted from his or her retirement
25 allowance and remitted from time to time in payment for such contract. Any retired employee
26 who retires on or after October 1, 2008, shall be permitted to purchase coverage for his or her
27 non-Medicare-eligible dependents upon agreeing to pay the additional cost of the contract at the
28 group rate for the plan in which the dependent is enrolled. Payment for coverage for these
29 dependents shall be deducted from the retired employee's retirement allowances and remitted as
30 required in payment for the contract. The Director of Administration shall develop and present to
31 the chairpersons of the House Finance Committee and the Senate Finance Committee by May 23,
32 2008 a retiree health plan option or options to be offered to retirees eligible for state-sponsored
33 medical coverage who are under age sixty-five (65) or are not eligible for Medicare. This plan
34 will have a reduced benefit level and will have an actuarially based premium cost not greater than

1 the premium cost of the plan offered to the active state employee population. This new plan
2 option will be available to employees retiring after September 30, 2008, and their non-Medicare-
3 eligible dependents.

4 (d) Non-Medicare-eligible State state employees retirees who retire on or after October 1,
5 2008. ~~Employees~~ Non-Medicare-eligible state retirees who retire on or after October 1, 2008
6 from active service of the state, and who were employees of the state as determined by the
7 retirement board under section 36-8-1, and who have a minimum of twenty (20) years of service,
8 and who are a minimum of fifty-nine (59) years of age, shall be entitled to receive for himself or
9 herself a non-Medicare-eligible retiree health care insurance benefit as described in section 36-
10 12-1. The ~~State~~ state will subsidize 80% of the cost of the health insurance plan for individual
11 coverage in which the ~~retired state employee~~ retiree is enrolled in. Payments ~~of any retired~~
12 ~~employee~~ for coverage shall be deducted from his or her retirement allowance and remitted from
13 time to time in payment for such contract.

14 (e) Medicare-eligible state retirees who retire on or after October 1, 2008. Until
15 December 31, 2013, the state shall subsidize eighty percent (80%) of the cost of the Medicare-
16 eligible health insurance plan for individual coverage in which the state retiree is enrolled,
17 provided the employee retired on or after October 1, 2008; has a minimum of twenty (20) years of
18 service; and is a minimum of fifty-nine (59) years of age. Payments for coverage shall be
19 deducted from his or her retirement allowance and remitted from time to time in payment for such
20 health insurance plan.

21 ~~(e)(f)~~ Retired employees, including retired teachers, who are non-Medicare-eligible and
22 who reach the age of sixty-five (65) shall be allowed to continue to purchase group health care
23 insurance benefits in the same manner as those provided to retired employees who have not
24 reached the age of sixty-five (65).

25 SECTION 2. Chapter 36-12 of the General Laws entitled "Insurance Benefits" is hereby
26 amended by adding thereto the following section:

27 **36-12-4.1. Coverage of Medicare-eligible retired employees.** -- (a) The director of the
28 department of administration shall ensure retired employees access to Medicare-eligible retiree
29 health care insurance. Under this program, the state will establish a health reimbursement account
30 (HRA) funded by state contributions for each Medicare-eligible state retiree who elects to receive
31 health care insurance through the state-sponsored program.

32 (b) The funds contained in the HRA may be utilized for any eligible medical care
33 expenses as defined in section 213(d) of the Internal Revenue Code of 1986, as amended, which
34 includes reimbursements for health care insurance premiums.

1 (c) The director of the department of administration shall procure services to maximize
2 consumer choice and options with respect to the individual policies available to Medicare-eligible
3 retirees.

4 (d) The maximum state contribution to each Medicare-eligible state retiree's HRA
5 account will be equal to the lowest-cost Medicare supplemental plan that is filed with the Office
6 of the Health Insurance Commissioner of Rhode Island, that is available through the state-
7 sponsored program, and that meets the provisions of the Medicare-eligible retiree health care
8 insurance benefit defined in section 36-12-1(9). The maximum state contribution will vary by age
9 as specified by the rates set forth in the Medicare supplemental plan filing.

10 (e) For Medicare-eligible state retirees who retired before September 30, 2008, effective
11 January 1, 2014, the state of Rhode Island will credit an amount to each retiree's HRA account on
12 a monthly basis. The amount of such credit shall be calculated based on the retiree's years of
13 service, as a percentage of the maximum state contribution set forth in (d) above, and in
14 accordance with the following formula:

<u>Years of Service</u>	<u>State's Contribution</u>	<u>Employees Share</u>
<u>10 – 15</u>	<u>50%</u>	<u>50%</u>
<u>16 – 19</u>	<u>70%</u>	<u>30%</u>
<u>20 – 27</u>	<u>90%</u>	<u>10%</u>
<u>28+</u>	<u>100%</u>	<u>0%</u>

20 (f) For Medicare-eligible state retirees who retire on or after October 1, 2008, effective
21 January 1, 2014, the state of Rhode Island will credit monthly an amount to each retiree's HRA
22 account equal to 80% of the maximum state contribution set forth in (d) above, provided the
23 retiree has a minimum of twenty (20) years of service and is at least fifty-nine (59) years of age.

24 (g) Medicare-eligible teacher retirees may purchase the individual policies available to
25 Medicare-eligible state retirees under the state-sponsored program.

26 SECTION 3. This article shall take effect as of July 1, 2013.

1

ARTICLE 3

2

RELATING TO HEALTH INSURANCE BENEFITS

3

SECTION 1. Chapter 36-12 of the General Law entitled "Insurance Benefits" is hereby
4 amended by adding thereto the following section:

5

36-12-2.5. Health insurance benefits – Coverage of former spouse. -- Commencing
6 January 1, 2014, a state employee's family health plan shall not provide coverage to a former
7 spouse unless the former spouse was covered by said plan in accordance with section 27-20.4-1
8 as of December 31, 2013.

9

SECTION 2. This article shall take effect upon passage.

ARTICLE 4

RELATING TO FICA ALTERNATE RETIREMENT PLAN

SECTION 1. Section 36-7-2 of the General Laws in Chapter 36-7 entitled "Federal Old-Age and Survivors' Insurance" is hereby amended to read as follows:

36-7-2. Definitions. -- For the purposes of sections 36-7-1 – 36-7-31, 36-7-33.1, and 36-7-35, the following terms shall have the meanings indicated unless different meanings are clearly expressed or required by the context:

(1) "Agency of the state" shall mean:

(i) All departments, divisions, agencies, and instrumentalities of the state which are not juristic entities, legally separate and distinct from the state;

(ii) Civilian employees of the Rhode Island national guard; or

(iii) Any instrumentality of the state such as fire districts, water districts, water authorities, sewer commissions and authorities, housing authorities, or other instrumentality of the state which are a juristic entity and legally separate and distinct from the state and if the employees of the instrumentality are not by virtue of their relation to juristic entity employees of the state. Without limiting the generality of the foregoing, examples of those agencies would be the Kent County water authority, the Providence housing authority, the Blackstone Valley sewer district commission, and other like instrumentalities of the state.

(2) "City or town" shall mean:

(i) Any city or town of the state of Rhode Island, inclusive of any department, division, agency, board, commission, or bureau thereof;

(ii) Any instrumentality of a city or town which is a juristic entity and legally separate and distinct from the city or town and if its employees are not by virtue of their relation to the juristic entity employees of the city or town; or

(iii) Any instrumentality of two or more citizens and/or towns which is a juristic entity as provided in subdivision (ii) hereof.

(3) "IRC" shall mean the Internal Revenue Code of 1986, as amended.

~~(3)~~(4) "Coverage group" shall mean:

(i) All employees of the state other than those engaged in performing service in connection with a proprietary function;

1 (ii) All employees of a city or town other than those engaged in performing service in
2 connection with a single proprietary function;

3 (iii) All employees of the state engaged in performing service in connection with a single
4 proprietary function;

5 (iv) All employees of an agency of the state;

6 (v) All employees of a city or town of the state engaged in performing service in
7 connection with a single proprietary function. If under the preceding sentence an employee would
8 be included in more than one coverage group by reason of the fact that he or she performs service
9 in connection with two (2) or more proprietary functions or in connection with both a proprietary
10 function and a nonproprietary function, he or she shall be included in only one coverage group.
11 The determination of the coverage group in which the employee shall be included shall be made
12 in such manner as may be specified in the agreement. Members of retirement systems shall
13 constitute separate coverage groups as provided in section 36-7-10.

14 ~~(4)~~(5) "Employee" shall mean any officer or employee of any city, town, or agency of the
15 state receiving salaries or wages for employment.

16 ~~(5)~~(6) "Employment" shall mean any service performed by an employee for wages as a
17 member of a coverage group as herein defined, including service of an emergency nature, service
18 in any class or classes of elective positions and service in part-time positions, but excluding the
19 following:

20 (i) Service in a position the compensation for which is on a fee basis;

21 (ii) Service performed by election officials or election workers for calendar year 2003 in
22 which the remuneration paid for that service is less than one thousand two hundred fifty dollars
23 (\$1,250), and for each calendar year after 2003 in which the remuneration paid is less than the
24 adjusted amount in accordance with section 218(c)(8)(B) of the Social Security Act;

25 (iii) Service which under the federal Social Security Act may not be included in an
26 agreement between the state and the secretary entered into under this chapter;

27 (iv) Service which, in the absence of an agreement entered into under sections 36-7-1 –
28 36-7-31, would constitute "employment" as defined in the federal Social Security Act. Service
29 which under the federal Social Security Act may be included in an agreement only upon
30 certification by the governor in accordance with section 218(d)(3) of the federal Social Security
31 Act, 42 U.S.C. section 418(d)(3), shall be included in the term "employment" if and when the
32 governor issues, with respect to that service, a certificate to the secretary, pursuant to section 36-
33 7-19.

34 (B) Notwithstanding any of the foregoing, if pursuant to section 141 of P.L. 92-603, 42

1 U.S.C. section 418, the state agreement with the federal government referred to in section 36-7-3
2 is modified appropriately at any time prior to January 1, 1974, the term "employment" with
3 respect to any coverage group specified in the modification shall, effective after the effective date
4 specified in the modification, include services in designated part-time positions but not services
5 performed in the employ of a school, college, or university by a student who is enrolled and
6 regularly attending classes at that school, college, or university.

7 (7) "FARP" shall mean the FICA Alternative Retirement Income Security Program as
8 described in section 36-7-33.1.

9 (8) "FARP-eligible employee" shall mean any part-time, seasonal, or temporary
10 employee of the state of Rhode Island who is ineligible for participation in the Employees'
11 Retirement System of Rhode Island.

12 (9) "FARP part-time employee" shall mean an employee of the state of Rhode Island who
13 works twenty (20) hours or less per week, in accordance with IRC standards.

14 ~~(6)~~(10) "Federal Insurance Contributions Act" or "FICA" shall mean subchapter A of
15 chapter 9 of the federal Internal Revenue Code of 1939, subchapters A and B of chapter 21 of the
16 federal Internal Revenue Code of 1954, and subchapters A and B of chapter 21 of the federal
17 Internal Revenue Code of 1986 as those codes have been and may from time to time be amended;
18 and the term "employee tax" shall mean the tax imposed by section 1400 of the code of 1939,
19 section 3101 of the code of 1954, and section 3101 of the code of 1986.

20 ~~(7)~~(11) "Federal Social Security Act", 42 U.S.C. section 301 et seq., shall mean the act of
21 congress approved August 14, 1935, officially cited as the "Social Security Act", including any
22 amendments thereto, and any regulations, directives, or requirements interpretative or
23 implementive thereof.

24 ~~(8)~~(12) "Part-time employment" shall mean any employment by those who work on a
25 regularly scheduled basis regardless of hours.

26 ~~(9)~~(13) "Retirement board" shall mean the retirement board as provided in chapter 8 of
27 this title.

28 ~~(10)~~(14) "Secretary", except when used in the title "secretary of the treasury", shall mean
29 the secretary of health and human services and any individual to whom the secretary of health and
30 human services has delegated any of his or her functions under the federal Social Security Act, 42
31 U.S.C. section 301 et seq., with respect to coverage under that act of employees of states and their
32 political subdivisions.

33 ~~(11)~~(15) "Sick pay" shall mean the amount of any payment (including any amount paid
34 by an employer for insurance or annuities, or into a fund to provide for any sick pay) made to, or

1 on behalf of, an employee or any of his or her dependents under a plan or system established by
2 an employer which makes provision for his employees generally (or for his or her employees
3 generally and their dependents) or for a class or classes of his employees (or for a class or classes
4 of his employees and their dependents), on account of sickness or accident disability.

5 ~~(12)~~(16) "State" shall mean the state of Rhode Island.

6 ~~(13)~~(17) "Wages" or "salaries" shall mean all compensation received by an employee for
7 employment as defined herein, including the cash value of all remuneration received by an
8 employee in any medium other than cash, except that this term shall not include that part of the
9 remuneration which, even if it were for "employment" within the meaning of the Federal
10 Insurance Contributions Act, 26 U.S.C. section 3101 et seq., would not constitute "wages" within
11 the meaning of that act.

12 SECTION 2. Chapter 36-7 of the General Laws entitled "Federal Old-Age and Survivors'
13 Insurance" is hereby amended by adding thereto the following section:

14 **36-7-33.1. FICA Alternative Retirement Income Security Program.** -- (a) For FARP
15 eligible employees, the state shall establish the FICA Alternative Retirement Income Security
16 Program. The FARP shall be administered in accordance with the following provisions:

17 (1) IRC compliance. The FARP shall be administered as a defined contribution plan
18 under section 401(a) of the IRC, and shall provide retirement benefits as required under section
19 3121(b)(7)(F) of the IRC.

20 (2) Employee participation in the FARP - One-Time Opt-Out Exception. With the one
21 exception described in (b) below, FARP-eligible employee participation in the FARP shall be
22 mandatory. Each participant shall make mandatory payroll deduction contributions to the FARP
23 equal to a minimum of seven and five tenths percent (7.5%) of the employee's gross wages for
24 each pay period. Any payroll deduction contributions made pursuant to the FARP shall not be
25 included in the computation of federal income taxes withheld on behalf of any participant. Once
26 implemented, the participants, and the state on behalf of the participants, shall not continue to
27 make FICA contributions. The FARP shall be administered by the financial institution currently
28 administering the 401(a) plan for the state employee retirement plan, as described in Title 36
29 Chapter 10.3.

30 (b) An otherwise FARP-eligible employee, who is employed by the state at the time this
31 section takes effect, may opt to not participate in the FARP. An employee who opts to not
32 participate in the FARP will continue to make FICA contributions and the state shall continue to
33 make FICA contributions on behalf of the employee. An employee who opts to not participate in
34 the FARP may subsequently, without penalty, choose to participate in the FARP; provided,

1 however, such employee must continue to participate in the FARP for as long as he or she is a
2 FARP-eligible employee.

3 (c) Review by state investment commission. The state investment commission shall, from
4 time to time, review and evaluate the reasonableness of the selected financial institution's fees and
5 the performance of the selected financial institution's funds.

6 SECTION 3. This article shall take effect as of July 1, 2013.

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

5 (ii) A comparison of actual expenditures with each of the actual appropriations, including
6 supplemental appropriations and other adjustments provided for in the Rhode Island General
7 Laws;

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

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

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

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

17 ~~(d) Upon issuance of the audited financial statement, the controller shall transfer all~~
18 ~~general revenues received in the completed fiscal year net of transfer to the state budget reserve~~
19 ~~and cash stabilization account as required by section 35-3-20 in excess of those estimates adopted~~
20 ~~for that year as contained in the final enacted budget to the employees' retirement system of the~~
21 ~~state of Rhode Island as defined in section 36-8-2.~~

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

26 SECTION 2. This article shall take effect as of July 1, 2012.

ARTICLE 6

RELATING TO DIVISION OF MOTOR VEHICLES

SECTION 1. Sections 31-3-33 of the General Laws in Chapter 31-3 entitled "Registration of Vehicles" is hereby amended to read as follows:

31-3-33. Renewal of registration. -- (a) Application for renewal of a vehicle registration shall be made by the owner on a proper application form and by payment of the registration fee for the vehicle as provided by law.

(b) The division of motor vehicles may receive applications for renewal of registration, and may grant the renewal and issue new registration cards and plates at any time prior to expiration of registration.

(c) Upon renewal, owners will be issued a renewal sticker for each registration plate which shall be placed at the bottom right hand corner of the plate. Owners shall be issued a new fully reflective plate beginning September 1, ~~2013~~ 2015 at the time of initial registration or at the renewal of an existing registration and reissuance will be conducted no less than every ten (10) years.

SECTION 2. Section 39-18.1-4 of the General Laws in Chapter 39-18.1 entitled "Transportation Investment and Debt Reduction Act of 2011" is hereby amended to read as follows:

39-18.1-4. Rhode Island highway maintenance trust fund account created Rhode Island highway maintenance account created. -- (a) There is hereby created a special account in the ~~general fund~~ intermodal surface transportation fund as established in section 31-36-20 that is to be known as the Rhode Island ~~Highway Maintenance Trust Fund~~ highway maintenance account.

(b) The fund shall consist of all those moneys which the state may from time to time direct to the fund, including, not necessarily limited to, moneys derived from the following sources:

(1) There is imposed a surcharge of thirty dollars (\$30.00) per ~~passenger car and light truck~~ vehicle or truck, other than those with specific registrations set forth below in subsection (b)(1)(i). Such surcharge shall be paid by each ~~car and light truck~~ vehicle or truck owner in order to register that owner's vehicle; or truck and upon each subsequent biennial registration. This

1 surcharge shall be phased in at the rate of ten dollars (\$10.00) each year. The total surcharge will
2 be ten dollars (\$10.00) from July 1, 2013 through June 30, 2014, twenty dollars (\$20.00) from
3 July 1, 2014 through June 30, 2015, and thirty dollars (\$30.00) from July 1, 2015 through June
4 30, 2016 and each year thereafter.

5 (i) For owners of vehicles or trucks with the following plate types, the surcharge shall be
6 as set forth below and shall be paid in full in order to register the vehicle or truck and upon each
7 subsequent renewal:

<u>Plate Type</u>	<u>Surcharge</u>
<u>Antique</u>	<u>\$5.00</u>
<u>Farm</u>	<u>\$10.00</u>
<u>Motorcycle</u>	<u>\$13.00</u>

12 (ii) For owners of trailers, the surcharge shall be one-half (1/2) of the biennial registration
13 amount and shall be paid in full in order to register the trailer and upon each subsequent renewal.

14 (2) There is imposed a surcharge of fifteen dollars (\$15.00) per ~~car and truck~~, vehicle or
15 truck, other than those with specific registrations set forth in subsection (b)(2)(i) below, for those
16 ~~cars and trucks~~ vehicles or trucks subject to annual registration, to be paid annually by each ~~car~~
17 ~~and truck~~ vehicle or truck owner in order to register that owner's vehicle, trailer or truck and upon
18 each subsequent annual registration. This surcharge will be phased in at the rate of five dollars
19 (\$5.00) each year. The total surcharge will be five dollars (\$5.00) from July 1, 2013 through June
20 30, 2014, ten dollars (\$10.00) from July 1, 2014 through June 30, 2015, and fifteen dollars
21 (\$15.00) from July 1, 2015 through June 30, 2016 and each year thereafter.

22 (i) For registrations of the following plate types, the surcharge shall be as set forth below
23 and shall be paid in full in order to register the plate, and upon each subsequent renewal:

<u>Plate Type</u>	<u>Surcharge</u>
<u>Boat Dealer</u>	<u>\$6.25</u>
<u>Cycle Dealer</u>	<u>\$6.25</u>
<u>In-transit</u>	<u>\$5.00</u>
<u>Manufacturer</u>	<u>\$5.00</u>
<u>New Car Dealer</u>	<u>\$5.00</u>
<u>Used Car Dealer</u>	<u>\$5.00</u>
<u>Racer Tow</u>	<u>\$5.00</u>
<u>Transporter</u>	<u>\$5.00</u>
<u>Bailee</u>	<u>\$5.00</u>

34 (ii) For owners of trailers, the surcharge shall be one-half (1/2) of the annual registration

1 amount and shall be paid in full in order to register the trailer and upon each subsequent renewal.

2 (iii) For owners of school buses, the surcharge will be phased in at the rate of six dollars
3 and twenty-five cents (\$6.25) each year. The total surcharge will be six dollars and twenty-five
4 cents (\$6.25) from July 1, 2013 through June 30, 2014 and twelve dollars and fifty cents (\$12.50)
5 from July 1, 2014 through June 30, 2015 and each year thereafter.

6 (3) There is imposed a surcharge of thirty dollars (\$30.00) per ~~operator's~~ license to
7 operate a motor vehicle to be paid every five (5) years by each licensed operator of a motor
8 vehicles. This surcharge will be phased in at the rate of ten dollars (\$10.00) each year. The total
9 surcharge will be ten dollars (\$10.00) from July 1, 2013 through June 30, 2014, twenty dollars
10 (\$20.00) from July 1, 2014 through June 30, 2015, and thirty dollars (\$30.00) from July 1, 2015
11 through June 30, 2016 and each year thereafter. In the event that a license is issued or renewed for
12 a period of less than five (5) years, the surcharge will be prorated according to the period of time
13 the license will be valid.

14 (c) All funds collected pursuant to this section shall be deposited in the Rhode Island
15 highway maintenance fund account and shall be used only for the purposes set forth in this
16 chapter.

17 (d) Unexpended balances and any earnings thereon shall not revert to the general fund but
18 shall remain in the Rhode Island highway maintenance ~~fund~~ account. There shall be no
19 requirement that monies received into the Rhode Island highway maintenance ~~fund~~ account
20 during any given calendar year or fiscal year be expended during the same calendar year or fiscal
21 year.

22 (e) The Rhode Island highway maintenance ~~fund~~ account shall be administered by the
23 director, who shall allocate and spend monies from the fund only in accordance with the purposes
24 and procedures set forth in this chapter.

25 **SECTION 3.** This article shall take effect upon passage.

1 **ARTICLE 7**

2 **RELATING TO RHODE ISLAND PUBLIC TELECOMMUNICATIONS AUTHORITY**

3 **SECTION 1.** Chapter 16-61 of the General Laws entitled "Public Telecommunications
4 Authority" is hereby repealed in its entirety:

5 **16-61-1. Definitions.** ~~For the purposes of this chapter, unless indicated by the context,~~
6 ~~the following words and terms shall have the following meanings:~~

7 (1) ~~"Advisory commission" means the Rhode Island advisory commission on public~~
8 ~~telecommunications.~~

9 (2) ~~"Authority" means the Rhode Island public telecommunications authority.~~

10 (3) ~~"Commission" means the Rhode Island advisory commission on public~~
11 ~~telecommunications.~~

12 (4) ~~"Fiscal year" shall coincide with that period utilized by the state, i.e. from July 1 to~~
13 ~~the next succeeding June 30.~~

14 (5) ~~"Public broadcasting" includes all aspects of noncommercial radio and television,~~
15 ~~open and closed circuit, including the production and dissemination of public and community~~
16 ~~affairs, civil defense, educational, cultural, and instructional information to the public at large~~
17 ~~within the state.~~

18 (6) ~~"Public broadcasting telecommunications" includes all public broadcasting services~~
19 ~~relating to public broadcasting including intercommunications, closed circuit instructional~~
20 ~~television fixed service (ITFS), and other services requiring federal communications commission~~
21 ~~spectrum allocations for transmission of electrical impulses that specifically and integrally relate~~
22 ~~to Rhode Island public broadcasting. Facilities typical for application of these services would~~
23 ~~encompass microwave interconnection, aural and video TV transmission, multiplexing, laser~~
24 ~~beam utilization, satellite interconnection systems, cable systems, and other appropriate~~
25 ~~technological devices.~~

26 **16-61-2. Authority established.** ~~(a) There is created a public telecommunications~~
27 ~~authority, sometimes referred to as the "authority", which shall be and is constituted a public~~
28 ~~corporation, empowered to sue and be sued in its own name, to have a corporate seal, and to~~
29 ~~exercise all the powers, in addition to those specifically enumerated in this chapter, usually~~
30 ~~appertaining to public corporations entrusted with control of public telecommunications property~~

1 and functions. The authority shall exercise the authority previously vested in the board of regents
2 for education with relation to educational television. The authority shall be protected from sudden
3 changes in membership and reversal of policy by having staggered terms for its public members.
4 Upon its organization the authority shall be invested with the legal title (in trust for the state) to
5 all licenses and property, real and personal, now owned by and/or under the control or in custody
6 of the board of regents for education for the use of publicly owned educational television.

7 (b) The authority is empowered to hold and operate that property in trust for the state, and
8 to acquire, hold, and dispose of that property and other like property as deemed necessary for the
9 execution of its corporate purposes. The authority is made successor to all powers, rights, duties,
10 and privileges formerly belonging to the board of regents for education pertaining to publicly
11 owned educational television.

12 **16-61-3. Membership of authority.** — (a) The authority shall consist of nine (9)
13 members as follows: seven (7) public members appointed pursuant to the terms of § 16-61-4, the
14 chairperson of the board of regents for elementary and secondary education or his or her designee
15 who shall serve as a non-voting ex-officio member, and the chairperson of the board of governors
16 for higher education or his or her designee who shall serve as a non-voting ex-officio member.
17 The governor shall designate one of the public members as chairperson of the authority.

18 (b) Four (4) voting members of the committee shall constitute a quorum. A majority vote
19 of those present and voting shall be required for action.

20 (c) No one shall be eligible for appointment unless he or she is a resident of this state.

21 **16-61-4. Appointment of public members — Renewal.** — (a) The governor shall with
22 the advice and consent of the senate establish the authority by appointing seven (7) members to
23 serve staggered terms. The appointments shall be made for terms of three (3) years commencing
24 on February 1st in the year of appointment and ending on January 31st in the third (3rd) year after
25 this. Any vacancy among the public members of the authority shall be filled by appointment of
26 the governor, subject to the advice and consent of the senate, for the remainder of the unexpired
27 term. In the selection and appointment of members of the authority, the governor shall seek
28 persons who best serve the entire needs of the state. Public members shall not be appointed for
29 more than two (2) successive three (3) year terms each; provided, that this limitation shall not
30 apply to that person designated as chairperson by the governor who may be a member so long as
31 he or she shall serve as chairperson. The authority may elect from among its members such other
32 officers as they deem necessary.

33 (b) Members of the board shall be removable by the governor pursuant to the provisions
34 of § 36-1-7 of the general laws and for cause only, and removal solely for partisan or personal

1 reasons unrelated to capacity or fitness for the office shall be unlawful.

2 ~~**16-61-5. Removal of public members.** — Public members of the authority shall be~~
3 ~~removable by the governor for cause only, and removal solely for partisan or personal reasons~~
4 ~~unrelated to capacity or fitness for the office shall be unlawful. No removal shall be made for any~~
5 ~~cause except after ten (10) days' notice in writing of specific charges, with opportunity for the~~
6 ~~member to be present in person and with counsel at a public hearing before the governor, to~~
7 ~~introduce witnesses and documentary evidence in his or her own defense, and to confront and~~
8 ~~cross-examine adversary witnesses; and appeal shall lie to the superior court from the governor's~~
9 ~~determination.~~

10 ~~**16-61-6. Powers and duties of authority.** — (a) The authority shall be empowered to:~~

11 ~~(1) Adopt and amend and repeal suitable bylaws for the management of its affairs;~~

12 ~~(2) Adopt and use the official seal and alter it at its pleasure;~~

13 ~~(3) Maintain an office at any place or places within the state that it may designate;~~

14 ~~(4) Establish, own, and operate noncommercial educational television or radio~~
15 ~~broadcasting stations, one or more public broadcasting and public broadcasting~~
16 ~~telecommunications networks or systems, and interconnection and program production facilities;~~

17 ~~(5) Apply for, receive, and hold any authorizations and licenses and assignments and~~
18 ~~reassignments of channels from the federal communications commission (FCC) as may be~~
19 ~~necessary to conduct its operations; and prepare and file and prosecute before the FCC all~~
20 ~~applications, reports, or other documents or requests for authorization of any type necessary or~~
21 ~~appropriate to achieve the authorized purposes of the authority;~~

22 ~~(6) Provide coordination and information on matters relating to public broadcasting~~
23 ~~telecommunications among the agencies of the state government, all facets of Rhode Island~~
24 ~~public education and individual associations, and institutions working in these fields both within~~
25 ~~and without the state;~~

26 ~~(7) Establish state wide equipment compatibility policies and determine the method of~~
27 ~~interconnection to be employed within the state's public broadcasting system;~~

28 ~~(8) Assume responsibility for establishing broad programming philosophy which will~~
29 ~~encourage diversity, quality, and excellence of programming which is released via its facilities.~~
30 ~~The general manager shall be responsible for implementing programming policy in accordance~~
31 ~~with the rules and regulations of the federal communications commission;~~

32 ~~(9) Provide appropriate advisory assistance to other agencies of the state and local and~~
33 ~~regional groups regarding public broadcasting techniques, planning, budgeting, and related~~
34 ~~issues;~~

1 ~~(10) Make to the governor and the legislature any recommendations that the authority~~
2 ~~deems necessary with regard to appropriations relating to public broadcasting and public~~
3 ~~broadcasting telecommunications equipment and facilities;~~

4 ~~(11) Subject to the approval of the governor, receive and administer gifts, contributions,~~
5 ~~and funds from public and private sources to be expended for public broadcasting and public~~
6 ~~broadcasting telecommunications operations, facilities, and programming consistent with~~
7 ~~furthering the purposes of the authority;~~

8 ~~(12) Cooperate with federal agencies for the purpose of obtaining matching and other~~
9 ~~federal funds and providing public broadcasting and public broadcasting telecommunications~~
10 ~~facilities throughout the state and to make any reports that may be required of the state. The~~
11 ~~authority shall provide appropriate advisory assistance to local school districts and others on these~~
12 ~~matters;~~

13 ~~(13) Contract with program production organizations, individuals, and noncommercial~~
14 ~~educational television and radio stations within and without the state to produce or to procure~~
15 ~~educational television or radio programs for use by noncommercial stations within the state;~~

16 ~~(14) Establish and maintain a library and archives of educational television and radio~~
17 ~~programs and related materials, disseminate information about those programs and make suitable~~
18 ~~arrangements for the use of the programs and materials by colleges, universities, schools, and~~
19 ~~noncommercial television and radio stations;~~

20 ~~(15) Conduct explorations, research, demonstrations, or training in matters related to~~
21 ~~public broadcasting and public broadcasting telecommunications in the state, directly or through~~
22 ~~contracts with appropriate agencies, organizations, or individuals, or by grants to nonprofit,~~
23 ~~noncommercial organizations such as colleges, universities, schools, and noncommercial~~
24 ~~television and radio stations;~~

25 ~~(16) Acquire, subject to the provisions of the general laws, through lease, purchase, or~~
26 ~~other means, real and other property and to hold and use this property for public broadcasting and~~
27 ~~public broadcasting telecommunications purposes;~~

28 ~~(17) Contract, subject to the provisions of the general laws, for the construction, repair,~~
29 ~~maintenance, and operations of public broadcasting and public broadcasting telecommunications~~
30 ~~facilities including program production center, stations, and interconnection facilities;~~

31 ~~(18) Make arrangements, where appropriate, with companies or other agencies and~~
32 ~~institutions operating suitable interconnection facilities (e.g., landlines or satellites);~~

33 ~~(19) Be empowered to set and collect reasonable fees for services provided through~~
34 ~~contracts with agencies, companies, organizations, and individuals;~~

1 ~~(20) Make reasonable rules and regulations to carry out the provisions of this chapter.~~

2 ~~(21) Manage and operate public, education and government (PEG) access studios in~~
3 ~~compliance with rules promulgated by the division of public utilities and carriers.~~

4 ~~(22) To conduct a training course for newly appointed and qualified members within six~~
5 ~~(6) months of their qualification or designation. The course shall be developed by the chair of the~~
6 ~~authority, approved by the authority, and conducted by the chair of the authority. The authority~~
7 ~~may approve the use of any authority or staff members or other individuals to assist with training.~~
8 ~~The training course shall include instruction in the following areas: the provisions of chapters 42-~~
9 ~~46, 36-14, and 38-2; and the committee's rules and regulations. The director of the department of~~
10 ~~administration shall, within ninety (90) days of the effective date of this act [March 29, 2006],~~
11 ~~prepare and disseminate training materials relating to the provisions of chapters 42-46, 36-14, and~~
12 ~~38-2.~~

13 ~~(b) In carrying out its powers and duties under this section, the authority shall be~~
14 ~~empowered to enter into contracts or agreements with any nonprofit entity for the operations in~~
15 ~~whole or in part of the public telecommunications functions assigned to it by this chapter.~~

16 ~~**16-61-6.2. Acquisition of public education and government television studios and**~~
17 ~~**equipment.**~~ ~~(a) No later than December 31, 2006, the division of public utilities and carriers~~
18 ~~(the Division) shall promulgate rules to allow the transition of management of PEG access~~
19 ~~television including responsibility for programming the three (3) statewide interconnect channels,~~
20 ~~and managing interconnect playback in conjunction with its management of PEG playback, from~~
21 ~~current cable television certificate holders to the Rhode Island public telecommunications~~
22 ~~authority or its designee.~~

23 ~~(b) Existing certificate holders may transfer to the Rhode Island public~~
24 ~~telecommunications authority or its designee the ownership of PEG access studio and playback~~
25 ~~equipment, and statewide interconnect playback equipment, currently in existing public access~~
26 ~~studios and playback facilities.~~

27 ~~(c) The Rhode Island public telecommunications authority or its designee may purchase~~
28 ~~this equipment from existing certificate holders for the book value of the equipment based on the~~
29 ~~effective date of the transition.~~

30 ~~(d) The Rhode Island public telecommunications authority or its designee may assume~~
31 ~~the leases for public access studios in those facilities where existing certificate holders currently~~
32 ~~lease space. Studios in buildings owned by existing certificate holders shall be leased by the~~
33 ~~Rhode Island public telecommunications authority or its designee at fair market value subject to~~
34 ~~the approval of the division. Employees of existing certificate holders working in public access~~

1 facilities shall become employees of the Rhode Island public telecommunications authority or its
2 designee on the effective date of the transition.

3 (e) ~~An existing cable television certificate holder may, at its sole discretion, elect to~~
4 ~~continue to manage PEG access studios within its service area. If an existing cable television~~
5 ~~certificate holder does elect to continue to operate and manage PEG access studios, it may at any~~
6 ~~time subsequently elect not to operate PEG access studios and implement the provisions of this~~
7 ~~section.~~

8 ~~**16-61-7. General manager.** — The authority may appoint and determine the~~
9 ~~compensation of a general manager. The general manager shall devote his or her entire time to~~
10 ~~the performance of his or her duties and shall hold office at the pleasure of the authority.~~

11 ~~**16-61-8. Duties of the general manager.** — The general manager shall have any duties~~
12 ~~that are defined in this section and in this title and any other additional duties that may be~~
13 ~~determined by the authority, and shall perform any other duties that may be vested in the general~~
14 ~~manager by law. In addition to the general supervision of public telecommunications, it shall be~~
15 ~~the duty of the general manager to:~~

16 (1) ~~Serve as secretary of the authority and maintain custody of its official seal.~~

17 (2) ~~Subject to the approval of the authority, appoint any assistants and employees as the~~
18 ~~authority shall deem necessary, and prescribe their powers and duties.~~

19 (3) ~~Present annually to the authority for their approval or modification a budget~~
20 ~~encompassing both operating and capital development areas.~~

21 (4) ~~Assist the authority in preparing and maintaining a master plan for public~~
22 ~~telecommunications in the state.~~

23 ~~**16-61-8.1. Longevity payments — Nonclassified employees.** — (a) Non-classified~~
24 ~~employees of the Rhode Island public telecommunications authority, except for non-classified~~
25 ~~employees already receiving longevity increases, shall be entitled to a longevity payment in the~~
26 ~~amount of five percent (5%) of base salary after ten (10) years of service and increasing in a total~~
27 ~~of ten percent (10%) of base salary after twenty (20) years of service. The provisions of this~~
28 ~~section shall apply only to employees under the grade of nineteen (19). The longevity payments~~
29 ~~shall not be included in base salary.~~

30 (b) ~~The telecommunications authority is authorized to promulgate regulations~~
31 ~~implementing the provisions of this section.~~

32 (c) ~~Beginning on July 1, 2011, notwithstanding any rule, regulation, or provision of the~~
33 ~~public laws or general laws to the contrary, there shall be no further longevity increases for~~
34 ~~employees of the Rhode Island public telecommunications authority; provided, however, for~~

1 employees with longevity provisions pursuant to a collective bargaining agreement in effect on
2 June 1, 2011, longevity increases shall cease beginning on July 1, 2011 or beginning upon the
3 expiration of the applicable collective bargaining agreement, whichever occurs later. To the
4 extent an employee has previously accrued longevity payments, the amount of the longevity
5 payment earned by the employee for the last pay period in June, 2011 shall be added to the
6 employee's base salary as of June 30, 2011, or in the case of an employee with longevity
7 provisions pursuant to a collective bargaining agreement in effect on June 1, 2011, the amount of
8 the longevity payment earned by the employee for the latter of the last pay period in June or the
9 last pay period prior to the expiration of the applicable collective bargaining agreement shall be
10 added to the employee's base salary as of June 30, 2011 or upon the expiration of the applicable
11 collective bargaining agreement, whichever occurs later.

12 **16-61-9. Meaning of terms in existing law.** — When in any law, resolution, document,
13 record, instrument, proceeding or other place the words "board of education," "state board of
14 education," or "board of regents for education" as they shall apply to educational television shall
15 appear, they shall be construed to mean the Rhode Island public telecommunications authority.

16 **16-61-10. Encumbering of assets.** — The authority shall have no power to issue bonds,
17 notes, or other obligations, or to mortgage, pledge, or encumber the assets of the authority or any
18 of its income; and no part of the income or the assets of the authority shall inure to the benefit of
19 any director, officer, employee, or any other individual, except as may be provided as salary or
20 reasonable compensation for services.

21 **16-61-11. Political activities prohibited.** — The authority shall be prohibited from
22 supporting or opposing any political party or candidate for public office, elective or otherwise,
23 and from attempting to influence the enactment of legislation. The authority shall not be
24 precluded from promoting full discussions of public issues pursuant to rules and regulations that
25 the authority may promulgate.

26 **16-61-12. Annual report.** — Within ninety (90) days after the end of each fiscal year, the
27 authority shall approve and submit an annual report to the governor, the speaker of the house of
28 representatives, the president of the senate, and secretary of state of its activities during that fiscal
29 year. The report shall provide: an operating statement summarizing meetings or hearings held,
30 including meeting minutes, subjects addressed, decisions rendered, rules or regulations
31 promulgated, studies conducted, policies and plans developed, approved or modified, and
32 programs administered or initiated; a consolidated financial statement of all funds received and
33 expended including the source of the funds, a listing of any staff supported by these funds and a
34 summary of any clerical, administrative or technical support received; a summary of performance

1 during the previous fiscal year including accomplishments, shortcomings and remedies; a
2 synopsis of hearings, complaints, suspensions or other legal matters related to the authority; a
3 summary of any training courses held pursuant to the provisions of this chapter; a briefing on
4 anticipated activities in the upcoming fiscal year; and findings and recommendations for
5 improvements. The authority shall cause an audit of its books and accounts, including the records
6 pertaining to any entity created at the direction and/or under the auspices of the authority, to be
7 made at least once each fiscal year by the auditor general. The report shall be posted
8 electronically on the general assembly's and secretary of state's websites as prescribed in § 42-20-
9 8.2. The director of the department of administration shall be responsible for the enforcement of
10 this provision.

11 ~~**16-61-13. Annual appropriation.**~~ — The general assembly shall annually appropriate
12 any sums as it deems necessary for the support and maintenance of public telecommunications in
13 the state, and the state controller is authorized and directed to draw his or her orders upon the
14 general treasurer for the payment of those appropriations or so much of this sum as may be
15 necessary for the purposes appropriated, upon the receipt by the controller of properly
16 authenticated vouchers, as the authority may by rule provide.

17 ~~**16-61-14. Liberal construction of chapter required.**~~ — This chapter shall be construed
18 liberally in aid of its declared purposes.

19 ~~**16-61-15. Severability.**~~ — If any provision of this chapter or of any rule or regulation
20 made under this chapter, or its application to any person or circumstance, is held invalid by a court
21 of competent jurisdiction, the remainder of the chapter, rule, or regulation and the application of
22 that provision to other persons or circumstances shall not be affected by the invalidity. The
23 invalidity of any section or sections or parts of any section or sections shall not affect the validity
24 of the remainder of the chapter.

25 SECTION 2. Sections 16-28-4, 16-28-5 and 16-28-6 of the General Laws in Chapter 16-
26 28 entitled "Educational Television" are hereby repealed.

27 ~~**16-28-4. Advisory commission — Appointment and qualification of members.**~~ (a)
28 There is created for the purposes of this chapter the Rhode Island advisory commission on public
29 telecommunications consisting of not less than twenty-five (25) members who shall be appointed
30 by the governor as provided in this section. The members of the commission shall serve three (3)
31 year terms or until their successors have been appointed and duly qualified; provided, upon the
32 initial appointment of members to the commission and upon any expansion of the membership of
33 the commission, the governor shall appoint one third (1/3) of the members to one year terms, one
34 third (1/3) of the members to two (2) year terms, and the remainder of the members to three (3)

1 year terms.

2 (b) ~~The governor shall appoint the chairperson of the commission who shall serve at the~~
3 ~~governor's pleasure.~~

4 (2) ~~Appointment shall be made in February of each year by the governor.~~

5 (c) ~~Vacancies on the commission may be filled by the governor at any time and shall be~~
6 ~~for the remainder of the unexpired term of the vacancy.~~

7 (d) ~~The membership of the commission shall include one member of each of the counties~~
8 ~~of the state and insofar as possible be broadly representative of the different educational, cultural,~~
9 ~~professional, religious, and social interests of the state.~~

10 (e) ~~The advisory commission, among other matters as may be appropriate, is authorized~~
11 ~~and empowered:~~

12 (1) ~~To advise the general manager respecting his powers pursuant to § 16-61-7, if the~~
13 ~~Rhode Island public telecommunications authority has appointed a general manager; if the~~
14 ~~authority has entered into a contract or agreement with a nonprofit entity for the operation of~~
15 ~~public telecommunications functions pursuant to § 16-61-6, then the advisory committee shall~~
16 ~~advise the entity concerning educational television programming.~~

17 (2) ~~To do any other things as may be necessary to assist the general manager in carrying~~
18 ~~out the powers expressly provided for in § 16-61-7.~~

19 (f) ~~Additionally, the advisory commission shall:~~

20 (1) ~~Maintain minutes of all meetings;~~

21 (2) ~~Delineate its goals and responsibilities;~~

22 (3) ~~Provide forums at state educational institutions on educational television;~~

23 (4) ~~Provide for promotional activities in educational television;~~

24 (5) ~~Have media publicity on educational television;~~

25 (6) ~~Continue efforts to obtain funding both public and private and establishment of a~~
26 ~~transmitter needed for the operation of the station;~~

27 (7) ~~Provide twenty five dollars (\$25.00) per meeting up to three hundred dollars (\$300),~~
28 ~~annually, as compensation for public members for attendance at meetings and travel expenses;~~

29 (8) ~~Provide a written annual report to the Rhode Island public telecommunications~~
30 ~~authority of its activities.~~

31 ~~**16-28-5. Organization and functions of advisory commission — Expenses.**~~ (a) ~~The~~
32 ~~governor shall designate one of the members of the advisory commission as chairperson. The~~
33 ~~commission shall adopt rules for its own procedure and appoint any other officers from its~~
34 ~~members as it deems fit.~~

1 ~~(b) The commission shall have no administrative power but shall confer at regular~~
2 ~~intervals and cooperate with, advise, and make recommendations to the board of regents for~~
3 ~~elementary and secondary education in the administration of this chapter.~~

4 ~~(c) It shall be the duty of the board to consult with the advisory commission on matters~~
5 ~~relating to the operation of the educational television station, providing, that ultimate policy~~
6 ~~decisions shall rest with the board.~~

7 ~~(d) The members of the commission shall serve without compensation, but shall be~~
8 ~~entitled to receive reimbursement for reasonable actual and necessary expenses incurred in~~
9 ~~performance of their duties.~~

10 ~~**16-28-6. Appropriations and disbursements.** -- The general assembly shall annually~~
11 ~~appropriate a sum sufficient to carry out the purposes of this chapter; and the state controller is~~
12 ~~authorized and directed to draw his or her orders upon the general treasurer for the payment of the~~
13 ~~sum, or so much of a sum as may be required, from time to time, upon the receipt by the~~
14 ~~controller of properly authenticated vouchers.~~

15 SECTION 3. Section 17-23-18 of the General Laws in Chapter 17-23 entitled "Election
16 Offenses" is hereby amended to read as follows:

17 **17-23-18. Political advertising from official budgets prohibited.** -- (a) No elected
18 official shall permit the expenditure of public funds from any official budget under his or her
19 authority for any publication, advertisement, broadcast, or telecast of his or her photograph,
20 voice, or other likeness to be broadcast or distributed to the public during the one hundred and
21 twenty (120) days preceding any primary or general election in which he or she is a candidate.

22 (b) This section shall not be construed to prohibit an official from appearing on regular
23 capitol television programming operated by the general assembly or on television stations
24 operated by ~~the Rhode Island public telecommunications authority~~ [the Rhode Island PBS](#)
25 [Foundation](#) during the period of time or programming of regular or special meetings of city or
26 town councils or any local governmental board, agency or other entity.

27 SECTION 4. Section 17-25-30 of the General Laws in Chapter 17-25 entitled "Rhode
28 Island Campaign Contributions and Expenditures Reporting" is hereby amended to read as
29 follows:

30 **17-25-30. Public financing of election campaigns – Compliance benefits.** -- Entitled to
31 an additional benefit of free time on community antenna television to be allocated pursuant to
32 rules determined by the administrator for the division of public utilities. During all allocated free
33 time, the candidate shall personally appear and present the message of the advertisement;
34 provided, however, the content of all television time shall include captioning for the deaf and

1 hard of hearing and the content of all radio time must be available in a written or text format at
2 the time of request; and

3 (2) Entitled to an additional benefit of free time on any public broadcasting station
4 operating under the jurisdiction of the Rhode Island ~~public telecommunications authority~~ [PBS](#)
5 [foundation](#) pursuant to rules determined by the ~~authority~~ [federal communications commission](#)
6 [\(FCC\)](#). During all allocated free time, the candidate shall personally appear and personally
7 present the message of the advertisement; provided, however, the content of all television time
8 shall include captioning for the deaf and hard of hearing and the content of all radio time must be
9 available in a written or text format at the time of request.

10 SECTION 5. Section 22-13-9 of the General Laws in Chapter 22-13 entitled "Auditor
11 General" is hereby amended to read as follows:

12 **22-13-9. Access to executive sessions of a public agency – Access to records –**
13 **Disclosure by the auditor general. --** (a) Whenever a public agency goes into executive session,
14 the auditor general or his or her designated representative shall be permitted to attend the
15 executive session or if the auditor general or his or her designee is not in attendance at the
16 executive session, the auditor general or his or her designee, upon written request, shall be
17 furnished with copies of all data or materials furnished to the members of the public agency at the
18 executive session. If the auditor general or his or her designee attends the executive session, the
19 auditor general shall be furnished the same data in the same form and at the same time as
20 members of the public agency.

21 (b) Within three (3) working days of a written request by the auditor general, the public
22 agency shall furnish a copy, whether approved by the agency or not, of the minutes of any
23 meeting, including any executive session of the public agency.

24 (c) The auditor general shall have full and unlimited access to any and all records of any
25 public agency, in whatever form or mode the records may be, unless the auditor general's access
26 to the records is specifically prohibited or limited by federal or state law. In no case shall any
27 confidentiality provisions of state law be construed to restrict the auditor general's access to the
28 records; provided, the auditor general's access to any confidential data shall not in any way
29 change the confidential nature of the data obtained. Where an audit or investigative finding
30 emanates from confidential data, specific confidential information will not be made public. The
31 records shall include those in the immediate possession of a public agency as well as records
32 which the agency itself has a right to. In the event of a dispute between the agency involved and
33 the auditor general as to whether or not the data involved are confidential by law, the matter will
34 be referred to the attorney general for resolution.

1 (d) If in the course of an executive session any fact comes to the attention of the auditor
2 general or his or her designated representative, which in his or her judgment constitutes an
3 impropriety, irregularity, or illegal transaction, or points to the onset of an impropriety or illegal
4 transaction, then the auditor general shall disclose that information to the joint committee on
5 legislative services, the director of administration, and the chairperson of the public agency
6 involved. Where the facts or the data upon which the facts are based are deemed confidential
7 pursuant to the provisions of federal or state law, the auditor general's access to the information
8 shall not in any way change the confidential nature of the data obtained.

9 (2) In the event of a dispute between the agency involved and the auditor general as to
10 whether or not the data involved are confidential by law, the matter will be referred to the
11 attorney general for resolution.

12 (e) The auditor general or his or her designated representative shall be immune from any
13 liability to any party for claims arising out of disclosure authorized by this section.

14 (f) For the purposes of this section, the phrase "public agency" shall include the
15 following: the Rhode Island industrial building authority, the Rhode Island recreational building
16 authority, the Rhode Island economic development corporation, the Rhode Island industrial
17 facilities corporation, the Rhode Island refunding bond authority, the Rhode Island housing and
18 mortgage finance corporation, the Rhode Island resource recovery corporation, the Rhode Island
19 public transit authority, the Rhode Island student loan authority, the water resources board, the
20 Rhode Island health and educational building corporation, the Rhode Island higher education
21 assistance authority, the Rhode Island turnpike and bridge authority, the Narragansett Bay
22 commission, ~~Rhode Island public telecommunications authority~~, the convention center authority,
23 ~~channel 36 foundation~~, their successors and assigns, and any other body corporate and politic
24 which has been or which is subsequently created or established within this state.

25 SECTION 6. Chapter 39-19 of the General Laws entitled "Community Antenna
26 Television Systems" is hereby amended by adding thereto the following section:

27 **39-19-6.1. Public education and government television studios and equipment. -- (a)**
28 The division shall be empowered to manage and operate public, education and government (PEG)
29 access television in Rhode Island; provided, however, that an existing cable television certificate
30 holder may, at its sole discretion, and for as long as it desires to do so, elect to continue to
31 manage a PEG access studio within its service area.

32 (b) In carrying out the purposes of this section, the division may designate another entity,
33 whether public or private, to actually manage the day-to-day operations of any PEG access
34 studios not being actively managed and operated by an existing cable television certificate holder.

1 These day-to-day operations shall include the responsibility of programming statewide
2 interconnect channels, and managing interconnect playback in conjunction with the management
3 of PEG playback.

4 (c) The division shall fund the operations authorized under this section through PEG
5 access and interconnect fees, which shall be established by the division following public hearing
6 and notice to the state's cable television certificate holders. Such fees shall be paid by the state's
7 cable television certificate holders, who may in turn pass through such expenses to their
8 respective subscribers in accordance with federal law.

9 (d) In furtherance of exercising this authority, the division shall promulgate such
10 reasonable rules and regulations that the division deems necessary to carry out its responsibilities.

11 SECTION 7. This article shall take effect as of July 1, 2013.

1 RESOLVED, That this General Assembly of the State of Rhode Island and Providence
2 Plantations hereby approves a lease agreement, at a location to be determined, for an initial term
3 not to exceed five (5) years along with an option to renew for an additional five years. The total
4 cost of the initial five year term shall not to exceed \$440,000; and it be further

5 RESOLVED, That this Joint Resolution shall take effect upon passage by the General
6 assembly; and be it further

7 RESOLVED, That the Secretary of State is hereby authorized and directed to transmit
8 duly certified copies of this resolution to the Director of the Department of Corrections, the State
9 Budget Officer, and the Chair of the State Properties Committee.

10 SECTION 3. Judiciary.

11 WHEREAS, The Judiciary currently has a lease agreement, in full force and effect, with
12 56 Associates, LP for approximately 39,043 square feet of records storage space located at 450
13 Main Street in the city of Pawtucket; and

14 WHEREAS, This lease will expire on May 31, 2013 and the Rhode Island Judiciary
15 wishes to renew for a ten (10) year term; and

16 WHEREAS, The Rhode Island Judiciary respectfully requests that this Resolution
17 supersede that which was previously approved during the 2011 Legislative Session as House
18 Resolution 6233 Sub A as the Judiciary has successfully negotiated a longer lease term at the
19 same rental rate; and

20 WHEREAS, The State of Rhode Island, acting by and through the Rhode Island Judiciary
21 attests to the fact that there are no clauses in the lease agreement with 56 Associates, LP that
22 would interfere with the Rhode Island Judiciary's lease agreement or use of the facility; and

23 WHEREAS, The leased premises provide a central location from which the Rhode Island
24 Judiciary can serve the needs of the Rhode Island community and otherwise further and fulfill the
25 mission of the Judiciary; and

26 WHEREAS, The annual rent in the current lease agreement for the fiscal year ending
27 June 30, 2013 is \$234,540; and

28 WHEREAS, The annual rent of the proposed lease agreement in each of the ten (10)
29 years of the term is not to exceed \$234,540; and

30 WHEREAS, At a meeting duly noticed on May 22, 2012, the State Properties Committee
31 considered the siting criteria for leased facilities under Rhode Island General Laws section 376-2
32 and found this site met all relevant criteria; and

33 WHEREAS, The State Properties Committee now respectfully requests the approval of
34 the Rhode Island I-house of Representatives and the Rhode Island Senate for a lease agreement

1 between 56 Associates, LP and the Rhode Island Judiciary, for the facility located at 450 Main
2 Street in the city of Pawtucket, Rhode Island; now therefore be it

3 RESOLVED, That this General Assembly of the State of Rhode Island and Providence
4 Plantations hereby approves the lease agreement, for a term not to exceed ten (10) years and at a
5 total cost not to exceed \$2,345,400; and be it further

6 RESOLVED, That this Joint Resolution shall take effect upon passage by the General
7 assembly; and be it further

8 RESOLVED, That the Secretary of State is hereby authorized and directed to transmit
9 duly certified copies of this resolution to the Administrator of the Rhode Island Judiciary, the
10 State Budget Officer, and the Chair of the State Properties Committee.

11 SECTION 4. Department of Labor and Training.

12 WHEREAS, The Department of Labor and Training currently has a lease agreement, in
13 full force and effect, with One Reservoir, LLC for 25,000 square feet of office space located at
14 One Reservoir Avenue in the city of Providence; and

15 WHEREAS, The current lease expires on June 17, 2013 and the Department of Labor and
16 Training requests to renew for a period of ten (10) years the lease agreement with One Reservoir,
17 LLC; and

18 WHEREAS, The State of Rhode Island, acting by and through the Department of Labor
19 and Training attests to the fact that there are no clauses in the lease agreement with One
20 Reservoir, LLC that would interfere with the Department of Labor and Training's lease agreement
21 or use of the facility; and

22 WHEREAS, The leased premises provide a central location from which the Department
23 of Labor and Training can serve the needs of the Rhode Island community and otherwise further
24 and fulfill the mission of the Department; and

25 WHEREAS, The annual rent in the current lease agreement in the fiscal year ending June
26 30, 2013 is \$609,628; and

27 WHEREAS, The annual rent of the proposed lease agreement in each of the initial five
28 (5) years of the term is not to exceed \$512,500; and \$525,250 in year six, \$538,250 in year seven,
29 \$551,500 in year eight, \$565,250 in year nine, and \$579,250 in year ten.

30 WHEREAS, The State Properties Committee now respectfully requests the approval of
31 the Rhode Island House of Representatives and the Rhode Island Senate for the lease agreement
32 between the Department of Labor and Training and One Reservoir, LLC, for the facility located
33 at One Reservoir Avenue in the city of Providence, Rhode Island; now therefore be it

34 RESOLVED, That this General Assembly of the State of Rhode Island and Providence

1 Plantations hereby approves the lease agreement, for a term not to exceed ten (10) years and at a
2 total cost not to exceed \$5,322,000; and be it further

3 RESOLVED, That this Joint Resolution shall take effect upon passage by the General
4 assembly; and be it further

5 RESOLVED, That the Secretary of State is hereby authorized and directed to transmit
6 duly certified copies of this resolution to the Director of the Department of Labor anti Training,
7 the State Budget Officer, and the Chair of the State Properties Committee.

8 SECTION 5. Department of Human Services.

9 WHEREAS, The Department of Fluinan Services currently has a lease agreement with
10 Kellaway Realty Corporation for approximately 18,000 square feet of office space located at 24
11 Commerce Street in the city of Pawtucket; and

12 WHEREAS, The State of Rhode Island, acting by and through the Department of Human
13 Services attests to the fact that there are no clauses in the lease agreement with Kellaway Realty
14 Corporation that would interfere with the Department of Human Services lease agreement or use
15 of the facility; and

16 WHEREAS, The aforementioned lease expires on December 31, 2013 and the
17 Department of Human Services wishes to advertise a Request for Proposals and enter into a new
18 lease agreement with a landlord to be determined for the use of approximately 18,000 square feet
19 of office space located in the city of Pawtucket; and

20 WHEREAS, The Department of Human Services and its programs operating in their
21 current location may relocate to a new location based on the results of the Request for Proposals
22 process; and

23 WHEREAS, The proposed leased premises will provide a location from which the
24 Department of Human Services can serve the needs of the Pawtucket and surrounding
25 communities and otherwise fulfill the mission of the Department; and

26 WHEREAS, The rent in the current lease agreement in the fiscal year ending June 30,
27 2013 is \$252,000; and

28 WHEREAS, The annual rent of the proposed lease agreement for each of the five (5)
29 years of the term is not to exceed \$360,000; and

30 WHEREAS, At a meeting duly noticed on April 10, 2012 the State Properties Committee
31 approved the Department of Human Services request to advertise a Request for Proposals in order
32 to secure new office space in the city of Pawtucket; and

33 WHEREAS, The State Properties Committee now respectfully requests the approval of
34 the Rhode Island House of Representatives and the Rhode Island Senate for the lease agreement

1 between the Department of Human Services and a landlord to be determined, for the facility
2 located at a location to be determined in the city of Pawtucket, Rhode Island; now therefore be it

3 RESOLVED, That this General Assembly of the State of Rhode Island and Providence
4 Plantations hereby approves the lease agreement, for an initial term not to exceed five (5) years
5 and at a total cost not to exceed \$1,800,000; and be it further

6 RESOLVED, That this Joint Resolution shall take effect upon passage by the General
7 assembly; and be it further

8 RESOLVED, That the Secretary of State is hereby authorized and directed to transmit
9 duly certified copies of this resolution to the Director of the Department of Human Services, the
10 State Budget Officer, and the Chair of the State Properties Committee.

11 SECTION 6. University of Rhode Island - Physical Therapy Program.

12 WHEREAS, The University of Rhode Island (the University) has academic programs in
13 Physical Therapy, Communicative Disorders, and Kinesiology with teaching, research, and
14 outreach that benefits Rhode Island adults and children with injuries and disabilities; and

15 WHEREAS, The Independence Square Foundation (the Foundation) is a non profit
16 corporation that develops and manages community center buildings, leasing space at affordable
17 rates to not for profit operations, with a historical emphasis on operations supporting individuals
18 with disabilities; and

19 WHEREAS, The Foundation promotes and fosters collaborative relationships between its
20 non profit tenants in the interest of enhancing the range and quality of services offered to these
21 special populations, recognized at the national level as a unique model to be emulated; and

22 WHEREAS, In 1991, the University and the Board of Governors for Higher Education,
23 (the Board), and the State Properties Committee (the Properties Committee) approved a lease
24 (Ground Lease) for a parcel of land at 25 West Independence Way on the Kingston Campus of
25 the University in Kingston, Rhode Island to the Foundation, enabling Independence Square to
26 build a 40,000 square foot community center building for the University and not for profit
27 tenants, and in 2007 approved an extension of that Ground Lease through 2032, enabling
28 Independence Square to qualify for \$1,200,000 in federal grant funding toward the successful
29 construction of a 28,000 square foot addition to the building in 2009; and

30 WHEREAS, Per the Ground Lease Agreement, the Foundation is required to make
31 payments of \$1 per year and at the end of the term or further extension of the Ground Lease, the
32 University and the Board will obtain title to the building and associated improvements for the
33 payment of \$1; and

34 WHEREAS, The Board and the State Properties Committee, at that same time and in

1 2002, approved space leases (Lease) for the University's Physical Therapy Program and
2 Communicative Disorders Speech and Hearing Clinic, respectively, within the existing building
3 at 25 West Independence Way and those programs, associated students and faculty, and clinical
4 clients have benefited from the quality, accessible, well maintained facilities for the duration of
5 those Leases; and

6 WHEREAS, The present Lease for 16,400 square feet of space in the Independence
7 Square Foundation II building at 25 West Independence Way on the University's Kingston
8 Campus had reached the end of its extended term as of December 31, 2012; and

9 WHEREAS, The University, the Board, and the State Properties Committee have
10 approved a Lease for the same 16,400 square feet of space in the Independence Square
11 Foundation II building for a period of one year beginning on January 1, 2013, in the interest of
12 continuing the presence of the University's Physical Therapy Program in that space while a nine
13 (9) year lease extension undergoes consideration per the requirements of section 37-6-2 of the
14 Rhode Island General Laws during the 2013 Legislative Session; and

15 WHEREAS, There is a strong interest in continuing the Physical Therapy Program's
16 academic and clinical programs within the space they presently occupy in the Independence
17 Square II building for a period coincident with the existing, applicable Ground Lease, which is
18 scheduled to end as of December 31, 2032; and

19 WHEREAS, The University, the Board, and the State Properties Committee have
20 approved a Lease (the Lease Agreement), with a term of nine (9) years, for 16,400 square feet of
21 space in the Independence Square II building for the University's Physical Therapy Program, with
22 that Lease Agreement and associated obligations beginning on January 1, 2014, subject to the
23 required Executive and Legislative authorizations; and

24 WHEREAS, The Lease Agreement requires the University to pay a Base Rent for the
25 University's proportionate share of building operating expenses, including heating, cooling,
26 lighting, and basic electrical service, such Base Rent in the first year being \$200,616, calculated
27 on an annualized basis, this Base Rent being subject to incremental changes in actual operating
28 expenses incurred to support the building, applicable to the proportional share of the building
29 occupied by the Physical Therapy Program under The Lease in future years; and

30 WHEREAS, Under the Lease Agreement, the University will be required to pay
31 Additional Rent for the University's proportionate share of Property Taxes, if applicable, and
32 Operating Expenses in excess of those covered by the Base Rent as determined by calculation of
33 actual expenses incurred by the Foundation for the Independence Square Foundation II Building
34 at the end of each calendar year of the Lease. Such Additional Rent payments, which have been

1 between \$14,000 and \$25,000 over the previous eight (8) years under the expiring Lease, are to
2 be supported by University general revenues; now, therefore, be it

3 RESOLVED, That the Foundation's Project is a favorable investment on the University's
4 Kingston Campus that ultimately becomes an asset of the University and the State, serving an
5 important academic program and critical operations serving children with special needs, while
6 further building upon a successful University, Foundation, and Community partnership and this
7 General Assembly hereby approves this Lease Agreement; and be it further

8 RESOLVED, That this General Assembly of the State of Rhode Island and Providence
9 Plantations hereby approves the lease agreement, for a term not to exceed nine (9) years and at a
10 total cost not to exceed \$1,990,000; and be it further

11 RESOLVED, That this Joint Resolution shall take effect upon passage by the General
12 assembly; and be it further

13 RESOLVED, That the Secretary of State is hereby authorized and directed to transmit
14 duly certified copies of this resolution to the President of the University of Rhode Island, the
15 State Budget Officer, and the Chair of the State Properties Committee.

16 SECTION 7. University of Rhode Island - Communicative Disorders Program.

17 WHEREAS, The University of Rhode Island (the University) has academic programs in
18 Physical Therapy, Communicative Disorders, and Kinesiology with teaching, research, and
19 outreach that benefits Rhode Island adults and children with injuries and disabilities; and

20 WHEREAS, The Independence Square Foundation (the Foundation) is a non profit
21 corporation that develops and manages community center buildings, leasing space at affordable
22 rates to not for profit operations, with a historical emphasis on operations supporting individuals
23 with disabilities; and

24 WHEREAS, The Foundation promotes and fosters collaborative relationships between its
25 non profit tenants in the interest of enhancing the range and quality of services offered to these
26 special populations, recognized at the national level as a unique model to be emulated; and

27 WHEREAS, In 1991, the University and the Board of Governors for Higher Education,
28 (the Board), and the State Properties Committee (the Properties Committee) approved a lease of
29 land (Ground Lease), for a parcel of land at 25 West Independence Way on the Kingston Campus
30 of the University in Kingston, Rhode Island to the Foundation enabling Independence Square to
31 build a 40,000 square foot community center building for the University and not for profit
32 tenants, and in 2007 approved an extension of that Ground Lease through 2032, enabling
33 Independence Square to qualify for \$1,200,000 in federal grant funding toward the successful
34 construction of a 28,000 square foot addition to the building in 2009; and

1 WHEREAS, Per the Ground Lease Agreement, the Foundation is required to make
2 payments of \$1 per year and at the end of the term or further extension of the Ground Lease, the
3 University and the Board obtain title to the building and associated improvements for the
4 payment of \$1; and

5 WHEREAS, The Board and the State Properties Committee, in 2002, approved a space
6 lease (Lease) for the University's Communicative Disorders Program's Speech and Hearing Clinic
7 within the existing building at 25 West independence Way and the Program's, associated students
8 and faculty, and clinical clients have benefited from the quality, accessible, well maintained
9 facilities for the duration of that Lease; and

10 WHEREAS, The present Lease for 4,300 square feet of space for the Communicative
11 Disorders Program in the Independence Square Foundation II building at 25 West Independence
12 Way on the University's Kingston Campus reached the end of its initial term as of January 31,
13 2013; and

14 WHEREAS, The University, the Board, and the State Properties Committee have
15 approved an Amendment One to the Lease for the same 4,300 square feet of space in the
16 Independence Square Foundation II building for a period of one year beginning on February 1,
17 2013, in the interest of continuing the presence of the University's Communicative Disorders
18 Program in that space under the same terms and conditions, excepting that the terms of Section
19 5.05 pertaining to University's obligations to compensate for renovation work performed by
20 Independence Square will no longer apply, while a long term lease extension undergoes
21 consideration per the requirements of section 37-6-2 of the Rhode Island General Laws during the
22 2013 Legislative Session; and

23 WHEREAS, There is a strong interest in continuing the Communicative Disorders
24 Program's academic and clinical programs within the space they presently occupy in the
25 Independence Square II building for a period beyond the initial ten-year term plus the one year
26 extension that will end as of January 31, 2013; and

27 WHEREAS, The University, the Board, and the State Properties Committee have
28 approved a continuation of the Lease Agreement's terms and conditions excepting that the terms
29 of Section 5.05 pertaining to University's obligations to compensate for renovation work
30 performed by Independence Square will no longer apply, (Amendment Two to the Lease
31 Agreement), with a term of nine (9) years, for the same 4,300 square feet of space in the
32 Independence Square II building for the University's Communicative Disorders Program, with
33 that Amendment Two to the Lease Agreement and associated obligations beginning on February
34 1, 2014 and continuing through January 31, 2023; and

1 WHEREAS, The Lease Agreement requires the University to pay a Base Rent for the
2 University's proportionate share of building operating expenses, including heating, cooling,
3 lighting, and basic electrical service, such Base Rent in the first year and the nine years being
4 \$45,408, calculated on an annualized basis, this Base Rent being subject to incremental changes
5 in actual operating expenses incurred to support the building, applicable to the proportional share
6 of the building occupied by the Communicative Disorders Program under The Lease in future
7 years; and

8 WHEREAS, Under the Lease Agreement, the University will be required to pay
9 Additional Rent for the University's proportionate share of Property Taxes, if applicable, and
10 Operating Expenses in excess of those covered by the Base Rent as determined by calculation of
11 actual expenses incurred by the Foundation for the Independence Square Foundation II Building
12 at the end of each calendar year of the Lease. Such Additional Rent payments, which have been
13 between \$5,676 and \$12,984 over the previous eight (8) years under the expiring Lease, are to be
14 supported by University general revenues; now, therefore, be it

15 RESOLVED, That the Foundation's Project is a favorable investment on the University's
16 Kingston Campus that continues to serve the facility needs of the University's academic and
17 clinical programs and ultimately becomes an asset of the University and the State, serving an
18 important academic program and critical operations serving children and adults with special
19 needs, while further building upon a successful University, Foundation, and Community
20 partnership and this General Assembly hereby approves this Amendment Two to the Lease
21 Agreement for the University's Communicative Disorders Program; and be it further

22 RESOLVED, That this General Assembly of the State of Rhode Island and Providence
23 Plantations hereby approves the lease agreement, for a term not to exceed nine (9) years and at a
24 total cost not to exceed \$515,000; and be it further

25 RESOLVED, That this Joint Resolution shall take effect upon passage by the General
26 Assembly; and be it further

27 RESOLVED, That the Secretary of State is hereby authorized and directed to transmit
28 duly certified copies of this resolution to the President of the University of Rhode Island, the
29 State Budget Officer, and the Chair of the State Properties Committee.

30 SECTION 8. This article shall take effect upon passage.

1 **ARTICLE 9**

2 RELATING TO TAXATION

3 SECTION 1. Section 44-61-1.1 of the General Laws in Chapter 44-61 entitled "Relating
4 To Depreciation of Assets and Net Operating Loss Deduction" is hereby amended to read as
5 follows:

6 **44-61-1.1. Expensing in lieu of depreciation of assets.** -- (a) For purposes of expensing
7 of assets under chapters 11, 14 and 30 of this title, the expense deduction shall not exceed the sum
8 provided for ~~twenty-five thousand dollars (\$25,000) in any taxable year. The additional expensing~~
9 ~~of assets for federal tax purposes~~ under section 179 of the Internal Revenue Code, 26 U.S.C.
10 section 179 ~~provided by the Jobs and Growth Tax Relief Reconciliation Act of 2003 or any~~
11 ~~subsequent federal enactment shall not be allowed for Rhode Island tax purposes. In the year that~~
12 ~~those assets are placed in service~~ expensing of assets ~~and in all subsequent years, expenses and~~
13 ~~depreciation~~ for Rhode Island tax purposes shall be allowed in the same manner as is provided for
14 under section 179 of the internal revenue code 26 U.S.C. section 179 ~~on those assets as it would~~
15 ~~have been computed prior to the enactment of the Jobs and Growth Tax Relief Reconciliation Act~~
16 ~~of 2003. Any remaining tax basis of the asset purchased shall be depreciated as provided for~~
17 under the internal revenue service code sections 167 and 168, excluding section 168(k).

18 (b) The gain resulting from any subsequent disposition of these assets shall be computed
19 using a basis consistent with the Rhode Island expenses and depreciation allowed under
20 subsection (a) of this section.

21 (c) There is hereby established a depreciation of assets transfer fund for the purpose of
22 reserving sufficient funding for the expensing of assets in accordance with subsection (a). The
23 general assembly may appropriate such amounts to the fund deemed necessary for said purpose.

24 SECTION 2. Chapter 44-55 of the General Laws entitled "Tax Incentives for Employers"
25 is hereby amended by adding thereto the following section:

26 **44-55-8. Adding back the domestic production activities deduction.** -- All
27 corporations doing business in the state of Rhode Island shall add back into their taxable income
28 any amount deducted under the federal "domestic production deduction" also known as section
29 199 of the federal Internal Revenue Code. State tax forms shall be changed if needed in order to
30 comply with this section.

1 SECTION 3. Chapter 44-18 of the General Laws entitled "Sales and Use Taxes -
2 Liability and Computation" is hereby amended by adding thereto the following section:

3 **44-18-15.2. "Remote seller" and "remote sale" defined -- Collection of sales and use**
4 **tax by remote seller. -- As used in this article:**

5 (1) "Remote seller" means a person that makes remote sales in this state.

6 (2) "Remote sale" means a sale into this state for which the seller would not legally be
7 required to pay, collect, or remit state or local sales and use taxes unless provided by federal law.

8 (c) Upon passage of any federal law authorizing states to require remote sellers to collect
9 and remit sales and use taxes, this state will require a remote seller making remote sales in the
10 state to pay, collect, and remit sales and use taxes at the rate imposed under section 44-18-18, and
11 in accordance with the provisions of this article, chapters 44-18.1 and 44-19, and applicable
12 federal law.

13 **44-18-18. Sales tax imposed. --** A tax is imposed upon sales at retail in this state
14 including charges for rentals of living quarters in hotels as defined in section 42-63.1-2, rooming
15 houses, or tourist camps, at the rate of six percent (6%) of the gross receipts of the retailer from
16 the sales or rental charges; provided, that the tax imposed on charges for the rentals applies only
17 to the first period of not exceeding thirty (30) consecutive calendar days of each rental; provided,
18 further, that for the period commencing July 1, 1990, the tax rate is seven percent (7%). The tax is
19 paid to the tax administrator by the retailer at the time and in the manner provided. Excluded from
20 this tax are those living quarters in hotels, rooming houses, or tourist camps for which the
21 occupant has a written lease for the living quarters which lease covers a rental period of twelve
22 (12) months or more. In recognition of the work being performed by the Streamlined Sales and
23 Use Tax Governing Board, upon passage any federal law which authorizes states to require
24 requires remote sellers to collect and remit sales and use taxes, ~~effective the first (1st) day of the~~
25 ~~first (1st) state fiscal quarter following the change,~~ the rate imposed under section 44-18-18 shall
26 be reduced from seven percent (7%) to six and one-half percent (6.5%). The six and one-half
27 percent (6.5%) rate shall take effect on the date that the state requires remote sellers to collect and
28 remit sale and use taxes.

29 **44-18-18.1. Local meals and beverage tax. --** (a) There is hereby levied and imposed,
30 upon every purchaser of a meal and/or beverage, in addition to all other taxes and fees now
31 imposed by law, a local meals and beverage tax upon each and every meal and/or beverage sold
32 within the state of Rhode Island in or from an eating and/or drinking establishment, whether
33 prepared in the eating and/or drinking establishment or not and whether consumed at the premises
34 or not, at a rate of one percent of the gross receipts. The tax shall be paid to the tax administrator

1 by the retailer at the time and in the manner provided.

2 (b) All sums received by the division of taxation under this section as taxes, penalties or
3 forfeitures, interest, costs of suit and fines shall be distributed at least quarterly, credited and paid
4 by the state treasurer to the city or town where the meals and beverages are delivered.

5 (c) When used in this section, the following words have the following meanings:

6 (1) "Beverage" means all nonalcoholic beverages, as well as alcoholic beverages, beer,
7 lager beer, ale, porter, wine, similar fermented malt or vinous liquor.

8 (2) "Eating and/or drinking establishments" mean and include restaurants, bars, taverns,
9 lounges, cafeterias, lunch counters, drive-ins, roadside ice cream and refreshment stands, fish and
10 chip places, fried chicken places, pizzerias, food and drink concessions, or similar facilities in
11 amusement parks, bowling alleys, clubs, caterers, drive-in theatres, industrial plants, race tracks,
12 shore resorts or other locations, lunch carts, mobile canteens and other similar vehicles, and other
13 like places of business which furnish or provide facilities for immediate consumption of food at
14 tables, chairs or counters or from trays, plates, cups or other tableware or in parking facilities
15 provided primarily for the use of patrons in consuming products purchased at the location.
16 Ordinarily, eating establishments do not mean and include food stores and supermarkets. Eating
17 establishments do not mean "vending machines," a self-contained automatic device that dispenses
18 for sale foods, beverages, or confection products. Retailers selling prepared foods in bulk either in
19 customer-furnished containers or in the seller's containers, for example "Soup and Sauce"
20 establishments, are deemed to be selling prepared foods ordinarily for immediate consumption
21 and, as such, are considered eating establishments.

22 (3) "Meal" means any prepared food or beverage offered or held out for sale by an eating
23 and/or drinking establishment for the purpose of being consumed by any person to satisfy the
24 appetite and which is ready for immediate consumption. All such food and beverage, unless
25 otherwise specifically exempted or excluded herein shall be included, whether intended to be
26 consumed on the seller's premises or elsewhere, whether designated as breakfast, lunch, snack,
27 dinner, supper or by some other name, and without regard to the manner, time or place of service.

28 (d) This local meals and beverage tax shall be administered and collected by the division
29 of taxation and unless provided to the contrary in this chapter, all of the administration,
30 collection, and other provisions of chapters 18 and 19 of this article apply.

31 In recognition of the work being performed by the Streamlined Sales and Use Tax
32 Governing Board, upon [passage of](#) any federal law which [authorizes states to require](#) ~~requires~~
33 remote sellers to collect and remit [sales and use](#) taxes, ~~effective the first (1st) day of the first (1st)~~
34 ~~state fiscal quarter following the change,~~ the rate imposed under section 44-18-18.1 shall be

1 increased from one percent (1%) to one and one-half percent (1.5%). The one and one-half
2 percent (1.5%) rate shall take effect on the date that the state requires remote sellers to collect and
3 remit sales and use taxes.

4 **44-18-20. Use tax imposed.** -- (a) An excise tax is imposed on the storage, use, or other
5 consumption in this state of tangible personal property, prewritten computer software delivered
6 electronically or by load and leave or services as defined in section 44-18-7.3; including a motor
7 vehicle, a boat, an airplane, or a trailer, purchased from any retailer at the rate of six percent (6%)
8 of the sale price of the property.

9 (b) An excise tax is imposed on the storage, use, or other consumption in this state of a
10 motor vehicle, a boat, an airplane, or a trailer purchased from other than a licensed motor vehicle
11 dealer or other than a retailer of boats, airplanes, or trailers respectively, at the rate of six percent
12 (6%) of the sale price of the motor vehicle, boat, airplane, or trailer.

13 (c) The word "trailer" as used in this section and in section 44-18-21 means and includes
14 those defined in section 31-1-5(a) -- (e) and also includes boat trailers, camping trailers, house
15 trailers, and mobile homes.

16 (d) Notwithstanding the provisions contained in this section and in section 44-18-21
17 relating to the imposition of a use tax and liability for this tax on certain casual sales, no tax is
18 payable in any casual sale:

19 (1) When the transferee or purchaser is the spouse, mother, father, brother, sister, or
20 child of the transferor or seller;

21 (2) When the transfer or sale is made in connection with the organization, reorganization,
22 dissolution, or partial liquidation of a business entity; provided:

23 (i) The last taxable sale, transfer, or use of the article being transferred or sold was
24 subjected to a tax imposed by this chapter;

25 (ii) The transferee is the business entity referred to or is a stockholder, owner, member,
26 or partner; and

27 (iii) Any gain or loss to the transferor is not recognized for income tax purposes under
28 the provisions of the federal income tax law and treasury regulations and rulings issued
29 thereunder;

30 (3) When the sale or transfer is of a trailer, other than a camping trailer, of the type
31 ordinarily used for residential purposes and commonly known as a house trailer or as a mobile
32 home; or

33 (4) When the transferee or purchaser is exempt under the provisions of section 44-18-30
34 or other general law of this state or special act of the general assembly of this state.

1 (e) The term "casual" means a sale made by a person other than a retailer; provided, that
2 in the case of a sale of a motor vehicle, the term means a sale made by a person other than a
3 licensed motor vehicle dealer or an auctioneer at an auction sale. In no case is the tax imposed
4 under the provisions of subsections (a) and (b) of this section on the storage, use, or other
5 consumption in this state of a used motor vehicle less than the product obtained by multiplying
6 the amount of the retail dollar value at the time of purchase of the motor vehicle by the applicable
7 tax rate; provided, that where the amount of the sale price exceeds the amount of the retail dollar
8 value, the tax is based on the sale price. The tax administrator shall use as his or her guide the
9 retail dollar value as shown in the current issue of any nationally recognized used vehicle guide
10 for appraisal purposes in this state. On request within thirty (30) days by the taxpayer after
11 payment of the tax, if the tax administrator determines that the retail dollar value as stated in this
12 subsection is inequitable or unreasonable, he or she shall, after affording the taxpayer reasonable
13 opportunity to be heard, re-determine the tax.

14 (f) Every person making more than five (5) retail sales of tangible personal property or
15 prewritten computer software delivered electronically or by load and leave, or services as defined
16 in section 44-18-7.3 during any twelve (12) month period, including sales made in the capacity of
17 assignee for the benefit of creditors or receiver or trustee in bankruptcy, is considered a retailer
18 within the provisions of this chapter.

19 (g) (1) "Casual sale" includes a sale of tangible personal property not held or used by a
20 seller in the course of activities for which the seller is required to hold a seller's permit or permits
21 or would be required to hold a seller's permit or permits if the activities were conducted in this
22 state; provided, that the sale is not one of a series of sales sufficient in number, scope, and
23 character (more than five (5) in any twelve (12) month period) to constitute an activity for which
24 the seller is required to hold a seller's permit or would be required to hold a seller's permit if the
25 activity were conducted in this state.

26 (2) Casual sales also include sales made at bazaars, fairs, picnics, or similar events by
27 nonprofit organizations, which are organized for charitable, educational, civic, religious, social,
28 recreational, fraternal, or literary purposes during two (2) events not to exceed a total of six (6)
29 days duration each calendar year. Each event requires the issuance of a permit by the division of
30 taxation. Where sales are made at events by a vendor, which holds a sales tax permit and is not a
31 nonprofit organization, the sales are in the regular course of business and are not exempt as casual
32 sales.

33 (h) The use tax imposed under this section for the period commencing July 1, 1990 is at
34 the rate of seven percent (7%). In recognition of the work being performed by the Streamlined

1 Sales and Use Tax Governing Board, upon passage of any federal law which authorizes states to
2 require ~~requires~~ remote sellers to collect and remit sales and use taxes, effective the first (1st) day
3 of the first (1st) state fiscal quarter following the change, the rate imposed under section 44-18-18
4 shall be reduced from seven percent (7.0%) to six and one-half percent (6.5%). The six and one-
5 half percent (6.5%) rate shall take effect on the date that the state requires remote sellers to collect
6 and remit sales and use taxes.

7 **44-18-30. Gross receipts exempt from sales and use taxes.** -- There are exempted from
8 the taxes imposed by this chapter the following gross receipts:

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

13 (2) Newspapers.

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

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

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

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

26 (4) Containers.

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

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

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

34 (C) Returnable containers when sold with the contents in connection with a retail sale of

1 the contents or when resold for refilling.

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

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

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

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

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

1 (7) Purchase for manufacturing purposes.

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

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

11 (iii) "Consumed" includes mere obsolescence.

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

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

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

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

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

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

34 (i) Sold by a seller whose primary NAICS classification is manufacturing in sector 311,

1 except sub-sector 3118 (bakeries);

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

3 (iii) Bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries,
4 donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and

5 is not sold with utensils provided by the seller, including plates, knives, forks, spoons,
6 glasses, cups, napkins, or straws.

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

9 (i) "Drugs" as defined in section 44-18-7.1(h)(i), sold on prescriptions, medical oxygen,
10 and insulin whether or not sold on prescription. For purposes of this exemption drugs shall not
11 include over-the-counter drugs and grooming and hygiene products as defined in section 44-18-
12 7.1(h)(iii).

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

19 (11) Prosthetic devices and mobility enhancing equipment. - From the sale and from the
20 storage, use, or other consumption in this state, of prosthetic devices as defined in section 44-18-
21 7.1(t), sold on prescription, including but not limited to, artificial limbs, dentures, spectacles and
22 eyeglasses, and artificial eyes; artificial hearing devices and hearing aids, whether or not sold on
23 prescription and mobility enhancing equipment as defined in section 44-18-7.1(p) including
24 wheelchairs, crutches and canes.

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

28 (13) Motor vehicles sold to nonresidents.

29 (i) From the sale, subsequent to June 30, 1958, of a motor vehicle to a bona fide
30 nonresident of this state who does not register the motor vehicle in this state, whether the sale or
31 delivery of the motor vehicle is made in this state or at the place of residence of the nonresident.
32 A motor vehicle sold to a bona fide nonresident whose state of residence does not allow a like
33 exemption to its nonresidents is not exempt from the tax imposed under section 44-18-20. In that
34 event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the rate

1 that would be imposed in his or her state of residence not to exceed the rate that would have been
2 imposed under section 44-18-20. Notwithstanding any other provisions of law, a licensed motor
3 vehicle dealer shall add and collect the tax required under this subdivision and remit the tax to the
4 tax administrator under the provisions of chapters 18 and 19 of this title. When a Rhode Island
5 licensed motor vehicle dealer is required to add and collect the sales and use tax on the sale of a
6 motor vehicle to a bona fide nonresident as provided in this section, the dealer in computing the
7 tax takes into consideration the law of the state of the nonresident as it relates to the trade-in of
8 motor vehicles.

9 (ii) The tax administrator, in addition to the provisions of sections 44-19-27 and 44-19-
10 28, may require any licensed motor vehicle dealer to keep records of sales to bona fide
11 nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption
12 provided in this subdivision, including the affidavit of a licensed motor vehicle dealer that the
13 purchaser of the motor vehicle was the holder of, and had in his or her possession a valid out of
14 state motor vehicle registration or a valid out of state driver's license.

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

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

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

33 (16) Camps. - From the rental charged for living quarters, or sleeping or housekeeping
34 accommodations at camps or retreat houses operated by religious, charitable, educational, or

1 other organizations and associations mentioned in subdivision (5), or by privately owned and
2 operated summer camps for children.

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

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

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

15 (i) From the sale of: (A) special adaptations, (B) the component parts of the special
16 adaptations, or (C) a specially adapted motor vehicle; provided, that the owner furnishes to the
17 tax administrator an affidavit of a licensed physician to the effect that the specially adapted motor
18 vehicle is necessary to transport a family member with a disability or where the vehicle has been
19 specially adapted to meet the specific needs of the person with a disability. This exemption
20 applies to not more than one motor vehicle owned and registered for personal, noncommercial
21 use.

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

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

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

34 (20) Heating fuels. - From the sale and from the storage, use, or other consumption in

1 this state of every type of fuel used in the heating of homes and residential premises.

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

4 (22) Manufacturing machinery and equipment.

5 (i) From the sale and from the storage, use, or other consumption in this state of tools,
6 dies, and molds, and machinery and equipment (including replacement parts), and related items to
7 the extent used in an industrial plant in connection with the actual manufacture, conversion, or
8 processing of tangible personal property, or to the extent used in connection with the actual
9 manufacture, conversion or processing of computer software as that term is utilized in industry
10 numbers 7371, 7372, and 7373 in the standard industrial classification manual prepared by the
11 technical committee on industrial classification, office of statistical standards, executive office of
12 the president, United States bureau of the budget, as revised from time to time, to be sold, or that
13 machinery and equipment used in the furnishing of power to an industrial manufacturing plant.
14 For the purposes of this subdivision, "industrial plant" means a factory at a fixed location
15 primarily engaged in the manufacture, conversion, or processing of tangible personal property to
16 be sold in the regular course of business;

17 (ii) Machinery and equipment and related items are not deemed to be used in connection
18 with the actual manufacture, conversion, or processing of tangible personal property, or in
19 connection with the actual manufacture, conversion or processing of computer software as that
20 term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification
21 manual prepared by the technical committee on industrial classification, office of statistical
22 standards, executive office of the president, United States bureau of the budget, as revised from
23 time to time, to be sold to the extent the property is used in administration or distribution
24 operations;

25 (iii) Machinery and equipment and related items used in connection with the actual
26 manufacture, conversion, or processing of any computer software or any tangible personal
27 property which is not to be sold and which would be exempt under subdivision (7) or this
28 subdivision if purchased from a vendor or machinery and equipment and related items used
29 during any manufacturing, converting or processing function is exempt under this subdivision
30 even if that operation, function, or purpose is not an integral or essential part of a continuous
31 production flow or manufacturing process;

32 (iv) Where a portion of a group of portable or mobile machinery is used in connection
33 with the actual manufacture, conversion, or processing of computer software or tangible personal
34 property to be sold, as previously defined, that portion, if otherwise qualifying, is exempt under

1 this subdivision even though the machinery in that group is used interchangeably and not
2 otherwise identifiable as to use.

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

11 (24) Precious metal bullion.

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

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

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

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

26 (26) Commercial fishing vessels. - From the sale and from the storage, use, or other
27 consumption in this state of vessels and other water craft which are in excess of five (5) net tons
28 and which are used exclusively for "commercial fishing", as defined in this subdivision, and from
29 the repair, alteration, or conversion of those vessels and other watercraft, and from the sale of
30 property purchased for the use of those vessels and other watercraft including provisions,
31 supplies, and material for the maintenance and/or repair of the vessels and other watercraft and
32 the boats nets, cables, tackle, and other fishing equipment appurtenant to or used in connection
33 with the commercial fishing of the vessels and other watercraft. "Commercial fishing" means the
34 taking or the attempting to take any fish, shellfish, crustacea, or bait species with the intent of

1 disposing of them for profit or by sale, barter, trade, or in commercial channels. The term does
2 not include subsistence fishing, i.e., the taking for personal use and not for sale or barter; or sport
3 fishing; but shall include vessels and other watercraft with a Rhode Island party and charter boat
4 license issued by the department of environmental management pursuant to section 20-2-27.1
5 which meet the following criteria: (i) the operator must have a current U.S.C.G. license to carry
6 passengers for hire; (ii) U.S.C.G. vessel documentation in the coast wide fishery trade; (iii)
7 U.S.C.G. vessel documentation as to proof of Rhode Island home port status or a Rhode Island
8 boat registration to prove Rhode Island home port status; (iv) the vessel must be used as a
9 commercial passenger carrying fishing vessel to carry passengers for fishing. The vessel must be
10 able to demonstrate that at least fifty percent (50%) of its annual gross income derives from
11 charters or provides documentation of a minimum of one hundred (100) charter trips annually; (v)
12 the vessel must have a valid Rhode Island party and charter boat license. The tax administrator
13 shall implement the provisions of this subdivision by promulgating rules and regulations relating
14 thereto.

15 (27) Clothing and footwear. - From the sales of articles of clothing, including footwear,
16 intended to be worn or carried on or about the human body for sales prior to October 1, 2012.
17 Effective October 1, 2012, the exemption will apply to the sales of articles of clothing, including
18 footwear, intended to be worn or carried on or about the human body up to two hundred and fifty
19 dollars (\$250) of the sales price per item. For the purposes of this section, "clothing or footwear"
20 does not include clothing accessories or equipment or special clothing or footwear primarily
21 designed for athletic activity or protective use as these terms are defined in section 44-18-7.1(f).
22 In recognition of the work being performed by the Streamlined Sales and Use Tax Governing
23 Board, upon [passage of](#) any federal law which [authorizes states to require](#) ~~requires~~ remote sellers
24 to collect and remit [sales and use](#) taxes, ~~effective the first (1st) day of the first (1st) state fiscal~~
25 ~~quarter following the change,~~ this [unlimited](#) exemption will apply as it did prior to October 1,
26 2012. [The unlimited exemption on sales of clothing and footwear shall take effect on the date that](#)
27 [the state requires remote sellers to collect and remit sales and use taxes.](#)

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

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

1 (30) Boats.

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

7 (ii) The tax administrator, in addition to the provisions of sections 44-19-17 and 44-19-
8 28, may require the seller of the boat or vessel to keep records of the sales to bona fide
9 nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption
10 provided in this subdivision, including the affidavit of the seller that the buyer represented
11 himself or herself to be a bona fide nonresident of this state and of the buyer that he or she is a
12 nonresident of this state.

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

18 (32) Farm equipment. - From the sale and from the storage or use of machinery and
19 equipment used directly for commercial farming and agricultural production; including, but not
20 limited to, tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors,
21 balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment,
22 greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and
23 other farming equipment, including replacement parts, appurtenant to or used in connection with
24 commercial farming and tools and supplies used in the repair and maintenance of farming
25 equipment. "Commercial farming" means the keeping or boarding of five (5) or more horses or
26 the production within this state of agricultural products, including, but not limited to, field or
27 orchard crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or
28 production provides at least two thousand five hundred dollars (\$2,500) in annual gross sales to
29 the operator, whether an individual, a group, a partnership, or a corporation for exemptions issued
30 prior to July 1, 2002; for exemptions issued or renewed after July 1, 2002, there shall be two (2)
31 levels. Level I shall be based on proof of annual gross sales from commercial farming of at least
32 twenty-five hundred dollars (\$2,500) and shall be valid for purchases subject to the exemption
33 provided in this subdivision except for motor vehicles with an excise tax value of five thousand
34 dollars (\$5,000) or greater; Level II shall be based on proof of annual gross sales from

1 commercial farming of at least ten thousand dollars (\$10,000) or greater and shall be valid for
2 purchases subject to the exemption provided in this subdivision including motor vehicles with an
3 excise tax value of five thousand dollars (\$5,000) or greater. For the initial issuance of the
4 exemptions, proof of the requisite amount of annual gross sales from commercial farming shall be
5 required for the prior year; for any renewal of an exemption granted in accordance with this
6 subdivision at either Level I or Level II, proof of gross annual sales from commercial farming at
7 the requisite amount shall be required for each of the prior two (2) years. Certificates of
8 exemption issued or renewed after July 1, 2002, shall clearly indicate the level of the exemption
9 and be valid for four (4) years after the date of issue. This exemption applies even if the same
10 equipment is used for ancillary uses, or is temporarily used for a non-farming or a non-
11 agricultural purpose, but shall not apply to motor vehicles acquired after July 1, 2002, unless the
12 vehicle is a farm vehicle as defined pursuant to section 31-1-8 and is eligible for registration
13 displaying farm plates as provided for in section 31-3-31.

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

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

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

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

28 (37) Tangible personal property and supplies used in on-site hazardous waste recycling,
29 reuse, or treatment. - From the sale, storage, use, or other consumption in this state of tangible
30 personal property or supplies used or consumed in the operation of equipment, the exclusive
31 function of which is the recycling, reuse, or recovery of materials (other than precious metals, as
32 defined in subdivision (24)(ii) of this section) from the treatment of "hazardous wastes", as
33 defined in section 23-19.1-4, where the "hazardous wastes" are generated in Rhode Island solely
34 by the same taxpayer and where the personal property is located at, in, or adjacent to a generating

1 facility of the taxpayer in Rhode Island. The taxpayer shall procure an order from the director of
2 the department of environmental management certifying that the equipment and/or supplies as
3 used, or consumed, qualify for the exemption under this subdivision. If any information relating
4 to secret processes or methods of manufacture, production, or treatment is disclosed to the
5 department of environmental management only to procure an order, and is a "trade secret" as
6 defined in section 28-21-10(b), it is not open to public inspection or publicly disclosed unless
7 disclosure is required under chapter 21 of title 28 or chapter 24.4 of title 23.

8 (38) Promotional and product literature of boat manufacturers. - From the sale and from
9 the storage, use, or other consumption of promotional and product literature of boat
10 manufacturers shipped to points outside of Rhode Island which either: (i) accompany the product
11 which is sold, (ii) are shipped in bulk to out of state dealers for use in the sale of the product, or
12 (iii) are mailed to customers at no charge.

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

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

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

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

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

33 (44) Farm structure construction materials. - Lumber, hardware and other materials used
34 in the new construction of farm structures, including production facilities such as, but not limited

1 to, farrowing sheds, free stall and stanchion barns, milking parlors, silos, poultry barns, laying
2 houses, fruit and vegetable storages, rooting cellars, propagation rooms, greenhouses, packing
3 rooms, machinery storage, seasonal farm worker housing, certified farm markets, bunker and
4 trench silos, feed storage sheds, and any other structures used in connection with commercial
5 farming.

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

9 (46) Boats or vessels brought into the state exclusively for winter storage, maintenance,
10 repair or sale. - Notwithstanding the provisions of sections 44-18-10, 44-18-11, 44-18-20, the tax
11 imposed by section 44-18-20 is not applicable for the period commencing on the first day of
12 October in any year to and including the 30th day of April next succeeding with respect to the use
13 of any boat or vessel within this state exclusively for purposes of: (i) delivery of the vessel to a
14 facility in this state for storage, including dry storage and storage in water by means of apparatus
15 preventing ice damage to the hull, maintenance, or repair; (ii) the actual process of storage,
16 maintenance, or repair of the boat or vessel; or (iii) storage for the purpose of selling the boat or
17 vessel.

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

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

28 (49) Banks and Regulated investment companies interstate toll-free calls. -
29 Notwithstanding the provisions of this chapter, the tax imposed by this chapter does not apply to
30 the furnishing of interstate and international, toll-free terminating telecommunication service that
31 is used directly and exclusively by or for the benefit of an eligible company as defined in this
32 subdivision; provided, that an eligible company employs on average during the calendar year no
33 less than five hundred (500) "full-time equivalent employees", as that term is defined in section
34 42-64.5-2. For purposes of this section, an "eligible company" means a "regulated investment

1 company" as that term is defined in the Internal Revenue Code of 1986, 26 U.S.C. section 1 et
2 seq., or a corporation to the extent the service is provided, directly or indirectly, to or on behalf of
3 a regulated investment company, an employee benefit plan, a retirement plan or a pension plan or
4 a state chartered bank.

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

8 (51) Manufacturing business reconstruction materials.

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

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

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

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

21 (52) Tangible personal property and supplies used in the processing or preparation of
22 floral products and floral arrangements. - From the sale, storage, use, or other consumption in this
23 state of tangible personal property or supplies purchased by florists, garden centers, or other like
24 producers or vendors of flowers, plants, floral products, and natural and artificial floral
25 arrangements which are ultimately sold with flowers, plants, floral products, and natural and
26 artificial floral arrangements or are otherwise used in the decoration, fabrication, creation,
27 processing, or preparation of flowers, plants, floral products, or natural and artificial floral
28 arrangements, including descriptive labels, stickers, and cards affixed to the flower, plant, floral
29 product or arrangement, artificial flowers, spray materials, floral paint and tint, plant shine, flower
30 food, insecticide and fertilizers.

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

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

1 (i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle to
2 a bona fide nonresident of this state who does not register the non-motorized recreational vehicle
3 in this state, whether the sale or delivery of the non-motorized recreational vehicle is made in this
4 state or at the place of residence of the nonresident; provided, that a non-motorized recreational
5 vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption
6 to its nonresidents is not exempt from the tax imposed under section 44-18-20; provided, further,
7 that in that event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal
8 to the rate that would be imposed in his or her state of residence not to exceed the rate that would
9 have been imposed under section 44-18-20. Notwithstanding any other provisions of law, a
10 licensed non-motorized recreational vehicle dealer shall add and collect the tax required under
11 this subdivision and remit the tax to the tax administrator under the provisions of chapters 18 and
12 19 of this title. Provided, that when a Rhode Island licensed non-motorized recreational vehicle
13 dealer is required to add and collect the sales and use tax on the sale of a non-motorized
14 recreational vehicle to a bona fide nonresident as provided in this section, the dealer in computing
15 the tax takes into consideration the law of the state of the nonresident as it relates to the trade-in
16 of motor vehicles.

17 (ii) The tax administrator, in addition to the provisions of sections 44-19-27 and 44-19-
18 28, may require any licensed non-motorized recreational vehicle dealer to keep records of sales to
19 bona fide nonresidents as the tax administrator deems reasonably necessary to substantiate the
20 exemption provided in this subdivision, including the affidavit of a licensed non-motorized
21 recreational vehicle dealer that the purchaser of the non-motorized recreational vehicle was the
22 holder of, and had in his or her possession a valid out-of-state non-motorized recreational vehicle
23 registration or a valid out-of-state driver's license.

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

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

33 (55) Sprinkler and fire alarm systems in existing buildings. - From the sale in this state of
34 sprinkler and fire alarm systems, emergency lighting and alarm systems, and from the sale of the

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

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

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

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

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

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

34 (61) Agricultural products for human consumption. - From the sale and from the storage,

1 use or other consumption of livestock and poultry of the kinds of products of which ordinarily
2 constitute food for human consumption and of livestock of the kind the products of which
3 ordinarily 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 section 31-47.3-4 of the general laws.

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

8 (64) Alcoholic beverages. - From the sale and storage, use, or other consumption in this
9 state of alcoholic beverages, as defined in section 44-18-7.1, from December 1, 2013 through
10 March 31, 2015; provided, further, notwithstanding section 6-13-1 or any other general or public
11 law to the contrary, alcoholic beverages, as defined in section 44-18-7.1, shall not be subject to
12 minimum markup from December 1, 2013 through March 31, 2015.

13 SECTION 4. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled
14 "Licensing of Health Care Facilities" is hereby amended to read as follows:

15 **23-17-38.1. Hospitals – Licensing fee.** -- ~~(a) There is imposed a hospital licensing fee at~~
16 ~~the rate of five and forty three hundredths percent (5.43%) upon the net patient services revenue~~
17 ~~of every hospital for the hospital's first fiscal year ending on or after January 1, 2010. This~~
18 ~~licensing fee shall be administered and collected by the tax administrator, division of taxation~~
19 ~~within the department of administration, and all the administration, collection and other~~
20 ~~provisions of chapters 50 and 51 of title 44 shall apply. Every hospital shall pay the licensing fee~~
21 ~~to the tax administrator on or before July 16, 2012 and payments shall be made by electronic~~
22 ~~transfer of monies to the general treasurer and deposited to the general fund in accordance with §~~
23 ~~44-50-11 [repealed]. Every hospital shall, on or before June 18, 2012, make a return to the tax~~
24 ~~administrator containing the correct computation of net patient services revenue for the hospital~~
25 ~~fiscal year ending September 30, 2010, and the licensing fee due upon that amount. All returns~~
26 ~~shall be signed by the hospital's authorized representative, subject to the pains and penalties of~~
27 ~~perjury.~~

28 ~~(b)~~(a) There is also imposed a hospital licensing fee at the rate of five and thirty-five
29 hundredths percent (5.35%) upon the net patient services revenue of every hospital for the
30 hospital's first fiscal year ending on or after January 1, 2011, except that the license fee for all
31 hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent
32 (37%). The discount for Washington County hospitals is subject to approval by the Secretary of
33 the US Department of Health and Human Services of a state plan amendment submitted by the
34 Executive Office of Health and Human Services for the purpose of pursuing a waiver of the

1 uniformity requirement for the hospital license fee. This licensing fee shall be administered and
2 collected by the tax administrator, division of taxation within the department of revenue, and all
3 the administration, collection and other provisions of 51 of title 44 shall apply. Every hospital
4 shall pay the licensing fee to the tax administrator on or before July 15, 2013 and payments shall
5 be made by electronic transfer of monies to the general treasurer and deposited to the general
6 fund. Every hospital shall, on or before June 17, 2013, make a return to the tax administrator
7 containing the correct computation of net patient services revenue for the hospital fiscal year
8 ending September 30, 2011, and the licensing fee due upon that amount. All returns shall be
9 signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

10 (b) There is also imposed a hospital licensing fee at the rate of five and thirty-five
11 hundredths percent (5.35%) upon the net patient services revenue of every hospital for the
12 hospital's first fiscal year ending on or after January 1, 2011, except that the license fee for all
13 hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent
14 (37%). The discount for Washington County hospitals is subject to approval by the Secretary of
15 the US Department of Health and Human Services of a state plan amendment submitted by the
16 Executive Office of Health and Human Services for the purpose of pursuing a waiver of the
17 uniformity requirement for the hospital license fee. This licensing fee shall be administered and
18 collected by the tax administrator, division of taxation within the department of revenue, and all
19 the administration, collection and other provisions of 51 of title 44 shall apply. Every hospital
20 shall pay the licensing fee to the tax administrator on or before July 14, 2014 and payments shall
21 be made by electronic transfer of monies to the general treasurer and deposited to the general
22 fund. Every hospital shall, on or before June 16, 2014, make a return to the tax administrator
23 containing the correct computation of net patient services revenue for the hospital fiscal year
24 ending September 30, 2011, and the licensing fee due upon that amount. All returns shall be
25 signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

26 (c) For purposes of this section the following words and phrases have the following
27 meanings:

28 (1) "Hospital" means a person or governmental unit duly licensed in accordance with this
29 chapter to establish, maintain, and operate a hospital, except a hospital whose primary service and
30 primary bed inventory are psychiatric.

31 (2) "Gross patient services revenue" means the gross revenue related to patient care
32 services.

33 (3) "Net patient services revenue" means the charges related to patient care services less
34 (i) charges attributable to charity care, (ii) bad debt expenses, and (iii) contractual allowances.

1 (d) The tax administrator shall make and promulgate any rules, regulations, and
2 procedures not inconsistent with state law and fiscal procedures that he or she deems necessary
3 for the proper administration of this section and to carry out the provisions, policy and purposes
4 of this section.

5 (e) The licensing fee imposed by this section shall apply to hospitals as defined herein
6 which are duly licensed on July 1, ~~2012~~ 2013, and shall be in addition to the inspection fee
7 imposed by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-
8 38.1.

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

11 **44-1-35. Outside Collection Agencies.** -- The tax administrator may retain by written
12 contract collection agencies licensed under Rhode Island law, or licensed under the laws of
13 another state or the District of Columbia, for the purpose of collecting from sources outside the
14 state of Rhode Island taxes, interest and/or penalties assessed by the tax administrator.

15 SECTION 6. Title 44 of the General Laws entitled "Taxation" is hereby amended by
16 adding thereto the following chapter:

17 CHAPTER 68

18 TAX PREPARERS ACT OF 2013

19 **44-68-1. Short title.** -- This chapter shall be known as the "Tax Preparers Act".

20 **44-68-2. Definitions.** -- (a) "Tax return preparer" means an individual who prepares a
21 substantial portion of any return for compensation. Tax return preparers include individuals
22 required to register with the Internal Revenue Service as a tax return preparer and who have a
23 Preparer Tax Identification Number (PTIN). For the purpose of this chapter the following
24 individuals shall not be considered tax return preparers:

25 (1) Volunteer tax return preparers; or

26 (2) Employees of a tax return preparer and employees of a commercial tax return
27 preparation business who provide only clerical, administration or other similar services.

28 (b) "Preparer Tax Identification Number" means the number issued by the Internal
29 Revenue Service (IRS) to paid preparers to use on all the returns they prepare.

30 (c) "Return" shall mean any tax report, return, claim for refund or attachment to any
31 report, return and/or claim for return filed with the tax administrator pursuant to the tax laws of
32 this state.

33 **44-68-3. Duties and Responsibilities.** -- (a) A tax return preparer who prepares any
34 return that is submitted to the tax administrator must comply with all state laws and all applicable

1 regulations promulgated by the tax administrator.

2 (b) A tax return preparer must sign and include his/her Preparer Tax Identification
3 Number on all returns prepared and filed with the Division of Taxation.

4 **44-68-4. Civil Penalties.** -- (a) Failure To Be Diligent in Determining Eligibility for or
5 Amount of Earned Income Credit. Upon a determination by the tax administrator that a tax return
6 preparer prepared a return(s) and failed to comply with due diligence requirements imposed by
7 regulations issued by the tax administrator with respect to determining eligibility for, or the
8 amount of, the credit allowable by section 44-30-2.6(c)(2)(N), the tax return preparer shall pay a
9 penalty of five hundred dollars (\$500) for each such return and/or claim.

10 (b) Failure To Be Diligent in Determining Eligibility for Property Tax Relief Credit.
11 Upon a determination by the tax administrator that a tax return preparer prepared a return(s) and
12 failed to comply with due diligence requirements imposed by regulations issued by the tax
13 administrator with respect to determining eligibility for, or the amount of, the property tax relief
14 credit allowable by section 44-33-1 et seq., the tax return preparer shall pay a penalty of five
15 hundred dollars (\$500) for each such return.

16 (c) Tax Return Preparer Civil Penalties. Upon a determination by the tax administrator
17 that a tax return preparer willfully prepared, assisted in preparing, or caused the preparation of a
18 return(s) filed with the division of taxation with intent to wrongfully obtain a property tax relief
19 credit or with the intent to evade or reduce a tax obligation, the tax return preparer shall be liable
20 for a penalty of one thousand dollars (\$1,000), or five hundred (\$500) for each return so filed
21 during any calendar year, whichever is greater.

22 (d) The tax administrator may suspend or revoke the privilege of a tax return preparer to
23 prepare and/or file returns with the division of taxation upon a determination that the tax return
24 preparer has failed to comply with or violated any provision of this section, any regulations issued
25 by the tax administrator, or with any provision of any other laws relative to the preparation of tax
26 returns. Any tax return preparer receiving a notice of intent to suspend or revoke the privilege to
27 file tax returns with the division of taxation may request a hearing on the notice of intent to
28 suspend or revoke; provided that said request for a hearing must be made within thirty (30) days
29 of such notice to suspend or revoke. If, after hearing, the tax return preparer is aggrieved by a
30 decision of the tax administrator (or his or her designated hearing officer), the tax return preparer
31 may, within thirty (30) days after notice of the decision is sent to the tax return preparer by
32 certified or registered mail, directed to their last known address, petition the sixth division of the
33 district court pursuant to chapter 8 of title 8, setting forth the reasons why the decision is alleged
34 to be erroneous and praying for relief therefrom.

1 **44-68-5. Criminal Penalties.** -- Any tax return preparer who has previously been
2 assessed a penalty by the tax administrator under section 44-68-4(c) who is found by a court of
3 competent jurisdiction to have thereafter willfully prepared, assisted in preparing, or caused a
4 preparation of another false tax return or claim for refund which was filed with the division of
5 taxation with the intent to wrongfully obtain a property relief credit or the intent to wrongfully
6 evade or reduce a tax obligation shall be guilty of a felony and, on conviction, shall be subject to
7 a fine not exceeding fifty-thousand dollars (\$50,000) or imprisonment not exceeding five (5)
8 years or both.

9 **44-68-6. Regulations.** -- The tax administrator shall promulgate rules and regulations in
10 order to implement the provisions of this chapter.

11 **44-68-7. Severability.** -- If any provision of this chapter or the application of this chapter
12 to any tax return preparer is held invalid, the remainder of this chapter and the application of the
13 provisions to other tax return preparers or circumstances shall not be affected.

14 SECTION 7. Section 28-21-16 of the General Laws entitled "Hazardous Substances
15 Right to Know Act - Funding" is hereby amended to read as follows:

16 **28-21-16. Funding -- Contracts for services -- Exemption for copiers -- Appeals.** --

17 (a) The director of labor and training shall determine which employers are subject to the
18 provisions of this chapter ~~and shall assess and collect an annual assessment of forty-two dollars~~
19 ~~(\$42.00) which shall be levied against all those employers, which result in the funding for the~~
20 ~~implementation of this chapter. The employer shall be obligated to pay the assessment. No~~
21 employer shall be exempt from the provisions of this chapter unless and until a request for
22 exemption is filed and approval is granted; provided that public and private libraries shall be
23 ~~exempted~~ exempt from this requirement. ~~The funds shall be deposited as general revenue.~~

24 (b) The director of labor and training may contract with qualified agencies and/or parties
25 for technical services performed in conjunction with this chapter.

26 (c) The director of labor and training shall exempt from this chapter all employers whose
27 contact with the designated substances is entirely limited to copier machine powders or liquids
28 where the exposure is incidental to the business operation.

29 (d) Any employer who contests the determination of the director may appeal the
30 determination under the provisions set forth in sections 28-20-19 and 28-20-20.

31 SECTION 8. Section 3-10-1 of the General Laws in Chapter 3-10 entitled "Taxation of
32 Beverages" is hereby amended to read as follows:

33 **3-10-1. Manufacturing tax rates -- Exemption of religious uses.** -- (a) There shall be
34 assessed and levied by the tax administrator on all beverages manufactured, rectified, blended, or

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

7 (1) Still wines (whether fortified or not), ~~sixty cents (\$.60)~~ one dollar and forty cents
8 (\$1.40) per gallon;

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

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

12 (4) Whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in whole
13 or in part of alcohol which is the product of distillation, ~~three dollars and seventy five cents~~
14 ~~(\$3.75)~~ five dollars and forty cents (\$5.40) per gallon, except that whiskey, rum, gin, brandy
15 spirits, cordials, and other beverages consisting in whole or in part of alcohol which is the product
16 of distillation but which contains alcohol measuring thirty (30) proof or less, one dollar and ten
17 cents (\$1.10) per gallon;

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

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

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

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

29 SECTION 9. Section 3-10-5 of the General Laws in Chapter 3-10 entitled "Taxation of
30 Beverages" is hereby amended to read as follows:

31 **3-10-5. Information supplemental to returns -- Audit of books.** -- (a) The tax
32 administrator may at any time request further information from any person or from the officers
33 and employees of any corporation which he or she may deem necessary to verify, explain or
34 correct any return made in pursuance of the provisions of this chapter, and for the like purpose the

1 administrator or his or her authorized agent may examine the books of account of that person or
2 corporation during business hours.

3 (b) Each Class A licensee authorized to sell intoxicating beverages at wholesale or retail
4 in this state shall file an annual report on or before February 1 with the division of taxation in the
5 form required by the tax administrator. Such report shall included, but not limited to, total sales of
6 alcoholic beverages, sales tax and excise tax collections on such sales for immediately preceding
7 calendar year. Annually, on or before May 1, the tax administrator shall prepare and submit to the
8 chairs of house and senate finance committees a report reflecting data from the annuals reports
9 submitted by said licensee to the division of taxation. The tax administrator's report shall compile
10 total sales of alcoholic beverages, sales tax and excise tax collections by county.

11 SECTION 10. Section 42-61.2-7 of the General Laws in Chapter 42-61.2 entitled "Video
12 Lottery Terminal" is hereby amended to read as follows:

13 42-61.2-7. Division of revenue. [Effective June 30, 2011.] -- (a) Notwithstanding the
14 provisions of section 42-61-15, the allocation of net terminal income derived from video lottery
15 games is as follows:

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

19 (i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one
20 percent (0.19%) up to a maximum of twenty million dollars (\$20,000,000) shall be equally
21 allocated to the distressed communities as defined in section 45-13-12 provided that no eligible
22 community shall receive more than twenty-five percent (25%) of that community's currently
23 enacted municipal budget as its share under this specific subsection. Distributions made under
24 this specific subsection are supplemental to all other distributions made under any portion of
25 general laws section 45-13-12. For the fiscal year ending June 30, 2008 distributions by
26 community shall be identical to the distributions made in the fiscal year ending June 30, 2007 and
27 shall be made from general appropriations. For the fiscal year ending June 30, 2009, the total
28 state distribution shall be the same total amount distributed in the fiscal year ending June 30,
29 2008 and shall be made from general appropriations. For the fiscal year ending June 30, 2010, the
30 total state distribution shall be the same total amount distributed in the fiscal year ending June 30,
31 2009 and shall be made from general appropriations, provided however that \$784,458 of the total
32 appropriation shall be distributed equally to each qualifying distressed community. For each of
33 the fiscal years ending June 30, 2011, June 30, 2012, and June 30, 2013 seven hundred eighty-
34 four thousand four hundred fifty-eight dollars (\$784,458) of the total appropriation shall be

1 distributed equally to each qualifying distressed community.

2 (ii) Five one hundredths of one percent (0.05%) up to a maximum of five million dollars
3 (\$5,000,000) shall be appropriated to property tax relief to fully fund the provisions of section 44-
4 33-2.1. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum
5 amount to the nearest five dollar (\$5.00) increment within the allocation until a maximum credit
6 of five hundred dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be
7 less than the prior fiscal year.

8 (iii) One and twenty-two one hundredths of one percent (1.22%) to fund section 44-34.1-
9 1, entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum
10 amount to the nearest two hundred fifty dollar (\$250) increment within the allocation. In no event
11 shall the exemption in any fiscal year be less than the prior fiscal year.

12 (iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent
13 (0.10%) to a maximum of ten million dollars (\$10,000,000) for supplemental distribution to
14 communities not included in paragraph (a)(1)(i) above distributed proportionately on the basis of
15 general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008
16 distributions by community shall be identical to the distributions made in the fiscal year ending
17 June 30, 2007 and shall be made from general appropriations. For the fiscal year ending June 30,
18 2009, no funding shall be disbursed. For the fiscal year ending June 30, 2010 and thereafter,
19 funding shall be determined by appropriation.

20 (2) To the licensed video lottery retailer:

21 (a) (i) Prior to the effective date of the NGJA Master Contract, Newport Jai Ali twenty-
22 six percent (26%) minus three hundred eighty four thousand nine hundred ninety-six dollars
23 (\$384,996);

24 (ii) On and after the effective date of the NGJA Master Contract, to the licensed video
25 lottery retailer who is a party to the NGJA Master Contract, all sums due and payable under said
26 Master Contract minus three hundred eighty four thousand nine hundred ninety-six dollars
27 (\$384,996).

28 ~~(iii) Effective July 1, 2013, provided that the referendum measure authorized by Section~~
29 ~~1 of Chapters 24 and 25 of the Public Laws of 2012 is approved statewide and in the City of~~
30 ~~Newport and provided further that Newport Grand commences and continues to offer table~~
31 ~~games, the rate of net terminal income payable to Newport Grand, LLC under the Newport Grand~~
32 ~~Master Contract shall increase by one and one half percentage (1.5%) points. Effective July 1,~~
33 ~~2013 the rate of net terminal income payable to Newport Grand, LLC under the Newport Grand~~
34 ~~Master Contract shall increase by two percent (2%) points. The increase herein shall sunset and~~

1 [expire on June 30, 2015 and the rate in effect as of June 30, 2013 shall be reinstated.](#)

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

6 (ii) On and after the effective date of the UTGR Master Contract, to the licensed video
7 lottery retailer who is a party to the UTGR Master Contract, all sums due and payable under said
8 Master Contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars
9 (\$767,687).

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

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

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

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

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

30 (ii) To contractors who are a party to the Master Contract as set forth and referenced in
31 Public Law 2003, Chapter 32, all sums due and payable under said Master Contract;

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

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

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

7 (ii) Effective July 1, 2013, provided that the referendum measure authorized by Section 1
8 of Chapters 24 and 25 of the Public Laws of 2012 is approved statewide and in the City of
9 Newport, the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal
10 income of authorized video lottery terminals at Newport Grand; and

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

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

17 (ii) Effective July 1, 2013, provided that the referendum measure authorized by Article
18 25, Chapter 151, Section 4 of the Public Laws of 2011 is approved statewide and in the Town of
19 Lincoln, the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal
20 income of authorized video lottery terminals at Twin River; and

21 (5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net
22 terminal income of authorized machines at Lincoln Park up to a maximum of ten million dollars
23 (\$10,000,000) per year, which shall be paid to the Narragansett Indian Tribe for the account of a
24 Tribal Development Fund to be used for the purpose of encouraging and promoting: home
25 ownership and improvement, elderly housing, adult vocational training; health and social
26 services; childcare; natural resource protection; and economic development consistent with state
27 law. Provided, however, such distribution shall terminate upon the opening of any gaming facility
28 in which the Narragansett Indians are entitled to any payments or other incentives; and provided
29 further, any monies distributed hereunder shall not be used for, or spent on previously contracted
30 debts; and

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

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

1 (b) Notwithstanding the above, the amounts payable by the Division to UTGR related to
2 the Marketing Program shall be paid on a frequency agreed by the Division, but no less
3 frequently than annually.

4 (c) Notwithstanding anything in this chapter 61.2 of this title 42 to the contrary, the
5 Director is authorized to fund the Marketing Program as described above in regard to the First
6 Amendment to the UTGR Master Contract.

7 (d) Notwithstanding the above, the amounts payable by the Division to Newport Grand
8 related to the Marketing Program shall be paid on a frequency agreed by the Division, but no less
9 frequently than annually.

10 (e) Notwithstanding anything in this chapter 61.2 of this title 42 to the contrary, the
11 Director is authorized to fund the Marketing Program as described above in regard to the First
12 Amendment to the Newport Grand Master Contract.

13 (f) Notwithstanding the provisions of section 42-61-15, the allocation of Net Table Game
14 Revenue derived from Table Games at Twin River is as follows:

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

17 (i) Sixteen percent (16%) of Net Table Game Revenue, except as provided in subsection
18 (f)(1)(ii);

19 (ii) An additional two percent (2%) of Net Table Game Revenue generated at Twin
20 River shall be allocated starting from the commencement of Table Game activities by such Table
21 Game Retailer, and ending, with respect to such Table Game Retailer, on the first date that such
22 Table Game Retailer's net terminal income for a full State fiscal year is less than such Table
23 Game Retailer's net terminal income for the prior State fiscal year, at which point this additional
24 allocation to the State shall no longer apply to such Table Game Retailer.

25 (2) To UTGR, Net Table Game Revenue not otherwise disbursed pursuant to above
26 subsection (f)(1); provided, however, on the first date that such Table Game Retailer's net
27 terminal income for a full State fiscal year is less than such Table Game Retailer's net terminal
28 income for the prior State fiscal year, as set forth in subsection (f)(1)(ii) above, one percent (1%)
29 of this Net Table Game Revenue shall be allocated to the town of Lincoln for four (4) consecutive
30 State fiscal years.

31 (g) Notwithstanding the provisions of section 42-61-15, the allocation of Net Table
32 Game Revenue derived from Table Games at Newport Grand is as follows:

33 (1) For deposit into the state lottery fund for administrative purposes and then the
34 balance remaining into the general fund: eighteen percent (18%) of Net Table Game Revenue.

1 (2) To Newport Grand LLC, Net Table Game Revenue not otherwise disbursed pursuant
2 to above subsection (g)(1) provided, however, on the first date that such Table Game Retailer's
3 net terminal income for a full State fiscal year is less than such Table Game Retailer's net
4 terminal income for the prior State fiscal year, one percent (1%) of this Net Table Game Revenue
5 shall be allocated to the city of Newport for four (4) consecutive State fiscal years.

6 SECTION 11. Section 44-23-5 of the General Laws in Chapter 44-23 entitled "Estate and
7 Transfer Taxes - Enforcement and Collection" is hereby amended to read as follows:

8 **44-23-5. Appraisal of estate.** – (a) If any statement filed in accordance with the
9 provisions of this chapter is considered to be an erroneous or incomplete statement of the
10 property, real, tangible personal, intangible personal, or of any part of the property, of the
11 decedent, the tax administrator shall give notice to the executor, administrator, heir-at-law,
12 beneficiary, or trustee filing the statement, to appear before the tax administrator for the purpose
13 of examination of and concerning the statement, and concerning all matters appertaining to the
14 estate and the value of the estate of the decedent; and if the executor, administrator, heir-at-law,
15 beneficiary, or trustee fails to appear after due notice, or if after appearance and examination of
16 the executor, administrator, heir-at-law, beneficiary, or trustee the tax administrator still considers
17 the statement to be an erroneous or incomplete statement, or if the executor, administrator, heir-
18 at-law, beneficiary, or trustee refuses or neglects to answer the questions propounded in reference
19 to the statement, the tax administrator may appraise the estate. The tax administrator shall give
20 notice by mail to the executor, administrator, heir-at-law, beneficiary, or trustee and to all persons
21 known to have a claim or interest in the estate or property to be appraised, of the time and place
22 of the appraisal, and the tax administrator or his or her authorized agent shall at that time and
23 place appraise the estate or property at its full and fair cash value as prescribed in this section; and
24 for that purpose the tax administrator is authorized to issue subpoenas and to compel the
25 attendance of witnesses and to take the evidence of the witnesses under oath if necessary,
26 concerning the estate or property and the value of the estate, and the witnesses shall receive the
27 same fees as those now paid to witnesses subpoenaed to attend the superior court. From the
28 appraisal and other proof relating to the estate or property, the tax administrator determines the
29 full and fair cash value of the estate or property upon which all taxes imposed by chapter 22 of
30 this title are computed and the amount of taxes to which it is liable. If no appraisal is made as
31 provided in this section, the tax administrator may determine the value of the property upon
32 which all the taxes are computed and the amount of taxes to which it is liable.

33 (b) Notwithstanding the provisions of subsection 44-23-5(a), all farmland, as such term is
34 defined in section 44-27-2, included as part of an estate for purposes of this section and utilized

1 [by the executor, administrator, heir-at-law, beneficiary or trustee as farmland, shall be appraised](#)
2 [at its use value according to applicable federal and state law and not at its full and fair cash value.](#)

3 SECTION 12. Section 8-18-2 of the General Laws in Chapter 8-18 entitled "State and
4 Municipal Court Compact" is hereby amended to read as follows:

5 **8-18-2. Universal summons.** -- All state agencies and municipalities which have law
6 enforcement powers shall be issued and authorized a form for summons and complaint to be used
7 for all violations specified in chapters 27, ~~and~~ 41.1 [and 41.2](#) of title 31 and no other summons
8 shall be substituted except as provided by section 31-12-12. All fines, assessments, fees, and
9 other financial charge or any other responsibility not changed by the following shall be deemed
10 enforceable even when the summons is issued by a municipality and adjudicated by a municipal
11 court, or issued by state agencies or a municipality without a court and adjudicated by the traffic
12 tribunal. All summonses once issued must be recorded by the traffic tribunal prior to a hearing,
13 arraignment, or trial. If the summons is answered by payment without personal appearance
14 pursuant to section 31-41.1-2, it shall be recorded by the traffic tribunal upon return from the
15 financial institution.

16 SECTION 13. Sections 31-41.2-4 and 31-41.2-5 of the General Laws in Chapter 31-41.2
17 entitled "Automated Traffic Violation Monitoring Systems" are hereby amended to read as
18 follows:

19 **31-41.2-4. Procedure -- Notice.** -- (a) Except as expressly provided in this chapter, all
20 prosecutions based on evidence produced by an automated traffic violation detection system shall
21 follow the procedures established in chapter 41.1 of this title, chapter 8-18 of these general laws,
22 [except the provision providing for payments to the state in sections 8-18-4 and 8-18-6](#), and the
23 rules promulgated by the chief magistrate of the traffic tribunal for the hearing of civil traffic
24 violations. ~~Citations~~ [A summons](#) may be issued by an officer solely based on evidence obtained
25 by use of an automated traffic violation detection system. All ~~citations~~ [summons](#) issued based on
26 evidence obtained from an automated traffic violation detection system shall be issued within
27 fourteen (14) days of the violation.

28 [\(b\) Notwithstanding any rule, regulation, or other provision of the general or public laws](#)
29 [to the contrary, no city or town shall be required to make payments to the state in implementing](#)
30 [any provision of this chapter until July 1, 2013.](#)

31 ~~(b)(c)~~ It shall be sufficient to commence a prosecution based on evidence obtained from
32 an automated traffic violation detection system that a copy of the ~~citation~~ [summons](#) and
33 supporting documentation be mailed to the address of the registered owner kept on file by the
34 registry of motor vehicles pursuant to section 31-3-34 of these general laws. For purposes of this

1 section, the date of issuance shall be the date of mailing.

2 ~~(e)~~(d) The officer issuing the ~~citation~~ [summons](#) shall certify under penalties of perjury
3 that the evidence obtained from the automated traffic violation detection system was sufficient to
4 demonstrate a violation of the motor vehicle code. Such certification shall be sufficient in all
5 prosecutions pursuant to this chapter to justify the entry of a default judgment upon sufficient
6 proof of actual notice in all cases where the ~~citation~~ [summons](#) is not answered within the time
7 period permitted.

8 ~~(d)~~(e) The ~~citation~~ [summons](#) shall ~~contain all the information provided for on the~~
9 uniform summons as referred to in section 31-41.1-1 of the general laws and the rules of
10 procedure promulgated by the chief magistrate of the traffic tribunal subject to the approval of the
11 supreme court pursuant to section 8-6-2.

12 ~~(e)~~(f) In addition to the ~~information in the uniform~~ summons, the following information
13 shall be attached to the ~~citation~~ [summons](#):

14 (1) Copies of two (2) or more photographs, or microphotographs, or other recorded
15 images taken as proof of the violation; and

16 (2) A signed statement by a trained law enforcement officer that, based on inspection of
17 recorded images, the motor vehicle was being operated in violation of section 31-13-4 of this
18 subtitle; and

19 (3) A statement that recorded images are evidence of a violation of this chapter; and

20 (4) A statement that the person who receives a summons under this chapter may either
21 pay the civil penalty in accordance with the provisions of section 31-41.1-3, or elect to stand trial
22 for the alleged violation.

23 **31-41.2-5. Hearings.** -- Evidence from an automated traffic violation detection system
24 shall be considered substantive evidence in the prosecution of all civil traffic violations. Evidence
25 from an automated traffic violation detection system approved by the director of transportation
26 shall be admitted without further authentication and such evidence may be deemed sufficient to
27 sustain a civil traffic violation. In addition to any other defenses as set forth herein, any and all
28 defenses cognizable at law shall be available to the individual who receives the ~~citation~~ [summons](#)
29 commencing a prosecution under this chapter.

30 SECTION 14. Section 44-62-3 of the General Laws in Chapter 44-62 entitled "Tax
31 Credits for Contributions to Scholarship Organizations" is hereby amended to read as follows:

32 **44-62-3. Application for the tax credit program.** -- (a) Prior to the contribution, a
33 business entity shall apply in writing to the division of taxation. The application shall contain
34 such information and certification as the tax administrator deems necessary for the proper

1 administration of this chapter. A business entity shall be approved if it meets the criteria of this
2 chapter; the dollar amount of the applied for tax credit is no greater than one hundred thousand
3 dollars (\$100,000) in any tax year, and the scholarship organization which is to receive the
4 contribution has qualified under section 44-62-2.

5 (b) Approvals for contributions under this section shall be made available by the division
6 of taxation on a first-come-first-serve basis. The total aggregate amount of all tax credits
7 approved shall not exceed ~~one million dollars (\$1,000,000)~~ one million five hundred thousand
8 dollars (\$1,500,000) in a fiscal year.

9 (c) The division of taxation shall notify the business entity in writing within thirty (30)
10 days of the receipt of application of the division's approval or rejection of the application.

11 (d) Unless the contribution is part of a two-year plan, the actual cash contribution by the
12 business entity to a qualified scholarship organization must be made no later than one hundred
13 twenty (120) days following the approval of its application. If the contribution is part of a two-
14 year plan, the first year's contribution follows the general rule and the second year's contribution
15 must be made in the subsequent calendar year by the same date.

16 (e) The contributions must be those charitable contributions made in cash as set forth in
17 the Internal Revenue Code.

18 SECTION 15. Section 44-18-30B. of the General Laws in Chapter 44-18 entitled "Sales
19 and Use Taxes - Liability and Computation" is hereby amended to read as follows:

20 **44-18-30B. Exemption from sales tax for sales by writers, composers, artists --**
21 **Findings.** -- (a) The general assembly makes the following findings of facts:

22 ~~(1) The downtown area of the city of Providence has been characterized by blighted~~
23 ~~areas, and dilapidated and abandoned structures;~~

24 ~~(2) As a result, the downtown area has been designated an economic development zone~~
25 ~~in order to stop the deterioration and stimulate economic activity;~~

26 ~~(3) The capitol center area of the city of Providence has become an attractive location,~~
27 ~~especially with the construction of the Providence Place Mall;~~

28 ~~(4) In order to promote, revitalize and redevelop the "Old Downtown" area of the city of~~
29 ~~Providence it is necessary to provide tax exemptions to this area as it has been designated as an~~
30 ~~economic development zone;~~

31 ~~(5) In order to promote, revitalize, and redevelop the "Downtown or other industrial or~~
32 ~~manufacturing buildings" located in the City of Pawtucket, it is necessary to provide tax~~
33 ~~exemptions to this area as it has been designated as an economic development zone;~~

34 ~~(6) The development of an active artistic community, including "artists in residence", in~~

1 this area would promote economic development, revitalization, tourism, employment
2 opportunities, and encourage business development by providing alternative commercial
3 enterprises while in Providence creating a link between the Old Downtown and the Capital Center
4 Area;

5 ~~(7) There is a separate artistic community in the town of Westerly which is important to~~
6 ~~preserve, promote, and revitalize, and which is distinct from that in the city of Providence;~~

7 ~~(8) There is a separate artistic community in the city of Woonsocket which is important~~
8 ~~to promote and revitalize and which is distinct from that in the cities of Providence and Pawtucket~~
9 ~~and the town of Westerly;~~

10 ~~(9) There is a separate artistic community in the city of Warwick which is important to~~
11 ~~preserve, promote, and revitalize and which is distinct from that in the cities of Providence,~~
12 ~~Pawtucket, Woonsocket and the town of Westerly;~~

13 ~~(10) There are separate artistic communities in the city of Newport and in the town of~~
14 ~~Tiverton which are important to promote and revitalize and which are distinct from those in the~~
15 ~~cities of Providence, Pawtucket, Warwick and Woonsocket and the towns of Westerly and Little~~
16 ~~Compton;~~

17 ~~(11) There is a separate artistic community in the town of Warren which is important to~~
18 ~~promote and revitalize and which is distinct from that in the cities of Providence, Pawtucket,~~
19 ~~Newport, Warwick and Woonsocket and the towns of Westerly and Tiverton.~~

20 (1) The arts and culture are a significant asset for Rhode Island, one which generates
21 revenue through increased tourism and economic activity, creates jobs and economic
22 opportunities, revitalizes communities adding to quality of life and property values, and fosters
23 creativity, innovation, and entrepreneurship.

24 (2) Since 1998 the establishment of arts districts where "one-of-a-kind limited
25 production" works of art may be sold exempt from state sales tax has resulted in an increased
26 presence for the arts in designated cities and towns, with benefits to those communities and to the
27 state.

28 (3) Since the establishment of arts districts, many communities have sought legislation to
29 expand the program to their city or town.

30 (4) There is value in expanding the arts district program statewide, providing incentives
31 for the sale and purchase of art. This is a unique opportunity for Rhode Island to shape history,
32 and gain an advantage over other states, by becoming the first and only state in the country to
33 declare a statewide sales tax exemption on art. This will strengthen Rhode Island's identity as an
34 arts-friendly destination and "State of the Arts".

1 (b) (1) This section only applies to sales by writers, composers and artists residing in and
2 conducting a business within [the state of Rhode Island](#), ~~a section of the defined economic~~
3 ~~development zone in the cities of Providence or Pawtucket, or the defined economic development~~
4 ~~zone in the town of Westerly or the defined economic zone in the city of Woonsocket, or the~~
5 ~~defined economic zone in the city of Warwick, or in those areas within the city of Newport, and~~
6 ~~the town of Little Compton, which are zoned "general business," "waterfront business," or~~
7 ~~"limited business" or have been designated by the city of Newport as part of the arts district, or in~~
8 ~~those areas of the town of Warren which are zoned "waterfront district," "special district,"~~
9 ~~"village business district," "manufacturing district," "business district" or "Warren historic~~
10 ~~district," or in those areas of the town of Tiverton which are zoned "business commercial,"~~
11 ~~"business waterfront" or "village commercial."~~ For the purposes of this section, a "work" means
12 an original and creative work, whether written, composed or executed for "one-of-a-kind limited"
13 production and which falls into one of the following categories:

- 14 (i) A book or other writing;
- 15 (ii) A play or the performance of said play;
- 16 (iii) A musical composition or the performance of said composition;
- 17 (iv) A painting, [print](#), [photograph](#) or other like picture;
- 18 (v) A sculpture;
- 19 (vi) Traditional and fine crafts;
- 20 (vii) The creation of a film or the acting within the film;
- 21 (viii) The creation of a dance or the performance of the dance.

22 (2) For the purposes of this section, a "work" includes any product generated as a result
23 of any of the above categories.

24 (3) For the purposes of this section, a "work" does not apply to any piece or performance
25 created or executed for industry oriented, [commercial](#) or related production.

26 (c) (1) This section applies to sales by any individual:

- 27 (i) Who is a resident of and has a principal place of business situated in the [state of](#)
28 [Rhode Island](#), ~~section of the economic development zone designated as the arts and entertainment~~
29 ~~district in the downtown area of the city of Providence or in the city of Pawtucket, or the defined~~
30 ~~economic development zone in the town of Westerly or the defined economic zone in the city of~~
31 ~~Woonsocket, or the defined economic zone in the city of Warwick, or who is a resident of and has~~
32 ~~a principal place of business situated in those areas within the city of Newport or the town of~~
33 ~~Little Compton, which are zoned "general business," "waterfront business," or "limited business,"~~
34 ~~or have been designated by the city of Newport as part of the arts district, or who is a resident of~~

1 and has a principal place of business situated in those areas within the town of Warren which are
2 zoned "waterfront district," "special district," "village business district," "manufacturing district,"
3 "business district" or "Warren historic district," or who is a resident or has a principal place of
4 business situated in those areas within the town of Tiverton which are zoned "business
5 commercial," "business waterfront" or "village commercial." For the purposes of this section, the
6 Providence arts and entertainment district in Providence is defined as the area bounded by Pine
7 Street to the southeast, Dorrance Street to the northeast, Sabin Street to the northwest and Empire
8 Street to the southwest. Said Providence arts and entertainment district also includes the area
9 beginning at the point of intersection of Acorn Street and Harris Avenue, then turning east onto
10 Atwells Avenue to Service Road 7, then turning southerly onto Service Road 7 to Westminster
11 Street, then turning westerly onto Westminster Street, continuing until Bridgham, then turning
12 south onto Bridgham to Cranston Street, then turning southwesterly onto Cranston Street, then
13 continuing to Messer Street, then turning north onto Messer Street to Westminster Street, turning
14 west onto Westminster Street to US Hwy 6 off ramp, then heading west on US Hwy 6 to Sheridan
15 Street, then heading northeast on Sheridan Street to Aleppo Street, then turning southeast along
16 Aleppo Street to Pelham Street, then heading northeast on Pelham Street to Manton Avenue, then
17 continuing southeast on Manton Avenue until Delaine Street, then heading northeast on Delaine
18 Street until Appleton Street, then continuing northwesterly on Appleton Street until Bowdoin
19 Street, then heading north on Bowdoin Street until Barstow Street, then heading east on Barstow
20 until Valley Street, then heading northeast on Valley Street to Hemlock Street, then turning
21 southeast on Hemlock Street until Promenade Street, then heading east on Promenade Street to
22 Acorn Street, then heading south on Acorn Street to the intersection of Acorn Street and Harris
23 Avenue. The named streets are included in the Providence district; and in Pawtucket is defined as
24 the area beginning at the point of intersection of Dexter Street and the Central Falls line, then east
25 along the Central Falls line to the Blackstone River, then north along the city boundary on the
26 Blackstone River to the Cumberland line, then west along the Pawtucket city boundary line to I-
27 95, then south along I-95 to Pine Street, then north on Pine Street to AMTRAK Right of Way,
28 then northwest along the AMTRAK Right of Way to Dexter Street, then north on Dexter Street to
29 the Central Falls line. The named streets are included in the district. The Westerly arts and
30 entertainment district is defined as assessor's plat 56, lots 1 through 24, lot 48, lots 50 through 62,
31 and lots 71 through 82, and assessors plat 66, lots 22 through 26, and lots 29 through 36 the
32 Woonsocket arts and entertainment district is defined as the area beginning at a point of land on
33 the southwest bank of the Blackstone River abutting the bridge for the Providence & Worcester
34 Railroad and proceeding northerly to a point at the intersection of Worrall Street, Clinton Street

1 and Harry S. Truman Drive, then proceeding northwesterly along Worrall Street to its intersection
2 with Social Street, then turning westerly on Social Street proceeding to its intersection with Main
3 Street, Blackstone Street and North Main Street, then turning northwesterly and proceeding along
4 Blackstone Street to its intersection with River Street, then turning northerly and proceeding
5 along River Street to its intersection with the north/east bank of Blackstone River, then following
6 the riverbank southerly to the bridge at Bernon Street and turning easterly crossing the Blackstone
7 River via Bernon Street and proceeding to its intersection with Front Street, then turning
8 northeasterly on Front Street and proceeding to its intersection with Hamlet Avenue, and to
9 include the former courthouse on the southerly side of Front Street at its intersection with Hamlet
10 Avenue, then turning easterly on Hamlet Avenue and proceeding to its intersection with Manville
11 Road, then turning southeasterly on Manville Road and proceeding to its intersection with
12 Davison Avenue, then turning northeasterly on Davison Avenue and proceeding to a point on the
13 south/west bank of the Blackstone River, then turning northerly, following the southerly
14 riverbank to the point of beginning. The abovementioned streets are included in the district. The
15 Warwick arts district is defined as that area known as Pontiac Village, beginning on Route 5 at
16 the Warwick/Cranston municipal boundary, then south to the intersection of Route 5 and the
17 Pawtuxet River, then following the Pawtuxet River in an easterly and northerly direction to the
18 municipal boundary in the vicinity of Knight Street, then from the intersection of Knight Street
19 and the municipal boundary westerly along the Warwick/Cranston municipal boundary to the
20 intersection of Route 5 and Greenwich Avenue. The above named streets are included in the
21 district.

22 (ii) Who is determined by the tax administrator [in consultation with the Rhode Island](#)
23 [council on the arts](#), after consideration of any evidence he or she deems necessary or which is
24 submitted to him or her by the individual, to have written, composed, or executed, either solely or
25 jointly, a work or works which would fall into one of the categories listed in subsection (b)(1).

26 (2) This section also applies to sales by any other gallery located in the [state of Rhode](#)
27 [Island](#). arts and entertainment district described in subsection (c)(1)(i) as well as any other arts
28 and entertainment district designated by the general assembly, as well as to sales by any other
29 gallery located in those areas within the city of Newport, or the town of Little Compton, which
30 are zoned "general business," "waterfront business," or "limited business" or have been
31 designated by the city of Newport as part of the arts district, as well as to sales by any other
32 gallery located in those areas within the town of Warren which are zoned "waterfront district,"
33 "special district," "village business district," "manufacturing district," "business district" or
34 "Warren historic district," as well as to sales by any other gallery located in those areas within the

1 ~~town of Tiverton which are zoned "business commercial," "business waterfront" or "village~~
2 ~~commercial."~~

3 (3) The tax administrator shall not make a determination unless:

4 (i) The individual(s) concerned duly make(s) an application to the tax administrator for
5 the sales tax exemption which applies to the works defined in this section; and

6 (ii) The individual has complied and continues to comply with any and all requests made
7 by the tax administrator.

8 (d) Any individual to whom this section applies and who makes an application to the tax
9 administrator is entitled to a sales tax exemption for the sale of a work or works sold from the
10 individual's business located in the ~~economic development zone~~ State of Rhode Island which
11 would, apart from this section, be subject to the tax rate imposed by the state of Rhode Island.

12 (e) When an individual makes a request for the exemption, the tax administrator is
13 entitled to all books, documents, or other evidence relating to the publication, production or
14 creation of the works that may be deemed necessary by the tax administrator for the purposes of
15 the exemption. The time period in which to provide this information is in the sole discretion of
16 the tax administrator and specified in the notice.

17 (f) In addition to the information required in subsection (e), the tax administrator may
18 require the individual(s) to submit an annual certified accounting of the numbers of works sold,
19 the type of work sold, and the date of the sale. Failure to file this report may, in the sole discretion
20 of the tax administrator, terminate the individual's eligibility for the exemption.

21 (g) Any person storing, using, or otherwise consuming in this state any work or works
22 which is deemed to be exempt from the sales tax pursuant to this section is not liable for the use
23 tax on the work or works.

24 (h) Notwithstanding the provisions of this section, any individual to whom this section
25 may apply shall comply with all the administration, collection, and other provisions of chapters
26 18 and 19 of this title.

27 (4) The Rhode Island council on the arts will oversee the transition to a statewide arts
28 district program and work with the state tourism agencies, local chambers of commerce, and
29 advertising/marketing agencies to promote this program, and will coordinate its efforts with the
30 city and town governments. The Rhode Island council on the arts may request and shall receive
31 from any department, division, board, bureau, commission, or agency of the state any data,
32 assistance, and resources, including additional personnel, that will enable it to properly carry out
33 this program.

34 (5) The tax administrator, in cooperation with the Rhode Island council on the arts, will

1 gather data to assess the overall impact of the statewide arts district program, and issue an annual
2 report, including, but not be limited to, the impact of the tax exemption on employment, tourism,
3 sales and spending within the arts sector and adjacent businesses, and any other factors that
4 describe the impact of the program.

5 SECTION 16. Section 1 of this article shall take effect on January 1, 2014, and shall
6 apply to all assets placed in service on or after January 1, 2014. Section 2 of this article shall take
7 effect upon passage and shall apply to tax years beginning on or after January 1, 2014. Section 4
8 of this article shall take effect July 1, 2013. Section 8 of this article shall take effect on July 1,
9 2013 and shall expire on March 31, 2015. Section 15 of this article shall take effect on December
10 1, 2013 and shall expire on March 31, 2015. The remainder of this article shall take effect upon
11 passage.

ARTICLE 10

RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2013

SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained in this act, the following general revenue amounts are hereby appropriated out of any money in the treasury not otherwise appropriated to be expended during the fiscal year ending June 30, 2013. The amounts identified for federal funds and restricted receipts shall be made available pursuant to Section 35-4-22 and Chapter 41 of Title 42 of the Rhode Island General Laws. For the purposes and functions hereinafter mentioned, the state controller is hereby authorized and directed to draw his or her orders upon the general treasurer for the payment of such sums or such portions thereof as may be required from time to time upon receipt by him or her of properly authenticated vouchers.

	FY 2013	FY 2013	FY 2013
	<u>Enacted</u>	<u>Change</u>	<u>Final</u>
Administration			
<i>Central Management</i>			
General Revenues	2,272,523	(124,616)	2,147,907
Office of Digital Excellence	0	399,182	399,182
Federal Funds	0	86,857	86,857
Total - Central Management	2,272,523	361,423	2,633,946
<i>Legal Services</i> General Revenues	2,006,995	(96,761)	1,910,234
<i>Accounts and Control</i> General Revenues	3,815,349	(36,610)	3,778,739
<i>Auditing</i> General Revenues	1,200,000	(63,272)	1,136,728
<i>Office of Management and Budget</i>			
General Revenues	3,004,055	78,337	3,082,392
Restricted Receipts	411,460	(27,619)	383,841
Total – Office of Management and Budget	3,415,515	50,718	3,466,233
<i>Purchasing</i>			
General Revenues	2,741,468	(191,222)	2,550,246
Federal Funds	69,888	98,290	168,178

1	Other Funds	294,974	33,304	328,278
2	Total – Purchasing	3,106,330	(59,628)	3,046,702
3	<i>Human Resources</i>			
4	General Revenues	8,839,720	(544,158)	8,295,562
5	Federal Funds	764,973	(23,689)	741,284
6	Restricted Receipts	427,760	(7,299)	420,461
7	Other Funds	1,359,348	133,979	1,493,327
8	Total - Human Resources	11,391,801	(441,167)	10,950,634
9	<i>Personnel Appeal Board</i> General Revenues	75,036	0	75,036
10	<i>Facilities Management</i>			
11	General Revenues	32,593,888	(2,024,644)	30,569,244
12	Federal Funds	1,049,144	(135,890)	913,254
13	Restricted Receipts	598,202	(63,797)	534,405
14	Other Funds	3,325,363	240,021	3,565,384
15	Total – Facilities Management	37,566,597	(1,984,310)	35,582,287
16	<i>Capital Projects and Property Management</i>			
17	General Revenues	3,040,310	(1,863,021)	1,177,289
18	Federal Funds – Stimulus	0	100,000	100,000
19	Restricted Receipts	1,313,144	(1,313,144)	0
20	Total – Capital Projects and Property			
21	Management	4,353,454	(3,076,165)	1,277,289
22	<i>Information Technology</i>			
23	General Revenues	20,215,153	233,819	20,448,972
24	Federal Funds	5,760,616	1,149,605	6,910,221
25	Restricted Receipts	3,789,803	3,113	3,792,916
26	Other Funds	2,092,811	22,973	2,115,784
27	Total – Information Technology	31,858,383	1,409,510	33,267,893
28	<i>Library and Information Services</i>			
29	General Revenues	933,989	22,310	956,299
30	Federal Funds	1,319,663	(21,549)	1,298,114
31	Restricted Receipts	1,895	(201)	1,694
32	Total - Library and Information Services	2,255,547	560	2,256,107
33	<i>Planning</i>			
34	General Revenues	3,960,126	(102,581)	3,857,545

1	Federal Funds	8,684,453	3,364,524	12,048,977
2	Federal Funds – Stimulus	0	62,788	62,788
3	Other Funds	4,836,966	479,065	5,316,031
4	Total - Planning	17,481,545	3,803,796	21,285,341

5 *General*

6	General Revenues			
7	Economic Development Corporation	4,684,403	(78,350)	4,606,053
8	EDC – Airport Corporation Impact Aid	1,025,000	(16,914)	1,008,086

9 Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be
10 distributed to each airport serving more than 1,000,000 passengers based upon its percentage of
11 the total passengers served by all airports serving more than 1,000,000 passengers. Forty percent
12 (40%) of the first \$1,000,000 shall be distributed based on the share of landings during the
13 calendar year 2012 at North Central Airport, and Westerly Airport, respectively. The Economic
14 Development Corporation shall make an impact payment to the towns of cities in which the
15 airport is located based on this calculation.

16 Each community upon which any parts of the above airports are located shall receive at
17 least \$25,000.

18	EDC – EPScore (Research Alliance)	1,150,000	0	1,150,000
19	Miscellaneous Grants	146,049	0	146,049
20	Slater Centers of Excellence	1,500,000	0	1,500,000
21	Torts – Courts	400,000	114,293	514,293
22	Current Care - Health Information Exchange	450,000	0	450,000
23	I-195 Commission	3,900,000	0	3,900,000
24	RI Film and Television Office	305,409	(928)	304,481
25	Office of Digital Excellence	300,000	(300,000)	0
26	State Employees/Teachers Retiree Health			
27	Subsidy	2,321,057	0	2,321,057
28	Resource Sharing and State Library Aid	8,773,398	0	8,773,398
29	Library Construction Aid	2,471,714	0	2,471,714
30	Federal Funds	4,345,555	0	4,345,555
31	Restricted Receipts	421,500	0	421,500
32	Rhode Island Capital Plan Funds			
33	Statehouse Renovations	4,000,000	(2,959,082)	1,040,918
34	DoIT Enterprise Operations Center	0	259,287	259,287

1	Cranston Street Armory	800,000	(650,000)	150,000
2	Cannon Building	220,000	167,740	387,740
3	Zambarano Building Rehabilitation	1,200,000	(1,030,000)	170,000
4	Pastore Medical Center Rehab DOA	1,600,000	700,000	2,300,000
5	Old State House	500,000	(425,000)	75,000
6	State Office Building	1,250,000	(465,583)	784,417
7	Old Colony House	300,000	(115,089)	184,911
8	William Powers Building	700,000	(237,333)	462,667
9	McCoy Stadium Repairs	0	325,000	325,000
10	Fire Code Compliance State Buildings	350,000	0	350,000
11	Pastore Center Fire Code Compliance	1,100,000	550,000	1,650,000
12	Pastore Center Utility Systems Upgrade	2,000,000	(700,000)	1,300,000
13	Pastore Power Plant Rehabilitation	0	199,781	199,781
14	Replacement of Fueling Tanks	300,000	0	300,000
15	Environmental Compliance	200,000	31,448	231,448
16	Big River Management Area	120,000	189,516	309,516
17	Pastore Center Building Demolition	3,000,000	(1,069,695)	1,930,305
18	Washington County Government Center	500,000	(89,685)	410,315
19	Veterans Memorial Auditorium	4,000,000	601,211	4,601,211
20	Chapin Health Laboratory	1,500,000	(1,500,000)	0
21	Pastore Center Parking	1,000,000	400,000	1,400,000
22	Pastore Center Water Tanks	500,000	(468,633)	31,367
23	Board of Elections New Location	1,000,000	(1,000,000)	0
24	Renovate Building #81	150,000	(150,000)	0
25	Pastore Cottages Rehabilitation	100,000	(30,000)	70,000
26	Health Lab Feasibility Study	175,000	0	175,000
27	Ladd Center Building Demolition	300,000	1,100,000	1,400,000
28	I-195 Commission	250,000	0	250,000
29	Zambarano Wood Chip Boiler	0	750,000	750,000
30	Ladd Rubble Pile Rehabilitation	0	200,000	200,000
31	RI Convention Center Authority	0	500,000	500,000
32	Total – General	59,309,085	(5,198,016)	54,111,069
33	<i>Debt Service Payments</i>			
34	General Revenues	159,759,567	(3,885,802)	155,873,765

1	Federal Funds	2,759,328	0	2,759,328
2	Restricted Receipts	4,454,480	(2,325,000)	2,129,480
3	Other Funds			
4	RIPTA Debt Service	1,680,844	(1,680,844)	0
5	Transportation Debt Service	34,317,954	105,435	34,423,389
6	Investment Receipts – Bond Funds	100,000	0	100,000
7	COPS - DLT Building – TDI	278,848	0	278,848
8	Total - Debt Service Payments	203,351,021	(7,786,211)	195,564,810
9	<i>Energy Resources</i>			
10	Federal Funds	348,685	279,367	628,052
11	Federal Funds – Stimulus	224,543	4,298,444	4,522,987
12	Restricted Receipts	4,815,703	66,662	4,882,365
13	Total – Energy Resources	5,388,931	4,644,473	10,033,404
14	<i>Rhode Island Health Benefits Exchange</i> Federal Funds	0	28,829,827	28,829,827
15	<i>Construction Permitting, Approvals and Licensing</i>			
16	General Revenues	0	1,376,072	1,376,072
17	Restricted Receipts	0	1,349,550	1,349,550
18	Total – Construction Permitting, Approvals and			
19	Licensing	0	2,725,622	2,725,622
20	<i>Supplemental Retirement Savings</i>			
21	General Revenues	629,747	0	629,747
22	Federal Funds	251,899	0	251,899
23	Restricted Receipts	52,479	0	52,479
24	Other	115,454	0	115,454
25	Total – Supplemental Retirement Savings	1,049,579	0	1,049,579
26	Grand Total – Administration	389,897,691	23,083,789	412,981,480
27	Business Regulation			
28	<i>Central Management</i> General Revenues	1,145,060	(40,259)	1,104,801
29	<i>Banking Regulation</i>			
30	General Revenues	1,637,766	(80,237)	1,557,529
31	Restricted Receipts	125,000	0	125,000
32	Total - Banking Regulation	1,762,766	(80,237)	1,682,529
33	<i>Securities Regulation</i>			
34	General Revenues	1,068,375	(203,151)	865,224

1	Restricted Receipts	15,000	0	15,000
2	Total - Securities Regulation	1,083,375	(203,151)	880,224
3	<i>Insurance Regulation</i>			
4	General Revenues	3,916,525	(63,285)	3,853,240
5	Restricted Receipts	1,284,868	36,518	1,321,386
6	Total - Insurance Regulation	5,201,393	(26,767)	5,174,626
7	<i>Office of the Health Commissioner</i>			
8	General Revenues	542,929	(15,347)	527,582
9	Federal Funds	2,719,081	4,283,134	7,002,215
10	Restricted Receipts	10,500	0	10,500
11	Total – Office of the Health Commissioner	3,272,510	4,267,787	7,540,297
12	<i>Board of Accountancy</i> General Revenues	82,483	(3,019)	79,464
13	<i>Commercial Licensing, Racing & Athletics</i>			
14	General Revenues	719,111	(29,696)	689,415
15	Restricted Receipts	460,812	27,375	488,187
16	Total - Commercial Licensing, Racing &			
17	Athletics	1,179,923	(2,321)	1,177,602
18	<i>Board for Design Professionals</i> General Revenues	249,799	(1,542)	248,257
19	Grand Total - Business Regulation	13,977,309	3,910,491	17,887,800
20	Labor and Training			
21	<i>Central Management</i>			
22	General Revenues	107,310	8,040	115,350
23	Restricted Receipts	585,938	(4,065)	581,873
24	Rhode Island Capital Plan Funds			
25	Center General Asset Protection	310,500	(85,110)	225,390
26	Center General Roof	753,650	7,147	760,797
27	Total - Central Management	1,757,398	(73,988)	1,683,410
28	<i>Workforce Development Services</i>			
29	Federal Funds	24,182,172	3,712,125	27,894,297
30	Restricted Receipts	6,954,831	4,409,369	11,364,200
31	Total - Workforce Development Services	31,137,003	8,121,494	39,258,497
32	<i>Workforce Regulation and Safety</i> General Revenues	2,994,552	(31,960)	2,962,592
33	<i>Income Support</i>			
34	General Revenues	4,370,518	(102,393)	4,268,125

1	Federal Funds	15,293,809	10,349,279	25,643,088
2	Federal Funds – Stimulus - UI	72,268,000	40,470,677	112,738,677
3	Restricted Receipts	1,403,715	773,832	2,177,547
4	Job Development Fund	18,572,493	19,027,507	37,600,000
5	Other Funds			
6	Temporary Disability Insurance Fund	181,947,650	(10,260,080)	171,687,570
7	Employment Security Fund	322,696,493	(6,609,060)	316,087,433
8	Total - Income Support	616,552,678	53,649,762	670,202,440
9	<i>Injured Workers Services</i> Restricted Receipts	8,775,718	345,280	9,120,998
10	<i>Labor Relations Board</i> General Revenues	386,790	(3,956)	382,834
11	Grand Total - Labor and Training	661,604,139	62,006,632	723,610,771
12	Department of Revenue			
13	<i>Director of Revenue</i> General Revenues	783,388	107,729	891,117
14	<i>Office of Revenue Analysis</i> General Revenues	538,285	(60,820)	477,465
15	<i>Lottery Division</i>			
16	Lottery Funds	232,744,968	5,045,629	237,790,597
17	RICAP – Lottery Building Renovations	0	400,000	400,000
18	Total - Lottery Division	232,744,968	5,445,629	238,190,597
19	<i>Municipal Finance</i>			
20	General Revenues	2,264,780	(292,005)	1,972,775
21	Central Falls Receivership	300,000	110,502	410,502
22	Total - Municipal Finance	2,564,780	(181,503)	2,383,277
23	<i>Taxation</i>			
24	General Revenues	17,904,225	(193,827)	17,710,398
25	Federal Funds	1,326,098	(64,189)	1,261,909
26	Restricted Receipts	872,995	(23,406)	849,589
27	Other Funds			
28	Motor Fuel Tax Evasion	43,382	(150)	43,232
29	Temporary Disability Insurance	975,730	(59,152)	916,578
30	Total – Taxation	21,122,430	(340,724)	20,781,706
31	<i>Registry of Motor Vehicles</i>			
32	General Revenues	18,475,667	(549,903)	17,925,764
33	Federal Funds	1,124,611	510,810	1,635,421
34	Restricted Receipts	14,763	0	14,763

1	Rhode Island Capital Plan Funds			
2	Registry of Motor Vehicles – Forand	0	115,114	115,114
3	Safety & Emissions Lift Replacement	100,000	50,000	150,000
4	Total – Registry of Motor Vehicles	19,715,041	126,021	19,841,062
5	<i>State Aid</i>			
6	General Revenues			
7	Distressed Communities Relief Fund	10,384,458	0	10,384,458
8	Payment in Lieu of Tax Exempt Properties	33,080,409	2,000,000	35,080,409
9	Motor Vehicle Excise Tax Payments	10,000,000	0	10,000,000
10	Property Revaluation Program	1,611,032	0	1,611,032
11	Municipal Pension Revaluation	0	18,516	18,516
12	Restricted Receipts			
13	Car Rental Tax/Surcharge – Warwick Share	957,497	0	957,497
14	Total – State Aid	56,033,396	2,018,516	58,051,912
15	Grand Total – Revenue	333,502,288	7,114,848	340,617,136
16	Legislature			
17	General Revenues	37,217,044	3,171,189	40,388,233
18	Restricted Receipts	1,627,174	(101,591)	1,525,583
19	Grand Total – Legislature	38,844,218	3,069,598	41,913,816
20	Lieutenant Governor			
21	General Revenues	962,955	(17,644)	945,311
22	Federal Funds	129,737	663,368	793,105
23	Grand Total - Lieutenant Governor	1,092,692	645,724	1,738,416
24	Secretary of State			
25	<i>Administration</i> General Revenues	1,907,105	89,272	1,996,377
26	<i>Corporations</i> General Revenues	2,068,731	18,590	2,087,321
27	<i>State Archives</i>			
28	General Revenues	79,385	11,451	90,836
29	Restricted Receipts	505,069	(23,472)	481,597
30	Total - State Archives	584,454	(12,021)	572,433
31	<i>Elections & Civics</i>			
32	General Revenues	1,900,552	(211,447)	1,689,105
33	Federal Funds	0	2,566	2,566
34	Total – Elections and Civics	1,900,552	(208,881)	1,691,671

1	<i>State Library</i> General Revenues	598,381	2,820	601,201
2	<i>Office of Public Information</i> General Revenues	358,884	9,601	368,485
3	Grand Total – Secretary of State	7,418,107	(100,619)	7,317,488
4	General Treasurer			
5	<i>Treasury</i>			
6	General Revenues	2,096,374	330,114	2,426,488
7	Federal Funds	316,169	(35,419)	280,750
8	Restricted Receipts	0	30,000	30,000
9	Other Funds - Temporary Disability Insurance Fund	251,512	(34,924)	216,588
10	Total – Treasury	2,664,055	289,771	2,953,826
11	<i>State Retirement System</i>			
12	General Revenues	311,760	(82,303)	229,457
13	Restricted Receipts			
14	Admin Expenses - State Retirement System	10,584,330	(1,953,533)	8,630,797
15	Retirement - Treasury Investment Operations	1,127,961	(54,059)	1,073,902
16	Total - State Retirement System	12,024,051	(2,089,895)	9,934,156
17	<i>Unclaimed Property</i> Restricted Receipts	20,733,930	9,964,804	30,698,734
18	<i>Crime Victim Compensation Program</i>			
19	General Revenues	133,981	36,575	170,556
20	Federal Funds	843,543	(24,796)	818,747
21	Restricted Receipts	1,172,000	(29,513)	1,142,487
22	Total - Crime Victim Compensation Program	2,149,524	(17,734)	2,131,790
23	Grand Total – General Treasurer	37,571,560	8,146,946	45,718,506
24	Board of Elections General Revenues	1,952,116	(65,293)	1,886,823
25	Rhode Island Ethics Commission General Revenues	1,557,881	(27,028)	1,530,853
26	Office of Governor			
27	General Revenues	4,168,290	(93,280)	4,075,010
28	Contingency Fund	250,000	0	250,000
29	Federal Funds	22,163,245	(22,163,245)	0
30	Grand Total – Office of Governor	26,581,535	(22,256,525)	4,325,010
31	Commission for Human Rights			
32	General Revenues	1,137,768	(4,639)	1,133,129
33	Federal Funds	325,992	(19,304)	306,688
34	Grand Total - Commission for Human Rights	1,463,760	(23,943)	1,439,817

1	Public Utilities Commission			
2	Federal Funds	110,213	8	110,221
3	Federal Funds – Stimulus	211,582	26,618	238,200
4	Restricted Receipts	7,924,913	216,606	8,141,519
5	Grand Total - Public Utilities Commission	8,246,708	243,232	8,489,940
6	Office of Health and Human Services			
7	<i>Central Management</i>			
8	General Revenues	25,434,668	(2,227,162)	23,207,506
9	Federal Funds	74,974,313	5,622,958	80,597,271
10	Federal Funds – Stimulus	312,000	0	312,000
11	Restricted Receipts	957,586	369,244	1,326,830
12	Total – Central Management	101,678,567	3,765,040	105,443,607
13	<i>Medical Assistance</i>			
14	General Revenues			
15	Managed Care	283,387,147	(22,669,265)	260,717,882
16	Hospitals	107,337,545	(3,233,736)	104,103,809
17	Nursing Facilities	173,959,640	(3,897,040)	170,062,600
18	Home and Community Based Services	35,953,320	3,250,840	39,204,160
19	Other Services	43,765,745	(3,281,790)	40,483,955
20	Pharmacy	52,354,074	(1,878,604)	50,475,470
21	Rhody Health	102,873,564	(12,197,660)	90,675,904
22	Federal Funds			
23	Managed Care	312,336,604	(16,854,486)	295,482,118
24	Hospitals	115,542,929	(3,431,013)	112,111,916
25	Nursing Facilities	184,540,360	(4,102,960)	180,437,400
26	Home and Community Based Services	38,146,680	3,449,160	41,595,840
27	Other Services	62,494,368	2,106,677	64,601,045
28	Pharmacy	1,290,105	(1,967,828)	(677,723)
29	Rhody Health	106,846,436	(12,038,624)	94,807,812
30	Special Education	18,350,000	650,000	19,000,000
31	Restricted Receipts	11,515,000	400,000	11,915,000
32	Total Medical Assistance	1,650,693,517	(75,696,329)	1,574,997,188
33	Grand Total – Health and			
34	Human Services	1,752,372,084	(71,931,289)	1,680,440,795

1	Children, Youth, and Families			
2	<i>Central Management</i>			
3	General Revenues	4,674,549	346,845	5,021,394
4	Federal Funds	2,351,311	(176,341)	2,174,970
5	Restricted Receipts	204,094	(173,488)	30,606
6	Total - Central Management	7,229,954	(2,984)	7,226,970
7	<i>Children's Behavioral Health Services</i>			
8	General Revenues	10,077,912	(5,210,648)	4,867,264
9	Federal Funds	7,524,753	(1,534,861)	5,989,892
10	Rhode Island Capital Plan Funds			
11	NAFI Center	500,000	178,790	678,790
12	Mt. Hope Building Facade	275,000	(275,000)	0
13	Mt. Hope Fire Towers	275,000	(275,000)	0
14	Mt. Hope Feasibility Study	50,000	0	50,000
15	Various Repairs and Improvements	195,000	714,000	909,000
16	Total - Children's Behavioral Health			
17	Services	18,897,665	(6,402,719)	12,494,946
18	<i>Juvenile Correctional Services</i>			
19	General Revenues	30,203,577	(3,393,371)	26,810,206
20	Federal Funds	1,250,209	(855,286)	394,923
21	Federal Funds – Stimulus	21,914	240,543	262,457
22	Rhode Island Capital Plan Funds			
23	Vocational Building	0	265,900	265,900
24	Thomas C. Slater Training School			
25	Maintenance Building	535,000	(535,000)	0
26	Generators - Thomas C. Slater Training School	441,000	0	441,000
27	Total - Juvenile Correctional Services	32,451,700	(4,277,214)	28,174,486
28	<i>Child Welfare</i>			
29	General Revenues	96,800,187	7,055,260	103,855,447
30	18 to 21 Year Olds	10,630,227	486,548	11,116,775
31	Federal Funds	44,793,059	813,735	45,606,794
32	18 to 21 Year Olds	2,497,984	(258,014)	2,239,970
33	Federal Funds – Stimulus	1,061	335,830	336,891
34	Restricted Receipts	2,621,159	(113,101)	2,508,058

1	Rhode Island Capital Plan Funds			
2	Fire Code Upgrades	500,000	(149,789)	350,211
3	Total - Child Welfare	157,843,677	8,170,469	166,014,146
4	<i>Higher Education Incentive Grants</i> General Revenues	200,000	0	200,000
5	Grand Total - Children, Youth,			
6	and Families	216,622,996	(2,512,448)	214,110,548
7	Health			
8	<i>Central Management</i>			
9	General Revenues	1,173,946	(280,223)	893,723
10	Federal Funds	8,355,078	587,454	8,942,532
11	Restricted Receipts	3,585,881	217,423	3,803,304
12	Total - Central Management	13,114,905	524,654	13,639,559
13	<i>State Medical Examiner</i>			
14	General Revenues	2,259,943	33,902	2,293,845
15	Federal Funds	204,371	(32,367)	172,004
16	Total - State Medical Examiner	2,464,314	1,535	2,465,849
17	<i>Environmental and Health Services Regulation</i>			
18	General Revenues	9,145,421	21,560	9,166,981
19	Federal Funds	5,645,960	421,708	6,067,668
20	Restricted Receipts	4,422,838	(347,461)	4,075,377
21	Total - Environmental and Health Services			
22	Regulation	19,214,219	95,807	19,310,026
23	<i>Health Laboratories</i>			
24	General Revenues	6,300,363	(46,597)	6,253,766
25	Federal Funds	1,614,851	79,199	1,694,050
26	Federal Funds - Stimulus	190,052	(82,517)	107,535
27	Total - Health Laboratories	8,105,266	(49,915)	8,055,351
28	<i>Public Health Information</i>			
29	General Revenues	1,741,431	156,446	1,897,877
30	Federal Funds	735,572	1,796,293	2,531,865
31	Federal Funds - Stimulus	373,442	145,829	519,271
32	Total – Public Health Information	2,850,445	2,098,568	4,949,013
33	<i>Community and Family Health and Equity</i>			
34	General Revenues	2,418,974	(149,319)	2,269,655

1	Federal Funds	43,485,586	2,736,048	46,221,634
2	Federal Funds - Stimulus	1,098,622	337,161	1,435,783
3	Restricted Receipts	21,503,877	2,130,061	23,633,938
4	Other Funds			
5	Safe and Active Commuting	172,000	(45,689)	126,311
6	Total – Community and Family Health			
7	and Equity	68,679,059	5,008,262	73,687,321
8	<i>Infectious Disease and Epidemiology</i>			
9	General Revenues	1,781,758	(110,883)	1,670,875
10	Federal Funds	3,275,445	(310,759)	2,964,686
11	Federal Funds – Stimulus	36,672	(36,672)	0
12	Total – Infectious Disease and Epidemiology	5,093,875	(458,314)	4,635,561
13	Grand Total – Health	119,522,083	7,220,597	126,742,680
14	Human Services			
15	<i>Central Management</i>			
16	General Revenues	5,052,482	134,852	5,187,334
17	Federal Funds	5,317,610	64,723	5,382,333
18	Restricted Receipts	519,347	(76,391)	442,956
19	Total - Central Management	10,889,439	123,184	11,012,623
20	<i>Child Support Enforcement</i>			
21	General Revenues	2,305,759	122,720	2,428,479
22	Federal Funds	6,033,709	70,571	6,104,280
23	Total – Child Support Enforcement	8,339,468	193,291	8,532,759
24	<i>Individual and Family Support</i>			
25	General Revenues	20,616,357	(414,784)	20,201,573
26	Federal Funds	106,054,903	14,863,707	120,918,610
27	Federal Funds - Stimulus	7,066,062	(1,245,880)	5,820,182
28	Restricted Receipts	6,680,000	642,171	7,322,171
29	Rhode Island Capital Plan Funds			
30	Blind Vending Facilities	165,000	(15,000)	150,000
31	Other Funds			
32	Intermodal Surface Transportation Fund	4,224,184	(69,159)	4,155,025
33	Food Stamp Bonus Funding	0	259,000	259,000
34	Total - Individual and Family Support	144,806,506	14,020,055	158,826,561

1	<i>Veterans' Affairs</i>			
2	General Revenues	19,568,977	76,941	19,645,918
3	Federal Funds	8,240,954	(385,201)	7,855,753
4	Restricted Receipts	1,077,762	2,742,055	3,819,817
5	Total - Veterans' Affairs	28,887,693	2,433,795	31,321,488
6	<i>Health Care Quality, Financing and Purchasing</i>			
7	General Revenues	8,314,370	(937,040)	7,377,330
8	Federal Funds	9,523,746	(775,809)	8,747,937
9	Total - Health Care Quality, Financing and			
10	Purchasing	17,838,116	(1,712,849)	16,125,267
11	<i>Supplemental Security Income Program General</i>			
12	Revenues	18,240,600	(38,920)	18,201,680
13	<i>Rhode Island Works</i>			
14	General Revenues Child Care	9,668,635	0	9,668,635
15	Federal Funds	80,198,485	(1,979,876)	78,218,609
16	Total – Rhode Island Works	89,867,120	(1,979,876)	87,887,244
17	<i>State Funded Programs</i>			
18	General Revenues			
19	General Public Assistance	2,572,658	(527,558)	2,045,100
20	<i>Of this appropriation, \$210,000 shall be used for hardship contingency payments.</i>			
21	Federal Funds	299,134,564	(290,862)	298,843,702
22	Total - State Funded Programs	301,707,222	(818,420)	300,888,802
23	<i>Elderly Affairs</i>			
24	General Revenues	10,682,842	227,941	10,910,783
25	Care and Safety of the Elderly	1,287	0	1,287
26	Federal Funds	18,161,725	(51,250)	18,110,475
27	Restricted Receipts	833,994	(361,385)	472,609
28	Total – Elderly Affairs	29,679,848	(184,694)	29,495,154
29	Grand Total - Human Services	650,256,012	12,035,566	662,291,578
30	Behavioral Healthcare, Developmental Disabilities, and Hospitals			
31	<i>Central Management</i>			
32	General Revenues	797,214	(8,772)	788,442
33	Federal Funds	361,940	35,219	397,159
34	Total - Central Management	1,159,154	26,447	1,185,601

1	<i>Hospital and Community System Support</i>			
2	General Revenues	2,527,114	(235,307)	2,291,807
3	Restricted Receipts	505,624	(54,972)	450,652
4	Rhode Island Capital Plan Funds			
5	Medical Center Rehabilitation	1,000,000	(700,000)	300,000
6	Community Facilities Fire Code	750,000	(250,000)	500,000
7	Total - Hospital and Community System			
8	Support	4,782,738	(1,240,279)	3,542,459
9	<i>Services for the Developmentally Disabled</i>			
10	General Revenues	105,259,461	599,124	105,858,585
11	Federal Funds	114,862,371	(842,047)	114,020,324
12	Restricted Receipts	1,776,017	0	1,776,017
13	Rhode Island Capital Plan Funds			
14	DD Private Waiver	761,351	(552,334)	209,017
15	Regional Center Repair/Rehabilitation	750,000	(250,000)	500,000
16	MR Community Facilities/Access to			
17	Independence	1,000,000	(500,000)	500,000
18	Total - Services for the Developmentally			
19	Disabled	224,409,200	(1,545,257)	222,863,943
20	<i>Behavioral Healthcare Services</i>			
21	General Revenues	34,859,214	(2,304,217)	32,554,997
22	Federal Funds	74,430,048	(13,680,964)	60,749,084
23	Federal Funds – Stimulus	35,000	205,000	240,000
24	Restricted Receipts	125,000	0	125,000
25	Rhode Island Capital Plan Funds			
26	MH Community Facilities Repair	300,000	235,143	535,143
27	MH Housing Development-Thresholds	800,000	0	800,000
28	MH Residence Furniture	32,000	(29,000)	3,000
29	Substance Abuse Asset Production	300,000	(200,000)	100,000
30	Total – Behavioral Healthcare Services			
		110,881,262	(15,774,038)	95,107,224
31	<i>Hospital and Community Rehabilitative Services</i>			
32	General Revenues	49,694,992	2,045,877	51,740,869
33	Federal Funds	44,436,605	3,982,891	48,419,496
34	Restricted Receipts	4,782,193	43,504	4,825,697

1	Rhode Island Capital Plan Funds			
2	Zambarano Buildings and Utilities	225,000	(175,000)	50,000
3	Hospital Consolidation	2,000,000	(1,695,000)	305,000
4	BHDDH Administrative Buildings	2,000,000	(1,900,000)	100,000
5	MR Community Facilities	1,300,000	(400,000)	900,000
6	Total - Hospital and Community			
7	Rehabilitative Services	104,438,790	1,902,272	106,341,062
8	Grand Total – Behavioral Healthcare,			
9	Developmental Disabilities, and Hospitals	445,671,144	(16,630,855)	429,040,289
10	Office of the Child Advocate			
11	General Revenues	611,469	(20,805)	590,664
12	Federal Funds	46,103	(35)	46,068
13	Grand Total – Office of the Child Advocate	657,572	(20,840)	636,732
14	Commission on the Deaf and Hard of Hearing General			
15	Revenues	390,251	(8,550)	381,701
16	Governor's Commission on Disabilities			
17	General Revenues	371,096	(46,675)	324,421
18	Federal Funds	120,649	94,719	215,368
19	Restricted Receipts	9,694	(480)	9,214
20	Rhode Island Capital Plan Funds			
21	Facility Renovation – Handicapped Access	250,000	(250,000)	0
22	Facility Renovation – Access to Disability			
23	Service Providers	0	50,000	50,000
24	Grand Total - Governor's Commission on			
25	Disabilities	751,439	(152,436)	599,003
26	Office of the Mental Health Advocate General Revenues	447,119	(123,812)	323,307
27	Elementary and Secondary Education			
28	<i>Administration of the Comprehensive Education Strategy</i>			
29	General Revenues	18,967,968	(204,120)	18,763,848
30	Federal Funds	190,397,563	5,046,403	195,443,966
31	Federal Funds – Stimulus	20,796,439	(278,134)	20,518,305
32	Education Jobs Fund	2,390,623	(565,947)	1,824,676
33	RTTT LEA Share	15,534,615	2,530,636	18,065,251
34	Restricted Receipts	1,305,190	(98,211)	1,206,979

1	HRIC Adult Education Grants	3,500,000	0	3,500,000
2	Statewide Transportation – RIPTA Grant	47,000	(47,000)	0
3	Rhode Island Capital Plan Funds			
4	Cranston Career and Technical	350,000	1,577,417	1,927,417
5	Newport Career and Technical	256,638	0	256,638
6	Warwick Career and Technical	230,000	(194,960)	35,040
7	Woonsocket Career and Technical	275,000	(218,050)	56,950
8	Total – Administration of the Comprehensive			
9	Education Strategy	254,051,036	7,548,034	261,599,070
10	<i>Davies Career and Technical School</i>			
11	General Revenues	13,381,539	0	13,381,539
12	Federal Funds	1,304,633	80,799	1,385,432
13	Federal Funds – Stimulus	65,636	293,924	359,560
14	Restricted Receipts	1,785,901	695,495	2,481,396
15	Rhode Island Capital Plan Funds			
16	Davies Roof Repair	0	582,247	582,247
17	Davies HVAC	250,628	463,101	713,729
18	Davies Asset Protection	425,000	899,652	1,324,652
19	Total - Davies Career and Technical School	17,213,337	3,015,218	20,228,555
20	<i>RI School for the Deaf</i>			
21	General Revenues	6,244,881	(81,931)	6,162,950
22	Federal Funds	266,503	57,886	324,389
23	Federal Funds – Stimulus	4,194	180,308	184,502
24	Restricted Receipts	482,261	(132,261)	350,000
25	Total - RI School for the Deaf	6,997,839	24,002	7,021,841
26	<i>Metropolitan Career and Technical School</i>			
27	General Revenues	11,648,256	0	11,648,256
28	Rhode Island Capital Plan Funds			
29	MET School East Bay	3,600,000	1,973,988	5,573,988
30	MET Asset Protection	0	200,000	200,000
31	MET School HVAC	833,333	0	833,333
32	Total – Metropolitan Career and Technical			
33	School	16,081,589	2,173,988	18,255,577
34	<i>Education Aid</i>			

1	General Revenues	691,078,185	66,367	691,144,552
2	Restricted Receipts	18,570,516	525,130	19,095,646
3	Permanent School Fund – Education Aid	183,624	116,376	300,000
4	Total – Education Aid	709,832,325	707,873	710,540,198
5	<i>Central Falls School District</i> General Revenues	39,705,879	0	39,705,879
6	<i>Housing Aid</i> General Revenues	74,568,906	(2,534,528)	72,034,378
7	<i>Teachers' Retirement</i> General Revenues	79,768,447	(3,693,151)	76,075,296
8	Grand Total - Elementary and Secondary			
9	Education	1,198,219,358	7,241,436	1,205,460,794
10	Public Higher Education			
11	<i>Board of Governors/Office of Higher Education</i>			
12	General Revenues	5,860,952	(9,043)	5,851,909
13	Federal Funds	4,852,615	374,034	5,226,649
14	Total - Board of Governors/Office of			
15	Higher Education	10,713,567	364,991	11,078,558
16	<i>University of Rhode Island</i>			
17	General Revenues	58,133,747	(130,030)	58,003,717
18	State Crime Lab	858,820	(3,161)	855,659
19	Debt Service	19,160,529	560,474	19,721,003
20	University and College Funds	603,410,734	(294,359)	603,116,375
21	Debt – Dining Services	1,140,806	22,001	1,162,807
22	Debt – Education and General	3,273,434	36,483	3,309,917
23	Debt – Health Services	149,892	3,001	152,893
24	Debt – Housing Loan Funds	11,155,852	(787,376)	10,368,476
25	Debt – Memorial Union	121,514	3,001	124,515
26	Debt – Ryan Center	2,801,358	(4,907)	2,796,451
27	Debt – Alton Jones Services	114,650	812	115,462
28	Debt - Parking Authority	1,017,799	23,848	1,041,647
29	Debt – Sponsored Research	99,667	1	99,668
30	Debt – URI Energy Conservation	2,283,588	0	2,283,588
31	Rhode Island Capital Plan Funds			
32	Asset Protection	7,200,000	2,204,000	9,404,000
33	New Chemistry Building	1,000,000	0	1,000,000
34	URI Biotechnology Center	0	1,890,899	1,890,899

1	Fine Arts Center Renovation	0	400,000	400,000
2	Total – University of Rhode Island	711,922,390	3,924,687	715,847,077

3 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
4 unencumbered balances as of June 30, 2013 relating to the University of Rhode Island are hereby
5 reappropriated to fiscal year 2014.

6 *Rhode Island College*

7	General Revenues	38,609,975	(127,549)	38,482,426
8	Debt Service	3,049,029	122,237	3,171,266
9	University and College Funds	113,236,144	(3,783,271)	109,452,873
10	Debt – Education and General	892,644	0	892,644
11	Debt – Housing	2,042,304	0	2,042,304
12	Debt – Student Center and Dining	172,392	0	172,392
13	Debt – Student Union	232,944	0	232,944
14	Debt – G.O. Debt Service	1,630,317	0	1,630,317
15	Rhode Island Capital Plan Funds			
16	Asset Protection	3,075,000	975,965	4,050,965
17	Infrastructure Modernization	1,000,000	0	1,000,000
18	New Art Center Advanced Planning	0	597,157	597,157
19	Total – Rhode Island College	163,940,749	(2,215,461)	161,725,288

20 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
21 unencumbered balances as of June 30, 2013 relating to Rhode Island College are hereby
22 reappropriated to fiscal year 2014.

23 *Community College of Rhode Island*

24	General Revenues	44,318,962	(148,982)	44,169,980
25	Debt Service	2,464,156	(23,886)	2,440,270
26	Restricted Receipts	702,583	0	702,583
27	University and College Funds	94,726,694	1,461,099	96,187,793
28	Debt – Bookstore	29,193	0	29,193
29	CCRI Debt Service – Energy Conservation	808,025	0	808,025
30	Rhode Island Capital Plan Funds			
31	Asset Protection	2,050,000	763,941	2,813,941
32	Fire Code and HVAC	0	211,255	211,255
33	Total – Community College of RI	145,099,613	2,263,427	147,363,040

34 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or

1 unencumbered balances as of June 30, 2013 relating to the Community College of Rhode Island
 2 are hereby reappropriated to fiscal year 2014.

3	Grand Total – Public Higher Education	1,031,676,319	4,337,644	1,036,013,963
4	RI State Council on the Arts			
5	General Revenues			
6	Operating Support	404,156	0	404,156
7	Grants	1,161,657	0	1,161,657
8	Federal Funds	998,794	(244,603)	754,191
9	Arts for Public Facilities	843,500	743,992	1,587,492
10	Grand Total - RI State Council on the Arts	3,408,107	499,389	3,907,496
11	RI Atomic Energy Commission			
12	General Revenues	876,213	(34,463)	841,750
13	Federal Funds	267,616	(572)	267,044
14	URI Sponsored Research	283,122	(52,651)	230,471
15	RICAP - RINSC Parking Lot Repair	50,000	13,171	63,171
16	Grand Total - RI Atomic Energy Commission	1,476,951	(74,515)	1,402,436
17	RI Higher Education Assistance Authority			
18	General Revenues			
19	Needs Based Grants and Work Opportunities	5,014,003	142,000	5,156,003
20	Authority Operations and Other Grants	603,061	(65,397)	537,664
21	Federal Funds	13,346,283	648,200	13,994,483
22	Other Funds			
23	Tuition Savings Program – Needs Based Grants			
24	and Work Opportunities	8,000,000	250,000	8,250,000
25	Tuition Savings Program - Administration	758,802	(472,973)	285,829
26	Grand Total – RI Higher Education			
27	Assistance Authority	27,722,149	501,830	28,223,979
28	RI Historical Preservation and Heritage Commission			
29	General Revenues	1,361,801	(96,384)	1,265,417
30	Federal Funds	836,139	(246,860)	589,279
31	Restricted Receipts	456,037	(1,846)	454,191
32	RIDOT – Project Review	0	41,606	41,606
33	RICAP - Eisenhower House Asset Protection	75,000	25,000	100,000
34	Grand Total – RI Historical Preservation			

1	and Heritage Commission	2,728,977	(278,484)	2,450,493
2	RI Public Telecommunications Authority			
3	General Revenues	799,077	0	799,077
4	Corporation for Public Broadcasting	701,895	(701,895)	0
5	Grand Total – RI Public Telecommunications			
6	Authority	1,500,972	(701,895)	799,077
7	Attorney General			
8	<i>Criminal</i>			
9	General Revenues	14,269,909	(337,231)	13,932,678
10	Federal Funds	1,458,574	1,022,323	2,480,897
11	Federal Funds – Stimulus	0	104,000	104,000
12	Restricted Receipts	367,509	2,062,790	2,430,299
13	Total – Criminal	16,095,992	2,851,882	18,947,874
14	<i>Civil</i>			
15	General Revenues	4,888,477	(71,032)	4,817,445
16	Restricted Receipts	4,795,001	(3,985,691)	809,310
17	Total – Civil	9,683,478	(4,056,723)	5,626,755
18	<i>Bureau of Criminal Identification</i>			
19	General Revenues	1,209,375	82,647	1,292,022
20	Federal Funds	25,030	64,520	89,550
21	Total - Bureau of Criminal Identification	1,234,405	147,167	1,381,572
22	<i>General</i>			
23	General Revenues	2,708,563	(113,337)	2,595,226
24	RICAP - Building Renovations and Repairs	287,500	312,500	600,000
25	Total – General	2,996,063	199,163	3,195,226
26	Grand Total - Attorney General	30,009,938	(858,511)	29,151,427
27	Corrections			
28	<i>Central Management</i>			
29	General Revenues	9,261,703	(697,147)	8,564,556
30	Federal Funds	22,246	860,103	882,349
31	Federal Funds – Stimulus	0	49,598	49,598
32	Total – Central Management	9,283,949	212,554	9,496,503
33	<i>Parole Board</i>			
34	General Revenues	1,331,469	(37,066)	1,294,403

1	Federal Funds	36,850	4,368	41,218
2	Total – Parole Board	1,368,319	(32,698)	1,335,621
3	<i>Custody and Security</i>			
4	General Revenues	115,077,455	3,399,664	118,477,119
5	Federal Funds	700,125	85,362	785,487
6	Restricted Receipts	29,758	(29,758)	0
7	Total – Custody and Security	115,807,338	3,455,268	119,262,606
8	<i>Institutional Support</i>			
9	General Revenues	15,735,909	(236,507)	15,499,402
10	Rhode Island Capital Plan Funds			
11	Asset Protection	4,000,000	1,906,014	5,906,014
12	Maximum – General Renovations	1,100,000	(898,906)	201,094
13	General Renovations - Women’s	1,850,000	(1,150,000)	700,000
14	Bernadette Guay Roof	600,000	(565,000)	35,000
15	Women’s Bath Renovations	1,235,000	(109,184)	1,125,816
16	ISC Exterior Envelope and HVAC	1,400,000	(820,000)	580,000
17	Minimum Security Kitchen Expansion	214,600	0	214,600
18	Medium Infrastructure	1,000,000	(900,000)	100,000
19	Reintegration Center	0	261,760	261,760
20	Total - Institutional Support	27,135,509	(2,511,823)	24,623,686
21	<i>Institutional Based Rehab./Population Management</i>			
22	General Revenues	8,878,408	85,578	8,963,986
23	Federal Funds	968,461	3,741	972,202
24	Federal Funds – Stimulus	114,818	111,958	226,776
25	Restricted Receipts	0	29,758	29,758
26	Total – Institutional Based Rehab/			
27	Population Management	9,961,687	231,035	10,192,722
28	<i>Healthcare Services</i> General Revenues	18,476,246	(285,919)	18,190,327
29	<i>Community Corrections</i>			
30	General Revenues	14,532,087	20,263	14,552,350
31	Federal Funds	153,088	17,902	170,990
32	Restricted Receipts	31,639	11,965	43,604
33	Total – Community Corrections	14,716,814	50,130	14,766,944
34	Grand Total – Corrections	196,749,862	1,118,547	197,868,409

1	Judiciary			
2	<i>Supreme Court</i>			
3	General Revenues	25,969,098	(522,121)	25,446,977
4	Defense of Indigents	3,562,240	0	3,562,240
5	Federal Funds	220,021	49,644	269,665
6	Restricted Receipts	1,417,495	1,538,581	2,956,076
7	Rhode Island Capital Plan Funds			
8	Judicial HVAC	550,000	1,265,959	1,815,959
9	Judicial Complexes Asset Protection	625,000	953,598	1,578,598
10	Licht Judicial Complex Restoration	500,000	0	500,000
11	Murray Judicial Complex Cell Block	0	480,000	480,000
12	Total - Supreme Court	32,843,854	3,765,661	36,609,515
13	<i>Judicial Tenure and Discipline</i> General Revenues	113,609	(282)	113,327
14	<i>Superior Court</i>			
15	General Revenues	21,932,328	(445,008)	21,487,320
16	Federal Funds	175,025	(31,763)	143,262
17	Restricted Receipts	508,174	(201,451)	306,723
18	Total - Superior Court	22,615,527	(678,222)	21,937,305
19	<i>Family Court</i>			
20	General Revenues	18,044,955	(14,251)	18,030,704
21	Federal Funds	2,156,933	133,646	2,290,579
22	Restricted Receipts	704,529	(704,529)	0
23	Total - Family Court	20,906,417	(585,134)	20,321,283
24	<i>District Court</i>			
25	General Revenues	11,435,878	(138,593)	11,297,285
26	Federal Funds	130,128	(73,431)	56,697
27	Restricted Receipts	285,916	3,193	289,109
28	Total - District Court	11,851,922	(208,831)	11,643,091
29	<i>Traffic Tribunal</i> General Revenues	8,191,888	(258,305)	7,933,583
30	<i>Workers' Compensation Court</i> Restricted Receipts	7,725,081	(31,752)	7,693,329
31	Grand Total – Judiciary	104,248,298	2,003,135	106,251,433
32	Military Staff			
33	<i>National Guard</i>			
34	General Revenues	1,516,835	96,130	1,612,965

1	Federal Funds	12,107,308	2,421,395	14,528,703
2	Restricted Receipts	300,000	220,000	520,000
3	Rhode Island Capital Plan Funds			
4	Armory of Mounted Command			
5	Roof Replacement	2,400,000	(244,740)	2,155,260
6	State Armories Fire Code Compliance	20,250	115,738	135,988
7	Federal Armories Fire Code Compliance	20,250	0	20,250
8	Asset Protection	650,000	(395,637)	254,363
9	Logistics/Maintenance Facilities Fire			
10	Code Comp.	12,500	(9,159)	3,341
11	Command Readiness Center Addition	850,000	203,891	1,053,891
12	Burrillville Regional Training Institute	125,000	0	125,000
13	Camp Fogarty Amory Roof	375,000	0	375,000
14	Emergency Management Agency	125,000	0	125,000
15	Hurricane Sandy Cleanup	0	1,500,000	1,500,000
16	Total - National Guard	18,502,143	3,907,618	22,409,761
17	<i>Emergency Management</i>			
18	General Revenues	2,031,940	3,795	2,035,735
19	Federal Funds	21,734,766	19,615,490	41,350,256
20	Restricted Receipts	181,278	35,612	216,890
21	Total - Emergency Management	23,947,984	19,654,897	43,602,881
22	Grand Total - Military Staff	42,450,127	23,562,515	66,012,642
23	Public Safety			
24	<i>Central Management</i>			
25	General Revenues	1,172,630	1,354	1,173,984
26	Federal Funds	4,073,486	520,191	4,593,677
27	Federal Funds – Stimulus	250,174	5,884	256,058
28	Restricted Receipts	850	0	850
29	Total – Central Management	5,497,140	527,429	6,024,569
30	<i>E-911 Emergency Telephone System</i> General Revenues	5,262,243	(49,885)	5,212,358
31	<i>State Fire Marshal</i>			
32	General Revenues	2,684,019	15,237	2,699,256
33	Federal Funds	102,717	766,971	869,688
34	Restricted Receipts	286,698	(12,692)	274,006

1	Rhode Island Capital Plan Funds			
2	Fire Academy	1,500,000	(1,500,000)	0
3	Quonset Development Corp	53,458	162	53,620
4	Total - State Fire Marshal	4,626,892	(730,322)	3,896,570
5	<i>Security Services General Revenues</i>	21,485,773	(267,856)	21,217,917
6	<i>Municipal Police Training Academy</i>			
7	General Revenues	356,811	(93,375)	263,436
8	Federal Funds	214,167	70,000	284,167
9	Federal Funds – Stimulus	0	30,000	30,000
10	Restricted Receipts	0	38,000	38,000
11	Total - Municipal Police Training Academy	570,978	44,625	615,603
12	<i>State Police</i>			
13	General Revenues	63,828,563	(3,154,720)	60,673,843
14	Federal Funds	1,983,721	2,408,600	4,392,321
15	Federal Funds – Stimulus	315,886	0	315,886
16	Restricted Receipts	12,400,000	40,000	12,440,000
17	Rhode Island Capital Plan Funds			
18	Barracks and Training	1,785,000	(1,785,000)	0
19	State Police New Headquarters	0	116,362	116,362
20	Headquarters Repairs/Rehabilitation	100,000	(28,500)	71,500
21	State Microwave Upgrade	500,000	520,600	1,020,600
22	Parking Area Improvements	0	13,000	13,000
23	HQ Expansion (NG Facilities)	500,000	(450,000)	50,000
24	Traffic Enforcement - Municipal Training	130,150	0	130,150
25	Lottery Commission Assistance	217,861	427,980	645,841
26	Airport Corporation	217,861	10,504	228,365
27	Road Construction Reimbursement	3,078,000	0	3,078,000
28	Total - State Police	85,057,042	(1,881,174)	83,175,868
29	Grand Total – Public Safety	122,500,068	(2,357,183)	120,142,885
30	Office of Public Defender			
31	General Revenues	10,791,226	(333,812)	10,457,414
32	Federal Funds	421,898	(129,902)	291,996
33	Grand Total - Office of Public Defender	11,213,124	(463,714)	10,749,410
34	Environmental Management			

1	<i>Office of the Director</i>			
2	General Revenues	4,678,852	(9,437)	4,669,415
3	Permit Streamlining	88,414	(55,000)	33,414
4	Federal Funds	493,000	62,000	555,000
5	Federal Funds - Stimulus	0	310,000	310,000
6	Restricted Receipts	2,942,066	248,222	3,190,288
7	Total – Office of the Director	8,202,332	555,785	8,758,117
8	<i>Natural Resources</i>			
9	General Revenues	18,222,547	(52,754)	18,169,793
10	Federal Funds	22,593,023	68,340	22,661,363
11	Restricted Receipts	3,591,941	271,090	3,863,031
12	Other Funds			
13	DOT Recreational Projects	26,417	1,230,371	1,256,788
14	Blackstone Bikepath Design	1,069,133	1,207,976	2,277,109
15	Transportation MOU	78,579	0	78,579
16	Rhode Island Capital Plan Funds			
17	Dam Repair	1,000,000	627	1,000,627
18	Fort Adams Rehabilitation	500,000	2,735	502,735
19	Fort Adams America’s Cup	3,108,704	(2,145,389)	963,315
20	Recreational Facilities Improvements	1,590,000	(502,892)	1,087,108
21	Galilee Piers Upgrade	1,990,000	(1,456,307)	533,693
22	Newport Piers	75,000	0	75,000
23	World War II Facility	2,200,000	(2,200,000)	0
24	Blackstone Valley Bike Path	500,000	(226,575)	273,425
25	Natural Resources Office/Visitor’s Center	0	125,000	125,000
26	Total - Natural Resources	56,545,344	(3,677,778)	52,867,566
27	<i>Environmental Protection</i>			
28	General Revenues	11,556,487	(167,752)	11,388,735
29	Federal Funds	11,911,528	1,438,863	13,350,391
30	Restricted Receipts	7,775,935	531,205	8,307,140
31	Transportation MOU	85,885	79,115	165,000
32	Retrofit Heavy-Duty Diesel Vehicles	2,760,000	0	2,760,000
33	Total - Environmental Protection	34,089,835	1,881,431	35,971,266
34	Grand Total - Environmental Management	98,837,511	(1,240,562)	97,596,949

1	Coastal Resources Management Council			
2	General Revenues	2,264,841	(79,580)	2,185,261
3	Federal Funds	1,677,977	357,186	2,035,163
4	Federal Funds – Stimulus	0	502,240	502,240
5	Restricted Receipts	250,000	0	250,000
6	Rhode Island Capital Plan Funds			
7	Providence River Dredging	0	222,281	222,281
8	South Coast Restoration Project	850,000	(400,000)	450,000
9	Secure Facility Area	50,000	0	50,000
10	Grand Total - Coastal Resources Mgmt.			
11	Council	5,092,818	602,127	5,694,945
12	Transportation			
13	<i>Central Management</i>			
14	Federal Funds	10,515,473	1,492,500	12,007,973
15	Other Funds			
16	Gasoline Tax	1,353,338	147,936	1,501,274
17	Total - Central Management	11,868,811	1,640,436	13,509,247
18	<i>Management and Budget Other Funds / Gasoline Tax</i>	1,937,648	(498,579)	1,439,069
19	<i>Infrastructure Engineering- GARVEE/Motor Fuel Tax Bonds</i>			
20	Federal Funds	342,944,533	(45,504,558)	297,439,975
21	Of these federal funds, \$1,788,326 is appropriated to the Public Rail Corporation from			
22	CMAQ federal funds for the payment of liability insurance.			
23	Federal Funds – Stimulus	8,880,580	(1,358,744)	7,521,836
24	Restricted Receipts	998,758	11,497	1,010,255
25	Other Funds			
26	Gasoline Tax	54,201,232	(1,476,591)	52,724,641
27	Motor Fuel Tax Residuals	4,076,029	(1,417,386)	2,658,643
28	Land Sale Revenue	22,354,473	1,869,214	24,223,687
29	Rhode Island Capital Funds			
30	RIPTA - Land and Buildings	70,000	68,101	138,101
31	Pawtucket – CF Train Station Study	0	40,267	40,267
32	Highway Projects Match Plan	20,000,000	0	20,000,000
33	Total - Infrastructure Engineering –			
34	GARVEE/Motor Fuel Tax Bonds	453,525,605	(47,768,200)	405,757,405

1	<i>Infrastructure Maintenance</i>			
2	Other Funds			
3	Gasoline Tax	39,566,987	786,877	40,353,864
4	Non-Land Surplus Property	10,000	40,000	50,000
5	Outdoor Advertising	100,000	25,000	125,000
6	Rhode Island Capital Plan Funds			
7	Cherry Hill/Lincoln Facility	777,050	186,865	963,915
8	Maintenance Facility Improvements	400,000	366,453	766,453
9	East Providence Facility	0	346,575	346,575
10	Salt Storage Facilities	2,000,000	(639,686)	1,360,314
11	Maintenance Facility Fire Alarms	0	52,438	52,438
12	Portsmouth Facility	1,435,000	(1,435,000)	0
13	Maintenance - Capital Equipment Replacement	0	1,000,000	1,000,000
14	RIPTA - Elmwood Expansion	0	121,448	121,448
15	Total - Infrastructure Maintenance	44,289,037	850,970	45,140,007
16	Grand Total – Transportation	511,621,101	(45,775,373)	465,845,728
17	Statewide Totals			
18	General Revenues	3,295,836,490	(62,025,232)	3,233,811,258
19	Federal Funds	2,676,350,399	46,860,480	2,723,210,879
20	Restricted Receipts	232,511,115	36,805,444	269,316,559
21	Other Funds	1,895,158,380	(19,900,521)	1,875,257,859
22	Statewide Grand Total	8,099,856,384	1,740,171	8,101,596,555

23 SECTION 2. Each line appearing in Section 1 of this article shall constitute an
24 appropriation.

25 SECTION 3. The general assembly authorizes the state controller to establish the internal
26 service accounts shown below, and no other, to finance and account for the operations of state
27 agencies that provide services to other agencies, institutions and other governmental units on a
28 cost reimbursed basis. The purpose of these accounts is to ensure that certain activities are
29 managed in a businesslike manner, promote efficient use of services by making agencies pay the
30 full costs associated with providing the services, and allocate the costs of central administrative
31 services across all fund types, so that federal and other non-general fund programs share in the
32 costs of general government support. The controller is authorized to reimburse these accounts for
33 the cost of work or services performed for any other department or agency subject to the
34 following expenditure limitations:

	FY 2013	FY 2013	FY 2013
<u>Account</u>	<u>Enacted</u>	<u>Change</u>	<u>Final</u>
State Assessed Fringe Benefit Internal Service Fund	32,106,713	627,469	32,734,182
Administration Central Utilities Internal Service Fund	20,227,492	(2,880)	20,224,612
State Central Mail Internal Service Fund	5,613,323	(434,698)	5,178,625
State Telecommunications Internal Service Fund	2,881,461	968,553	3,850,014
State Automotive Fleet Internal Service Fund	13,953,031	(356,707)	13,596,324
Capitol Police Internal Service Fund	828,732	8,658	837,390
Surplus Property Internal Service Fund	2,500	0	2,500
Health Insurance Internal Service Fund	304,145,139	(54,017,382)	250,127,757
Health Insurance – State Police Internal Service Fund	2,123,495	(2,123,495)	0
Other Post-Employment Benefits Fund			
Retired State Employees	0	47,694,106	47,694,106
Retired Higher Education Employees	0	2,462,582	2,462,582
Retired Teachers	0	7,311,922	7,311,922
Retired State Police	0	2,983,594	2,983,594
Retired Legislators	0	750,031	750,031
Retired Judges	0	904,362	904,362
Central Distribution Center Internal Service Fund	7,434,689	(292,561)	7,142,128
Correctional Industries Internal Service Fund	7,353,215	885,608	8,238,823
Secretary of State Record Center Internal Service Fund	897,072	(40,612)	856,460

SECTION 4. Departments and agencies listed below may not exceed the number of full-time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do not include seasonal or intermittent positions whose scheduled period of employment does not exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include individuals engaged in training, the completion of which is a prerequisite of employment. Provided, however, that the Governor or designee, Speaker of the House of Representatives or designee, and President of the Senate or designee may authorize an adjustment to any limitation. Prior to the authorization, the State Budget Officer shall make a detailed written recommendation to the Governor, the Speaker of the House, and the President of the Senate. A copy of the recommendation and authorization to adjust shall be transmitted to the chairman of the House Finance Committee, the chairman of the Senate Finance Committee, the House Fiscal Advisor and the Senate Fiscal Advisor.

1 No agency or department may employ contracted employees or employee services where
2 the contracted employees would work under state employee supervisors without determination of
3 need by the Director of Administration acting upon positive recommendations of the Budget
4 Officer and the Personnel Administrator and 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
7 upon positive recommendations of the Budget Officer and the Personnel Administrator and 30
8 days after a public hearing.

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

12 FY 2013 FTE POSITION AUTHORIZATION

13	<u>Departments and Agencies</u>	<u>Full-Time Equivalent</u>
14	Administration	687.2-712.1
15	Business Regulation	94.0 94.0
16	Labor and Training	462.5 423.0
17	Revenue	458.0 489.0
18	Legislature	298.5
19	Office of the Lieutenant Governor	8.0
20	Office of the Secretary of State	57.0
21	Office of the General Treasurer	82.0
22	Board of Elections	11.0
23	Rhode Island Ethics Commission	12.0
24	Office of the Governor	45.0
25	Commission for Human Rights	14.5
26	Public Utilities Commission	47.0 48.0
27	Office of Health and Human Services	168.0 169.0
28	Children, Youth, and Families	665.5 671.5
29	Health	497.3 498.0
30	Human Services	940.7 933.1
31	Behavioral Health, Developmental Disabilities, and Hospitals	1,383.2 1,424.4
32	Office of the Child Advocate	5.8
33	Commission on the Deaf and Hard of Hearing	3.0
34	Governor's Commission on Disabilities	4.0

1	Office of the Mental Health Advocate	3.7
2	Elementary and Secondary Education	169.4 <u>171.4</u>
3	School for the Deaf	60.0
4	Davies Career and Technical School	126.0
5	Office of Higher Education	16.8
6	Provided that 1.0 of the total authorization would be available only for positions	
7	that are supported by third-party funds.	
8	University of Rhode Island	2,450.5
9	Provided that 593.2 of the total authorization would be available only for	
10	positions that are supported by third-party funds.	
11	Rhode Island College	919.6
12	Provided that 82.0 of the total authorization would be available only for positions	
13	that are supported by third-party funds.	
14	Community College of Rhode Island	854.1
15	Provided that 100.0 of the total authorization would be available only for	
16	positions that are supported by third-party funds.	
17	Rhode Island State Council on the Arts	6.0
18	RI Atomic Energy Commission	8.6
19	Higher Education Assistance Authority	38.6 <u>36.0</u>
20	Historical Preservation and Heritage Commission	16.6
21	Public Telecommunications Authority	14.0
22	Office of the Attorney General	233.1
23	Corrections	1,419.0
24	Judicial	723.3
25	Military Staff	112.0
26	Public Safety	609.2
27	Office of the Public Defender	93.0
28	Environmental Management	407.0 <u>399.0</u>
29	Coastal Resources Management Council	29.0
30	Transportation	772.6
31	Total	15,026.3 <u>15,076.4</u>
32	SECTION 5. This article shall take effect upon passage.	

1 Municipal Incentive Aid program, shall be to encourage municipalities to improve the
2 sustainability of their retirement plans and to reduce unfunded liabilities thereunder, by providing
3 additional state aid to those municipalities that comply with the requirements and provisions of
4 this chapter.

5 **45-13.2-6. Distributions.** -- (a) Municipal Incentive Aid described in this chapter shall be
6 distributed to eligible municipalities on the basis of the most recent population estimate for each
7 municipality as a share of the total state population reported by the U.S. Department of
8 Commerce, Bureau of the Census. Such payments shall be made to eligible communities in
9 March 2014, March 2015, and March 2016.

10 (b) For fiscal year 2014, municipalities shall be eligible to receive aid under this chapter
11 if: (1) the municipality has no locally-administered pension; or (2) the municipality notified plan
12 participants, beneficiaries and others pursuant to chapter 45-65, and submitted to the state's
13 department of revenue a Funding Improvement Plan ("FIP"), pursuant to section 45-65-6, for
14 every locally-administered pension plan in that municipality, and each FTP had been approved by
15 the plan sponsor and the local governing body no later than June 1, 2013; or (3) there existed a
16 locally-administered pension plan(s) in that municipality, but either: (i) no FIP was required
17 pursuant to chapter 45-65; or (ii) a FIP is required pursuant to chapter 45-65, but, the due date for
18 the FIP submission is after the March payment of state aid.

19 (c) For fiscal years 2015 and 2016, municipalities shall be eligible to receive aid under
20 this chapter, if: (1) the municipality has no locally-administered pension; or (2) the municipality
21 has transitioned all locally-administered pension plans into MERS by June 30, 2014; or (3) the
22 municipality had notified plan participants, beneficiaries and others pursuant to chapter 45-65 and
23 had submitted to the state's department of revenue a FIP, pursuant to chapter 45-65, for every
24 locally-administered pension plan and each submitted FIP meets the guidelines of the Study
25 Commission on Locally-Administered Pension Plans created pursuant to section 45-65-8 or
26 otherwise applicable guidelines or regulations and each FIP has been approved by the plan
27 sponsor and the local governing body; or (4) the municipality has implemented the original
28 recommended FIP or an amended FIP pursuant to chapter 45-65 within eighteen (18) months
29 after an actuary has certified that a locally administered plan is in critical status for a plan year;
30 and the FIPs are approved by the plan sponsor and the local governing body; or (5) there existed a
31 locally-administered pension plan in that municipality, but either: (i) no FIP was required
32 pursuant to chapter 45-65 and the municipality is funding one hundred percent (100%) of its
33 Annually Required Contribution (ARC); or (ii) FIP is required pursuant to chapter 45-65,
34 however, the due date for the FIP submission or implementation is after the March payment of

1 this municipal incentive aid.

2 (d) In any fiscal year that a municipality does not receive an appropriation under this
3 chapter, the amount that would have been allocated to the municipality will be distributed in the
4 month of May among the other eligible municipalities for that fiscal year, on the basis of the most
5 recent population estimate for each municipality as a share of the total state population reported
6 by the U.S. Department of Commerce, Bureau of the Census.

7 SECTION 2. This article shall take effect upon passage.

1 **ARTICLE 12**

2 RELATING TO HOSPITAL UNCOMPENSATED CARE

3 SECTION 1. Sections 40-8.3-2 and 40-8.3-3 of the General Laws in Chapter 40-8.3
4 entitled "Uncompensated Care" are hereby amended to read as follows:

5 **40-8.3-2. Definitions.** -- As used in this chapter:

6 (1) "Base year" means for the purpose of calculating a disproportionate share payment for
7 any fiscal year ending after September 30, ~~2011~~ 2012, the period from October 1, ~~2009~~ 2010
8 through September 30, ~~2010~~ 2011, and for any fiscal year ending after September 30, ~~2012~~ 2013,
9 the period from October 1, 2010 through September 30, 2011.

10 (2) "Medical assistance inpatient utilization rate for a hospital" means a fraction
11 (expressed as a percentage) the numerator of which is the hospital's number of inpatient days
12 during the base year attributable to patients who were eligible for medical assistance during the
13 base year and the denominator of which is the total number of the hospital's inpatient days in the
14 base year.

15 (3) "Participating hospital" means any nongovernment and nonpsychiatric hospital that:
16 (i) was licensed as a hospital in accordance with chapter 17 of title 23 during the base year; (ii)
17 achieved a medical assistance inpatient utilization rate of at least one percent (1%) during the
18 base year; and (iii) continues to be licensed as a hospital in accordance with chapter 17 of title 23
19 during the payment year.

20 (4) "Uncompensated care costs" means, as to any hospital, the sum of: (i) the cost
21 incurred by such hospital during the base year for inpatient or outpatient services attributable to
22 charity care (free care and bad debts) for which the patient has no health insurance or other third-
23 party coverage less payments, if any, received directly from such patients; and (ii) the cost
24 incurred by such hospital during the base year for inpatient or out-patient services attributable to
25 Medicaid beneficiaries less any Medicaid reimbursement received therefor; multiplied by the
26 uncompensated care index.

27 (5) "Uncompensated care index" means the annual percentage increase for hospitals
28 established pursuant to § 27-19-14 for each year after the base year, up to and including the
29 payment year, provided, however, that the uncompensated care index for the payment year ending
30 September 30, 2007 shall be deemed to be five and thirty-eight hundredths percent (5.38%), and

1 that the uncompensated care index for the payment year ending September 30, 2008 shall be
2 deemed to be five and forty-seven hundredths percent (5.47%), and that the uncompensated care
3 index for the payment year ending September 30, 2009 shall be deemed to be five and thirty-eight
4 hundredths percent (5.38%), and that the uncompensated care index for the payment years ending
5 September 30, 2010, September 30, 2011, September 30, 2012 ~~and~~, September 30, 2013 and
6 September 30, 2014 shall be deemed to be five and thirty hundredths percent (5.30%).

7 **40-8.3-3. Implementation.** ~~-- (a) For the fiscal year commencing on October 1, 2010 and~~
8 ~~ending September 30, 2011, the department of human services shall submit to the Secretary of the~~
9 ~~U.S. Department of Health and Human Services a state plan amendment to the Rhode Island~~
10 ~~Medicaid state plan for disproportionate share hospital payments (DSH Plan) to provide:~~

11 ~~(1) That the disproportionate share hospital payments to all participating hospitals not to~~
12 ~~exceed an aggregate limit of \$125.4 million, to be allocated by the department to the Pool A, Pool~~
13 ~~C and Pool D components of the DSH Plan;~~

14 ~~(2) That the Pool D allotment shall be distributed among the participating hospitals in~~
15 ~~direct proportion to the individual participating hospital's uncompensated care costs for the base~~
16 ~~year, inflated by the uncompensated care index to the total uncompensated care costs for the base~~
17 ~~year inflated by uncompensated care index for all participating hospitals. The disproportionate~~
18 ~~share payments shall be made on or before July 18, 2011 and are expressly conditioned upon~~
19 ~~approval on or before July 11, 2011 by the Secretary of the U.S. Department of Health and~~
20 ~~Human Services, or his or her authorized representative, of all Medicaid state plan amendments~~
21 ~~necessary to secure for the state the benefit of federal financial participation in federal fiscal year~~
22 ~~2011 for the disproportionate share payments.~~

23 ~~(b)~~(a) For the fiscal year commencing on October 1, 2011 and ending September 30,
24 2012, the executive office of health and human services shall submit to the Secretary of the U.S.
25 Department of Health and Human Services a state plan amendment to the Rhode Island Medicaid
26 state plan for disproportionate share hospital payments (DSH Plan) to provide:

27 (1) That the disproportionate share hospital payments to all participating hospitals, not to
28 exceed an aggregate limit of \$126.2 million, shall be allocated by the executive office of health
29 and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,

30 (2) That the Pool D 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 costs for the base
33 year inflated by uncompensated care index for all participating hospitals. The disproportionate
34 share payments shall be made on or before July 16, 2012 and are expressly conditioned upon

1 approval on or before July 9, 2012 by the Secretary of the U.S. Department of Health and Human
2 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
3 to secure for the state the benefit of federal financial participation in federal fiscal year 2012 for
4 the disproportionate share payments.

5 ~~(e)(b)~~ For federal fiscal year 2013, commencing on October 1, 2012 and ending
6 September 30, 2013, the executive office of health and human services shall submit to the
7 Secretary of the U.S. Department of Health and Human Services a state plan amendment to the
8 Rhode Island Medicaid state plan for disproportionate share hospital payments (DSH Plan) to
9 provide:

10 (1) That the disproportionate share hospital payments to all participating hospitals, not to
11 exceed an aggregate limit of \$128.3 million, shall be allocated by the executive office of health
12 and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,

13 (2) That the Pool D 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 costs for the base
16 year inflated by uncompensated care index for all participating hospitals. The disproportionate
17 share payments shall be made on or before July 15, 2013 and are expressly conditioned upon
18 approval on or before July 8, 2013 by the Secretary of the U.S. Department of Health and Human
19 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
20 to secure for the state the benefit of federal financial participation in federal fiscal year 2013 for
21 the disproportionate share payments.

22 (c) For federal fiscal year 2014, commencing on October 1, 2013 and ending September
23 30, 2014, the executive office of health and human services shall submit to the Secretary of the
24 U.S. Department of Health and Human Services a state plan amendment to the Rhode Island
25 Medicaid state plan for disproportionate share hospital payments (DSH Plan) to provide:

26 (1) That the disproportionate share hospital payments to all participating hospitals, not to
27 exceed an aggregate limit of \$128.3 million, shall be allocated by the executive office of health
28 and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,

29 (2) That the Pool D allotment shall be distributed among the participating hospitals in
30 direct proportion to the individual participating hospital's uncompensated care costs for the base
31 year, inflated by the uncompensated care index to the total uncompensated care costs for the base
32 year inflated by uncompensated care index for all participating hospitals. The disproportionate
33 share payments shall be made on or before July 14, 2014 and are expressly conditioned upon
34 approval on or before July 7, 2014 by the Secretary of the U.S. Department of Health and Human

1 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
2 to secure for the state the benefit of federal financial participation in federal fiscal year 2014 for
3 the disproportionate share payments.

4 (d) No provision is made pursuant to this chapter for disproportionate share hospital
5 payments to participating hospitals for uncompensated care costs related to graduate medical
6 education programs.

7 SECTION 2. This article shall take effect upon passage.

1 **ARTICLE 13**

2 RELATING TO EDUCATION AID

3 SECTION 1. Section 16-7-41 of the General Laws in Chapter 16-7 entitled "Foundation
4 Level School Support" is hereby amended to read as follows:

5 **16-7-41. Computation of school housing aid.** -- (a) In each fiscal year the state shall pay
6 to each community a grant to be applied to the cost of school housing equal to the following:

7 The cost of each new school housing project certified to the commissioner of elementary
8 and secondary education not later than July 15 of the fiscal year shall be divided by the actual
9 number of years of the bond issued by the local community or the Rhode Island Health and
10 Educational Building Corporation in support of the specific project, times the school housing aid
11 ratio; and provided, further, with respect to costs of new school projects financed with proceeds
12 of bonds issued by the local community or the Rhode Island Health and Educational Building
13 Corporation in support of the specific project, the amount of the school housing aid payable in
14 each fiscal year shall not exceed the amount arrived at by multiplying the principal and interest of
15 the bonds payable in each fiscal year by the school housing aid ratio and which principal and
16 interest amount over the life of the bonds, shall, in no event, exceed the costs of each new school
17 housing project certified to the commissioner of elementary and secondary education. If a
18 community fails to specify or identify the appropriate reimbursement schedule, the commissioner
19 of elementary and secondary education may at his or her discretion set up to a five (5) year
20 reimbursement cycle for projects under five hundred thousand dollars (\$500,000); up to ten (10)
21 years for projects up to three million dollars (\$3,000,000); and up to twenty (20) years for
22 projects over three million dollars (\$3,000,000).

23 (b) Aid shall be provided for the same period as the life of the bonds issued in support of
24 the project and at the school housing aid ratio applicable to the local community at the time of the
25 bonds issued in support of the project as set forth in section 16-7-39.

26 (c) Aid shall be paid either to the community or in the case of projects financed through
27 the Rhode Island Health and Educational Building Corporation, to the Rhode Island Health and
28 Educational Building Corporation or its designee including, but not limited to, a trustee under a
29 bond indenture or loan and trust agreement, in support of bonds issued for specific projects of the
30 local community in accordance with this section, section 16-7-40 and section 16-7-44.

1 Notwithstanding the preceding, in case of failure of any city, town or district to pay the amount
2 due in support of bonds issued on behalf of a city or town school project financed by the Rhode
3 Island Health and Educational Building Corporation, upon notification by the Rhode Island
4 Health and Educational Building Corporation, the general treasurer shall deduct the amount from
5 aid provided under this section, section 16-7-40, section 16-7-44 and section 16-7-15 through
6 section 16-7-34.3 due the city, town or district and direct said funding to the Rhode Island Health
7 and Educational Building Corporation or its designee.

8 (d) Notwithstanding any provisions of law to the contrary, in connection with the
9 issuance of refunding bonds benefiting any local community, any net interest savings resulting
10 from the refunding bonds issued by such community or a municipal public buildings authority for
11 the benefit of the community or by the Rhode Island health and educational building corporation
12 for the benefit of the community, in each case in support of school housing projects for the
13 community, shall be allocated between the community and the state of Rhode Island, by applying
14 the applicable school housing aid ratio at the time of issuance of the refunding bonds, calculated
15 pursuant to section 16-7-39, that would otherwise apply in connection with school housing
16 projects of the community: provided however, that for any refundings that occur between July 1,
17 2013 and December 31, 2015, the community shall receive eighty percent (80%) of the total
18 savings and the state shall receive twenty percent (20%). In connection with any such refunding
19 of bonds, the finance director or the chief financial officer of the community shall certify such net
20 interest savings to the commissioner of elementary and secondary education. Notwithstanding
21 section 16-7-44 or any other provision of law to the contrary, school housing projects costs in
22 connection with any such refunding bond issue shall include bond issuance costs incurred by the
23 community, the municipal public buildings authority or the Rhode Island health and educational
24 building corporation, as the case may be, in connection therewith. In connection with any
25 refunding bond issue, school housing project costs shall include the cost of interest payments on
26 such refunding bonds, if the cost of interest payments was included as a school housing cost for
27 the bonds being refunded. A local community or municipal public buildings authority shall not be
28 entitled to the benefits of this subsection (d) unless the net present value savings resulting from
29 the refunding is at least three percent (3%) of the refunded bond issue.

30 (e) Any provision of law to the contrary notwithstanding, the commissioner of
31 elementary and secondary education shall cause to be monitored the potential for refunding
32 outstanding bonds of local communities or municipal public building authorities or of the Rhode
33 Island Health and Educational Building Corporation issued for the benefit of local communities
34 or municipal public building authorities and benefiting from any aid referenced in this section. In

1 the event it is determined by said monitoring that the net present value savings which could be
2 achieved by refunding such bonds of the type referenced in the prior sentence including any
3 direct costs normally associated with such refundings is equal to (i) at least one hundred thousand
4 dollars (\$100,000) and (ii) for the state and the communities or public building authorities at least
5 three percent (3%) of the bond issue to be refunded including associated costs then, in such event,
6 the commissioner (or his or her designee) may direct the local community or municipal public
7 building authority for the benefit of which the bonds were issued, to refund such bonds. Failure of
8 the local community or municipal public buildings authority to timely refund such bonds, except
9 due to causes beyond the reasonable control of such local community or municipal public
10 building authority, shall result in the reduction by the state of the aid referenced in this section 16-
11 7-4.1 associated with the bonds directed to be refunded in an amount equal to ninety percent
12 (90%) of the net present value savings reasonably estimated by the commissioner of elementary
13 and secondary education (or his or her designee) which would have been achieved had the bonds
14 directed to be refunded been refunded by the ninetieth (90th) day (or if such day is not a business
15 day in the state of Rhode Island, the next succeeding business day) following the date of issuance
16 of the directive of the commissioner (or his or her designee) to refund such bonds. Such reduction
17 in the aid shall begin in the fiscal year following the fiscal year in which the commissioner issued
18 such directive for the remaining term of the bond.

19 (f) Payments shall be made in accordance with section 16-7-40 and this section.

20 SECTION 2. Section 16-2-21 of the General Laws in Chapter 16-2 entitled "School
21 Committees and Superintendents" is hereby amended to read as follows:

22 **16-2-21. Pre-budget consultation -- Annual reports -- Appropriation requests --**

23 **Budgets.** -- (a) At least sixty (60) days but not more than ninety (90) days prior to the formal
24 submission of the school budget to the appropriate city or town officials by the school committee,
25 there shall be a joint pre-budget meeting between the school committee and the city or town
26 council(s). At or before this meeting:

27 (1) The highest elected official of the city or town shall submit to the school committee
28 an estimate, prepared in a manner approved by the department of administration, of projected
29 revenues for the next fiscal year. In the case of the property tax, the projections shall include only
30 changes in the property tax base, not property tax rates;

31 (2) The school committee shall submit to the city or town council a statement for the
32 next ensuing fiscal year of anticipated total expenditures, projected enrollments with resultant
33 staff and facility requirements, and any necessary or mandated changes in school programs or
34 operations; and

1 (3) The school committee shall prepare and submit, annually, to the department of
2 elementary and secondary education, on or before the first day of August, a report in the manner
3 and form prescribed by the state board of regents for elementary and secondary education; the
4 committee shall also prepare not less than thirty (30) days before the date of the annual financial
5 town meeting, or the date of the meeting of the city council at which annual appropriations are
6 made, on forms prescribed and furnished by the department of elementary and secondary
7 education, the estimates and recommendations of the amounts necessary to be appropriated for
8 the support of public schools for the fiscal year ensuing; provided, that a copy of these estimates
9 and recommendations shall be sent to the department of elementary and secondary education, and
10 until the report is made, and if the estimates and recommendations are not presented to the
11 department, it may refuse to draw its orders for the money in the state treasury apportioned to the
12 city or town; provided, that the necessary blank for the report has been furnished by the
13 department on or before the first day of June, next preceding, and the necessary forms for the
14 estimates and recommendations shall have been furnished by the department not less than sixty
15 (60) days before the date of the annual appropriations meeting of the city council; the committee
16 shall also prepare and submit annually to the department of elementary and secondary education
17 and at the annual financial town meeting a report to the city or town, setting forth its doings, the
18 state and condition of the schools, and plans for their improvement, which report, unless printed,
19 shall be read in open meeting; and if printed, at least three (3) copies shall be transmitted to the
20 department on or before the day of the annual financial town meeting in each year.

21 (b) If the amount appropriated by the town meeting, the city or town council, or budget
22 referendum is either more or less than the amount recommended and requested by the school
23 committee, the school committee shall, within thirty (30) days after the appropriation is made,
24 amend its estimates and recommendations so that expenses are no greater than the total of all
25 revenue appropriated by the state or town or provided for public schools under the care, control,
26 and management of the school committee.

27 (c) Only a school budget in which total expenses are less than or equal to appropriations
28 and revenues shall be considered an adopted school budget.

29 (d) Notwithstanding any provision of the general or public laws to the contrary:

30 (i) the budget adopted and presented by any school committee for the fiscal year 2008
31 shall not propose the appropriation of municipal funds (exclusive of state and federal aid) in
32 excess of one hundred five and one-quarter percent (105.25%) of the total of municipal funds
33 appropriated by the city or town council for school purposes for fiscal year 2007;

34 (ii) the budget adopted and presented by any school committee for the fiscal year 2009

1 shall not propose the appropriation of municipal funds (exclusive of state and federal aid) in
2 excess of one hundred five percent (105%) of the total of municipal funds appropriated by the
3 city or town council for school purposes for fiscal year 2008;

4 (iii) the budget adopted and presented by any school committee for the fiscal year 2010
5 shall not propose the appropriation of municipal funds (exclusive of state and federal aid) in
6 excess of one hundred four and three-quarters percent (104.75%) of the total of municipal funds
7 appropriated by the city or town council for school purposes for fiscal year 2009;

8 (iv) the budget adopted and presented by any school committee for the fiscal year 2011
9 shall not propose the appropriation of municipal funds (exclusive of state and federal aid) in
10 excess of one hundred four and one-half percent (104.5%) of the total of municipal funds
11 appropriated by the city or town council for school purposes for fiscal year 2010;

12 (v) the budget adopted and presented by any school committee for the fiscal year 2012
13 shall not propose the appropriation of municipal funds (exclusive of state and federal aid) in
14 excess of one hundred four and one-quarter percent (104.25%) of the total of municipal funds
15 appropriated by the city or town council for school purposes for fiscal year 2011; and

16 (vi) the budget adopted and presented by any school committee for the fiscal year 2013
17 and for each fiscal year thereafter shall not propose the appropriation of municipal funds
18 (exclusive of state and federal aid) in excess of one hundred four percent (104%) of the total of
19 municipal funds appropriated by the city or town council for school purposes for ~~fiscal year 2012~~
20 [the previous fiscal year](#).

21 (e) Notwithstanding any provision of the general or public laws to the contrary, any
22 judgment rendered pursuant to subsection 16-2-21.4(b) shall consider the percentage caps on
23 school district budgets set forth in subsection (d) of this section.

24 **SECTION 3. This article shall take effect upon passage.**

1 **ARTICLE 14**

2 RELATING TO EMPLOYMENT SECURITY JOB DEVELOPMENT FUND ASSESSMENT

3 SECTION 1. Section 28-42-84 of the General Laws in Chapter 28-42 entitled
4 "Employment Security – General Provisions" is hereby amended to read as follows:

5 **28-42-84. Job development fund – Disbursements – Unexpended balance.** -- (a) The
6 moneys in the job development fund shall be used for the following purposes:

7 (1) To reimburse the department of labor and training for the loss of any federal funds
8 resulting from the collection and maintenance of the fund by the department;

9 (2) To make refunds of contributions erroneously collected and deposited in the fund;

10 (3) To pay any administrative expenses incurred by the department of labor and training
11 associated with the collection of the contributions for employers paid pursuant to section 28-43-
12 8.5, and any other administrative expenses associated with the maintenance of the fund, including
13 the payment of all premiums upon bonds required pursuant to section 28-42-85;

14 (4) To provide for job training, counseling and assessment services, and other related
15 activities and services. Services will include, but are not limited to, research, development,
16 coordination, and training activities to promote workforce development and business
17 development as established by the human resource investment council;

18 (5) To support the state's job training for economic development;

19 (6)(i) Beginning January 1, 2001, two hundredths of one percent (0.02%) out of the
20 twenty-one hundredths of one percent (0.21%) job development assessment paid pursuant to
21 section 28-43-8.5 shall be used to support necessary core services in the unemployment insurance
22 and employment services programs operated by the department of labor and training; and

23 (ii) Beginning January 1, 2011, and ending in tax year 2015, two hundredths of one
24 percent (0.02%) out of the fifty- one hundredths of one percent (0.51%) job development
25 assessment paid pursuant to section 28-43-8.5 shall be used to support necessary core services in
26 the unemployment insurance and employment services programs operated by the department of
27 labor and training; and

28 (7) Beginning January 1, 2011, and ending in tax year 2015, three tenths of one percent
29 (0.3%) out of the fifty-one hundredths of one percent (0.51%) job development assessment paid
30 pursuant to section 28-43.8.5 shall be deposited into a restricted receipt account to be used solely

1 to pay the principal and/or interest due on Title XII advances received from the federal
2 government in accordance with the provisions of Section 1201 of the Social Security Act;
3 provided, however, that if the federal Title XII loans are repaid through a state revenue bond or
4 other financing mechanism, then these funds may also be used to pay the principal and/or interest
5 that accrues on that debt. Any remaining funds in the restricted receipt account, after the
6 outstanding principal and interest due has been paid, shall be transferred to the employment
7 security fund for the payment of benefits.

8 (b) The general treasurer shall pay all vouchers duly drawn by the council upon the fund,
9 in any amounts and in any manner that the council may prescribe. Vouchers so drawn upon the
10 fund shall be referred to the controller within the department of administration. Upon receipt of
11 those vouchers, the controller shall immediately record and sign them and shall promptly transfer
12 those signed vouchers to the general treasurer. Those expenditures shall be used solely for the
13 purposes specified in this section and its balance shall not lapse at any time but shall remain
14 continuously available for expenditures consistent with this section. The general assembly shall
15 annually appropriate the funds contained in the fund for the use of the human resource investment
16 council and, in addition, for the use of the department of labor and training effective July 1, 2000,
17 and for the payment of the principal and interest due on federal Title XII loans beginning July 1,
18 2011; provided, however, that if the federal Title XII loans are repaid through a state revenue
19 bond or other financing mechanism, then the funds may also be used to pay the principal and/or
20 interest that accrues on that debt.

21 SECTION 2. Section 28-43-8.5 of the General Laws in Chapter 28-43 entitled
22 "Employment Security – Contributions" is hereby amended to read as follows:

23 **28-43-8.5. Job development assessment.** -- For the tax ~~year~~ years 2011 through 2014,
24 ~~and subsequent tax years~~ each employer subject to this chapter shall be required to pay a job
25 development assessment of fifty-one hundredths of one percent (0.51%) of that employer's
26 taxable payroll, in addition to any other payment which that employer is required to make under
27 any other provision of this chapter; provided, that the assessment shall not be considered as part
28 of the individual employer's contribution rate for the purpose of determining the individual
29 employer's balancing charge pursuant to § 28-43-9. The tax rate for all employers subject to the
30 contribution provisions of chapters 42 – 44 of this title shall be reduced by twenty-one hundredths
31 of one percent (0.21%). For tax year 2015, each employer subject to this chapter shall be required
32 to pay a job development assessment of fifty-one hundredths of one percent (0.51%) of that
33 employer's taxable payroll, in addition to any other payment which that employer is required to
34 make under any other provision of this chapter; provided, that the assessment shall not be

1 considered as part of the individual employer's contribution rate for the purpose of determining
2 the individual employer's balancing charge pursuant to section 28-43-9. However, upon full
3 repayment of any outstanding principal and/or interest due on title XII advances received from
4 the federal government in accordance with the provisions of section 1201 of the social security
5 act, including any principal and/or interest that accrues on debt from a state revenue bond or other
6 financing mechanism used to repay the title XII advances, then the job development assessment
7 shall be reduced to twenty-one hundredths of one percent (0.21%) beginning the tax quarter after
8 the full repayment occurs.

9 SECTION 3. Section 28-44-57 of the General Laws in Chapter 28-44 entitled
10 "Employment Security - Benefits" is hereby amended to read as follows:

11 **28-44-57. Fees and costs chargeable.** -- (a) No individual claiming benefits shall be
12 charged fees of any kind by the director or his or her representative, or by the board of review or
13 its representatives, in any proceeding under chapters 42 -- 44 of this title. Any individual claiming
14 benefits in any proceeding or court action may be represented by counsel or other duly authorized
15 agent. The director shall have the authority to fix the fees of that counsel or other duly authorized
16 agent, but no counsel or agent shall together be allowed to charge or receive for those services
17 more than ten percent (10%) of the maximum benefits at issue in that proceeding or court action
18 but not less than fifty dollars (\$50.00) except as specifically allowed by the superior court.

19 (b) In any case in which either an employer appeals from a determination in favor of the
20 claimant or a claimant successfully appeals ~~from~~ a decision unfavorable to the claimant to an
21 appeals body other than a court of law and the claimant retains an attorney-at-law to represent
22 him or her, the attorney shall be entitled to a counsel fee of ~~fifteen percent (15%)~~ ten percent
23 (10%) of the amount of benefits at issue before the appeals body but not less than fifty dollars
24 (\$50.00), which shall be paid by the director out of the employment security administrative funds,
25 within thirty (30) days of the date of his or her appearance.

26 (c) (1) An attorney-at-law who represents an individual claiming benefits on an appeal to
27 the courts shall be entitled to counsel fees upon final disposition of the case and necessary court
28 costs and printing disbursements as fixed by the court.

29 (2) The director shall pay those counsel fees, costs, and disbursements, out of the
30 employment security administrative funds in each of the following cases:

31 (i) Any court appeal taken by a party other than the claimant from an administrative or
32 judicial decision favorable in whole or in part to the claimant;

33 (ii) Any court appeal by a claimant from a decision denying or reducing benefits
34 awarded under a prior administrative or judicial decision;

1 (iii) Any court appeal as a result of which the claimant is awarded benefits.

2 SECTION 4. Section 28-42-18 of the General Laws in Chapter 28-42 entitled
3 "Employment Security - General Provisions" is hereby amended to read as follows:

4 **28-42-18. Establishment of fund.** -- (a) There is created the employment security fund,
5 to be administered by the director without liability on the part of the state beyond the amounts
6 paid into and earned by the fund. This fund shall consist of:

7 (1) All contributions paid pursuant to sections 28-43-16 -- 28-43-22;

8 (2) All other moneys paid into and received by the fund;

9 (3) Property and securities acquired by and through the use of moneys belonging to the
10 fund;

11 (4) Interest earned upon the money belonging to the fund; and

12 (5) All money credited to this state's account in the unemployment trust fund pursuant to
13 42 U.S.C. section 1103.

14 (6) Advances from the general fund, authorized by the governor and the director of
15 administration, for the purpose of repaying loans outstanding from the federal government in a
16 given fiscal year. However, all such advances made to the fund shall be repaid to the general
17 fund, with interest as determined by the general treasurer, within the same fiscal year.

18 (b) All moneys in the fund shall be mingled and undivided.

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

1 **ARTICLE 15**

2 RELATING TO HUMAN RESOURCE INVESTMENT COUNCIL

3 SECTION 1. Chapter 42-102 of the General Laws entitled "Rhode Island Human
4 Resource Investment Council" is hereby amended by adding thereto the following section:

5 **42-102-11. State Work Immersion Program.** -- (a)(1) The council shall develop a state
6 work immersion program and a non-trade apprenticeship program. For the purposes of this
7 section work immersion shall mean a temporary, paid work experience that provides a
8 meaningful learning opportunity and increases the employability of the participant. The programs
9 shall be designed in order to provide post-secondary school students and unemployed adults with
10 a meaningful work experience, and to assist businesses by training individuals for potential
11 employment.

12 (2) Funding for the work immersion program will be allocated from the job development
13 fund account and/or from funds appropriated in the annual appropriations act. Appropriated funds
14 will match investments made by businesses in providing meaningful work immersion positions
15 and non-trade apprenticeships.

16 (b) For each participant in the work immersion program, the program shall reimburse
17 eligible businesses up to fifty percent (50%) of the cost of not more than two hundred (200) hours
18 of work experience and during a period of ten (10) weeks. If an eligible business hires a program
19 participant at the completion of such a program, the state may provide reimbursement for a total
20 of seventy-five percent (75%) of the cost of the work immersion position.

21 (c) The council shall create a non-trade apprenticeship program and annually award
22 funding on a competitive basis to at least one (1) new initiative proposed and operated by the
23 Governor's Workforce Board Industry Partnerships. This program shall meet the standards of
24 apprenticeship programs defined pursuant to section 28-45-9 of the general laws. The council
25 shall present the program to the State Apprenticeship Council, established pursuant to chapter 28-
26 45 of the general laws, for review and consideration.

27 (d) An eligible participant in programs established in subsections (b) and (c) must be at
28 least eighteen (18) years of age and must be a Rhode Island resident. Provided, however, any
29 non-Rhode Island resident, who is enrolled in a college or university located in Rhode Island, is
30 eligible to participate while enrolled at the college or university.

1 (e) In order to fully implement the provisions of this section, the council is authorized to
2 promulgate rules and regulations. In developing rules and regulations, the council shall consult
3 with the Governor's Workforce Board. The rules and regulations shall define eligible businesses
4 that can participate in the programs created by this section.

5 SECTION 2. Chapter 28-44 of the General Laws entitled "Employment Security –
6 Benefits" is hereby amended by adding thereto the following section:

7 **28-44-71. Back to Work Rhode Island Program.** -- (a) Legislative findings and
8 purpose. – The general assembly hereby finds as follows:

9 (1) As of January 1, 2013, Rhode Island's unemployment rate is the highest in the New
10 England region and above the national average;

11 (2) Despite this high unemployment, businesses report difficulties and frustration in
12 locating employment candidates with the requisite knowledge, skills, and abilities they need;

13 (3) In an uncertain economy, employers are hesitant to invest in training if there is a risk
14 the investment will not result in a qualified and skilled employee;

15 (4) Despite the need for skilled employees, job seekers face difficulties in getting their
16 "foot in the door" to demonstrate their value to potential employers;

17 (5) Statistics indicate that unemployment compensation claimants who participated in
18 employer-partnered, structured training programs return to work more quickly than those who do
19 not, and that such programs have saved significant sums of employment security funds;

20 (6) The purpose of the "Back to Work Rhode Island Program" is to provide claimants
21 with planned, structured, and career-relevant job training to gain new skills and abilities and help
22 increase their prospects for employment, and assist employers in locating and obtaining skilled
23 and well qualified job candidates for open employment positions.

24 (b) Definitions. – For the purposes of this section, the following terms shall have the
25 following meanings:

26 (1) "Claimant" means a person collecting unemployment security benefits under the
27 provisions of chapters 28-42 through 28-44 of this title;

28 (2) "Department" means the Rhode Island department of labor and training;

29 (3) "Director" means the director of the Rhode Island department of labor and training;

30 (4) "Participating employer" means an employer who has voluntarily agreed to participate
31 in the "Back to Work Rhode Island Program" and meets the criteria for participation established
32 by this section and as determined by the director;

33 (5) "Program" means the "Back to Work Rhode Island Program" established under this
34 section;

1 (6) "Skill enhancement and job training" means a planned, structured learning
2 environment for the primary benefit of the trainee and from which the participating employer
3 derives no immediate advantage and which is designed to provide the skills and knowledge
4 necessary to meet the employer's specifications for an occupation or trade.

5 (7) "Unemployment benefits" means the money payable to a claimant for his or her wage
6 losses due to unemployment, payable pursuant to chapters 42 through 44 of this title, and includes
7 any amounts payable pursuant to an agreement under federal law providing for compensation,
8 assistance, or allowances with respect to unemployment.

9 (c) Program established. – (1) The "Back to Work Rhode Island Program" is hereby
10 established and shall be administered by the department of labor and training.

11 (2) The program shall be designed so as to permit a claimant to be matched with an
12 employer participating in the program and be placed in department-approved skill enhancement
13 and job training made available by the employer. Participation by both claimant and employer
14 shall be voluntary. The employer shall provide the claimant with skill enhancement and job
15 training relevant to an open employment position for up to twenty-four (24) hours per week for
16 up to six (6) weeks. Upon completion of the six (6) week period, claimants must be considered
17 for employment by the employer. During the six (6) week period, the employer shall not
18 compensate the claimant in any way other than the training that the claimant receives through
19 participation in the program. Both the employer and the claimant may terminate participation in
20 the program at any time.

21 (3) Notwithstanding any other provision of this title to the contrary, no otherwise eligible
22 individual shall be denied unemployment benefits because of his or her participation in the "Back
23 to Work Rhode Island Program"; provided, however, that contingent upon appropriation, said
24 claimant may receive a reasonable stipend in an amount determined by the director to cover any
25 additional costs associated with their participation in the program, including, but not limited to,
26 transportation or childcare costs.

27 (4) The department shall notify employers of the availability of the program and shall
28 provide employers with information and materials necessary to participate upon request.

29 (5) The department shall continuously monitor the program to ensure that participating
30 employers enter the program in good faith with the genuine expectation of hiring for the open
31 position and with the intent and ability to provide relevant skill enhancement and job training.

32 (6) The department shall develop and conduct an orientation program for participating
33 claimants and employers informing them of the rules, regulations, opportunities, and limitations
34 of the "Back to Work Rhode Island Program".

1 (7) A claimant may stay in the program if they exhaust benefits or lose program
2 eligibility prior to the end of the six (6) week period;

3 (8) Participation in the program by a claimant shall be limited to six (6) weeks in any
4 benefit year. A claimant shall be encouraged to end a training relationship that is not beneficial
5 and shall be encouraged to preserve the remainder of his or her six (6) weeks of training for
6 another training opportunity.

7 (9) In order to participate, a claimant must be seeking work and must be able to work,
8 available to work, and accept work during the training period.

9 (10) Interested claimants shall be encouraged, but not required, to find employment
10 opportunities that align with their current job skills, knowledge and experience. Employers shall
11 be encouraged to work with the department to locate claimants with current job skills, knowledge,
12 and experience that align with the requirements of an open employment opportunity;

13 (11) The claimant and the employer must agree upon a formal training plan and schedule
14 which must be approved by the department and may include on-site training, education, and the
15 application of skills or experiences;

16 (12) Participation in the program may be limited based on program capacity as
17 determined by the department.

18 (13) The "Back to Work Rhode Island Program" will begin on October 1, 2013 and will
19 expire on December 31, 2014. New participants will not be enrolled after November 18, 2014.

20 (d) Eligibility to be a participating employer. – (1) An employer wishing to participate in
21 the "Back to Work Rhode Island Program" shall be required to meet the following qualifications,
22 in addition to any further criteria established by the director:

23 (i) The employer must conduct business in Rhode Island; although, the business need not
24 be domestic to Rhode Island;

25 (ii) The employer must have a full-time position of employment available that the
26 employer is desirous of filling;

27 (iii) The employer must be willing and able to provide a participating claimant with skills
28 enhancement and job training focused toward the position that is available;

29 (iv) The employer must certify that he, she, they, or it will not pay any wages or provide
30 any payment in kind to the claimant during the course of the claimant's participation in the
31 program;

32 (v) The employer must certify that he, she, they, or it will, at completion of the training
33 period, consider the claimant for employment in the full time position for which the claimant was
34 trained;

1 (vi) The employer must agree to follow up a claimant's participation in the program with
2 a performance evaluation of the claimant, regardless of whether or not the claimant is hired for
3 employment;

4 (vii) The employer must agree to provide information as requested by the department and
5 verify that employment of a participating claimant will not displace nor have any impact on a
6 promotion due an existing employee;

7 (viii) The employer must certify that the employment and training opportunity is not due
8 to a lockout, strike, or other labor dispute; and

9 (ix) For employers with employees who are subject to collective bargaining, the written
10 approval by the collective bargaining representative for each affected unit shall be required to be
11 included in the plan for any job training for a position which would otherwise be covered by a
12 collective bargaining agreement.

13 (e) Eligibility to be a participating claimant. – (1) An individual receiving unemployment
14 benefits and wishing to participate in the "Back to Work Rhode Island Program" must meet the
15 following qualifications:

16 (i) The individual must be eligible to receive Rhode Island unemployment compensation
17 benefits;

18 (ii) The individual must continue to file weekly continued claims to receive benefits
19 unless otherwise exempted;

20 (iii) The individual must continue to look for work and employment opportunities during
21 their participation in the program, unless otherwise exempt;

22 (iv) The individual must certify that he or she understands that participation in the
23 program includes no guarantee of employment;

24 (v) The individual must attend a mandatory orientation to be offered by the department;

25 (vi) The individual must agree to provide relevant information as requested by the
26 department and to cooperate with requests from the department for the evaluation of aspects of
27 the "Back to Work Rhode Island" program;

28 (2) Claimants with a definite recall date within six (6) weeks and those who do not
29 register for employment services are not eligible for the program.

30 (f) Workers' compensation. – (1) The department will provide workers compensation
31 coverage for participating claimants.

32 (2) A claimant's participation in the program does not create an employment relationship
33 with the department for the purposes of Chapter 28-29.

34 (3) For the purposes of computing an approved claimant's wage compensation and

1 benefit amount under Chapter 28-29, the average weekly wage shall be the claimant's maximum
2 weekly unemployment compensation benefit rate for the benefit year in effect at the time of
3 injury.

4 (g) Rules and regulations. – The director shall promulgate such rules and regulations as
5 the director deems necessary to implement the provisions of this section.

6 (h) Program Performance monitoring. – The department shall develop and implement a
7 performance monitoring system which does the following:

8 (1) Collects critical information on the Back to Work Rhode Island program on an annual
9 basis or more frequently as determined by the director, including:

10 (i) Increases in claimant skills.

11 (ii) Skill training being provided by businesses.

12 (iii) Placement of claimants after training.

13 (iv) Challenges foreseen by businesses.

14 (v) Business training best practices.

15 (vi) Amount of weeks claimants received unemployment compensation benefits after
16 completion of the training period.

17 (2) Defines the benefits of the program and its training to businesses, claimants and the
18 Employment Security Fund.

19 (i) Funding. – Creation of the "Back to Work Rhode Island Program" is contingent upon
20 funding.

21 SECTION 3. Section 40-5.2-20 of the General Laws in Chapter 40-1 5.2 entitled "The
22 Rhode Island Works Program" is hereby amended to read as follows:

23 **40-5.2-20. Child care assistance. --** Families or assistance units eligible for childcare
24 assistance.

25 (a) The department shall provide appropriate child care to every participant who is
26 eligible for cash assistance and who requires child care in order to meet the work requirements in
27 accordance with this chapter.

28 (b) Low-Income child care. - The department shall provide child care to all other working
29 families with incomes at or below one hundred eighty percent (180%) of the federal poverty
30 level, if and to the extent such other families require child care in order to work at paid
31 employment as defined in the department's rules and regulations. Beginning October 1, 2013, and
32 until January 1, 2015, the department shall also provide child care to families with income below
33 one hundred eighty percent (180%) of the federal poverty level if and to the extent such families
34 require child care to participate on a short term basis, as defined in the department's rules and

1 [regulations, in training, apprenticeship, internship, on-the-job training, work experience, work](#)
2 [immersion, or other job readiness/job attachment program sponsored or funded by the human](#)
3 [resource investment council \(governor's workforce board\) or state agencies that are part of the](#)
4 [coordinated program system pursuant to sections 42-102-9 and 42-102-11.](#)

5 (c) No family/assistance unit shall be eligible for child care assistance under this chapter
6 if the combined value of its liquid resources exceeds ten thousand dollars (\$10,000). Liquid
7 resources are defined as any interest(s) in property in the form of cash or other financial
8 instruments or accounts which are readily convertible to cash or cash equivalents. These include,
9 but are not limited to, cash, bank, credit union, or other financial institution savings, checking and
10 money market accounts, certificates of deposit or other time deposits, stocks, bonds, mutual
11 funds, and other similar financial instruments or accounts. These do not include educational
12 savings accounts, plans, or programs; retirement accounts, plans, or programs; or accounts held
13 jointly with another adult, not including a spouse. The department is authorized to promulgate
14 rules and regulations to determine the ownership and source of the funds in the joint account.

15 (d) As a condition of eligibility for child care assistance under this chapter, the parent or
16 caretaker relative of the family must consent to and must cooperate with the department in
17 establishing paternity, and in establishing and/or enforcing child support and medical support
18 orders for all children in the family in accordance with title 15 of the general laws, as amended,
19 unless the parent or caretaker relative is found to have good cause for refusing to comply with the
20 requirements of this subsection.

21 (e) For purposes of this section "appropriate child care" means child care, including
22 infant, [toddler](#), pre-school, nursery school, school-age, which is provided by a person or
23 organization qualified, approved, and authorized to provide such care by the department of
24 children, youth, and families, or by the department of elementary and secondary education, or
25 such other lawful providers as determined by the department of human services, in cooperation
26 with the department of children, youth and families and the department of elementary and
27 secondary education.

28 (f) Families with incomes below one hundred percent (100%) of the applicable federal
29 poverty level guidelines shall be provided with free childcare. Families with incomes greater than
30 one hundred percent (100%) and less than one hundred eighty (180%) of the applicable federal
31 poverty guideline shall be required to pay for some portion of the childcare they receive,
32 according to a sliding fee scale adopted by the department in the department's rules.

33 (g) In determining the type of childcare to be provided to a family, the department shall
34 take into account the cost of available childcare options, the suitability of the type of care

1 available for the child, and the parent's preference as to the type of child care.

2 (h) For purposes of this section "income" for families receiving cash assistance under
3 section 40-5.2-11 means gross earned income and unearned income, subject to the income
4 exclusions in subdivisions 40-5.2-10(g)(2) and 40-5.2-10(g)(3) and income for other families
5 shall mean gross earned and unearned income as determined by departmental regulations.

6 (i) The caseload estimating conference established by chapter 17 of title 35 shall forecast
7 the expenditures for childcare in accordance with the provisions of 1 section 35-17-1.

8 (j) In determining eligibility for child care assistance for children of members of reserve
9 components called to active duty during a time of conflict, the department shall freeze the family
10 composition and the family income of the reserve component member as it was in the month prior
11 to the month of leaving for active duty. This shall continue until the individual is officially
12 discharged from active duty.

13 SECTION 4. Title 28 of the General Laws entitled "LABOR AND LABOR
14 RELATIONS" is hereby amended by adding thereto the following chapter:

15 CHAPTER 55

16 THE RHODE ISLAND JOBS MATCH ENHANCEMENT PROGRAM

17 **28-55-1. Short title.** -- This chapter shall be known and may be cited as "The Rhode
18 Island Jobs Match Enhancement Program."

19 **28-55-2. Legislative findings.** -- The general assembly finds and declares that:

20 (1) Rhode Island's statewide career pathways systems must be driven by local business
21 and industry needs;

22 (2) Despite high unemployment, businesses report difficulties and frustration in locating
23 employment candidates with the requisite knowledge, skills, and abilities they need;

24 (3) Locating, training and preparing candidates to fill job openings is an expense that few
25 companies can afford;

26 (4) The state needs a focused interagency collaboration to provide easy access for
27 businesses to find competent employees and job seekers to obtain necessary resources, training
28 and skills development; and

29 (5) The state needs to build upon the efforts of the department of labor and training to
30 facilitate employers' access to high quality, skilled job seekers and reduce the number of
31 unemployed individuals in Rhode Island.

32 **28-55-3. The Rhode Island enhanced job match system.** -- On or before July 2, 2014,
33 the department of labor and training shall implement the jobs match enhancement program using
34 the current department of labor and training web based workforce and job system as a basis, with

1 significant enhancements, as follows:

2 (1) It shall be easy for employers to participate in, update and receive responses from job
3 seekers, addressing potential barriers to participation;

4 (2) It shall be understandable, accessible and productive for job seekers, including
5 measures to ensure literacy-based accessibility;

6 (3) It shall allow for the prompt identification of workers who are partially, but not fully
7 matched for job openings, resulting in timely skill gap remediation plans;

8 (4) It shall have the ability to address identified skill gaps through the provision of
9 training and/or education;

10 (5) It shall notify the department of labor and training of the nature of the skill gaps
11 which exist between job openings and job seekers, and shall have the ability to aggregate skill
12 gap reports for the department;

13 (6) It shall be promoted and advertised to maximize business and employment use; and

14 (7) In an effort to ensure that employers' hiring needs are being met, employers shall be
15 encouraged to engage with the system and provide information pertaining to job openings and
16 desired skill sets for potential new hires.

17 **28-55-4. Reporting.** -- On or before October 1, 2013, the department of labor and
18 training shall report to the president of the senate and the speaker of the house of representatives
19 on the progress toward implementing the jobs match enhancement program, along with an
20 estimate of any additional costs related to the purchase of the enhancements listed in section 28-
21 55-3.

22 **28-55-5. Funding.** -- The implementation of enhancements to the department of labor
23 and training's web based workforce and job system shall be contingent upon available public and/
24 or private financing.

25 SECTION 5. Reporting Requirements.

26 In determining the effectiveness of the workforce training initiatives contained in sections
27 1 through 4 of this article, the governor's workforce board shall report on the progress of these
28 programs in the biennial employment and training plan for the state as required under section 42-
29 102-9.

30 SECTION 6. If any of the provisions of this act or the application thereof to any persons
31 or circumstances are held invalid, the remainder of this act and the application thereof to other
32 persons or circumstances shall not be affected thereby. To that end, the provisions of this act are
33 declared to be severable.

34 SECTION 7. This article shall take effect upon passage.

1 **ARTICLE 16**

2 RELATING TO RESTRICTED RECEIPT ACCOUNTS

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

5 **35-4-27. Indirect cost recoveries on restricted receipt accounts.** -- Indirect cost
6 recoveries of ten percent (10%) of cash receipts shall be transferred from all restricted receipt
7 accounts, to be recorded as general revenues in the general fund. However, there shall be no
8 transfer from cash receipts with restrictions received exclusively: (1) from contributions from
9 non-profit charitable organizations; (2) from the assessment of indirect cost recovery rates on
10 federal grant funds; or (3) through transfers from state agencies to the department of
11 administration for the payment of debt service. These indirect cost recoveries shall be applied to
12 all accounts, unless prohibited by federal law or regulation, court order, or court settlement. The
13 following restricted receipt accounts shall not be subject to the provisions of this section:

14 Department of Human Services

15 Veterans' home – Restricted account

16 Veterans' home – Resident benefits

17 [Pharmaceutical Rebates Account](#)

18 [Demand Side Management Grants](#)

19 Organ transplant fund

20 Veteran's Cemetery Memorial Fund

21 Department of Health

22 [Providence Water Lead Grant](#)

23 Pandemic medications and equipment account

24 Department of ~~Mental Health, Retardation and Hospitals~~ [Behavioral Healthcare,](#)

25 [Developmental Disabilities and Hospitals](#)

26 Eleanor Slater non-Medicaid third-party payor account

27 Hospital Medicare Part D Receipts

28 RICLAS Group Home Operations

29 ~~Vigneron Memorial Fund Grant~~

30 [Commission on the Deaf and Hard of Hearing](#)

1 [Emergency and public communication access account](#)
2 Department of Environmental Management
3 National heritage revolving fund
4 Environmental response fund II
5 Underground storage tanks registration fees
6 ~~Rhode Island Council on the Arts~~
7 ~~Art for public facilities fund~~
8 ~~Rhode Island Foundation Grant~~
9 Rhode Island Historical Preservation and Heritage Commission
10 Historic preservation revolving loan fund
11 Historic Preservation loan fund – Interest revenue
12 Department of Public Safety
13 Forfeited property – Retained
14 Forfeitures – Federal
15 Forfeited property – Gambling
16 Donation – Polygraph and Law Enforcement Training
17 Rhode Island State Firefighter's League Training Account
18 Fire Academy Training Fees Account
19 Attorney General
20 Forfeiture of property
21 Federal forfeitures
22 Attorney General multi-state account
23 [Forfeited property – Gambling](#)
24 Department of Administration
25 Office of Management and Budget
26 Information Technology Investment Fund
27 Restore and replacement – Insurance coverage
28 Convention Center Authority rental payments
29 Investment Receipts – TANS
30 Car Rental Tax/Surcharge-Warwick Share
31 ~~OPEB System Restricted Receipt Account~~
32 ~~ARRA Administrative Expenses – Bureau of Audits~~
33 ~~ARRA Administrative Expenses – Purchasing~~
34 Legislature

1 Audit of federal assisted programs
2 ~~Department of Elderly Affairs~~
3 ~~Pharmaceutical Rebates Account~~
4 Department of Children Youth and Families
5 Children's Trust Accounts – SSI
6 Military Staff
7 RI Military Family Relief Fund
8 RI National Guard Counterdrug Program
9 Treasury
10 Admin. Expenses – State Retirement System
11 Retirement – Treasury Investment Options
12 [Violent Crimes Compensation – Refunds](#)
13 [Treasury Research Fellowship](#)
14 Business Regulation
15 Banking Division Reimbursement Account
16 Office of the Health Insurance Commissioner Reimbursement Account
17 Securities Division Reimbursement Account
18 Commercial Licensing and Racing and Athletics Division Reimbursement Account
19 Insurance Division Reimbursement Account
20 Historic Preservation Tax Credit Account.
21 Judiciary
22 Arbitration Fund Restricted Receipt Account
23 [Third Party Grants](#)
24 Department of Elementary and Secondary Education
25 Statewide Student Transportation Services Account
26 School for the Deaf Fee for Service Account
27 Davies Career and Technical School Local Education Aid Account
28 ~~Early Childhood Grant Program Account~~
29 ~~Office of the Governor~~
30 ~~ARRA Administrative Expenses – Office of Economic Recovery and Reinvestment~~
31 Department of Labor and Training
32 Job Development Fund – Title XII loans principal and interest
33 [Department of Transportation](#)
34 [Rhode Island Highway Maintenance Account](#)

1 SECTION 2. Chapter 8-15 of the General Laws entitled "Court Administration" is hereby
2 amended by adding thereto the following section:

3 **8-15-10. Receipt and use of funds.** -- There is hereby established in the judicial
4 department a restricted receipt account referred to as "Third Party Grants." The judicial
5 department shall have the authority to receive and expend monies from gifts, devises, grants,
6 bequests, or donations. The judicial department is authorized to enter into any contracts necessary
7 to obtain and expend those funds.

8 SECTION 3. This article shall take effect upon passage.

1 implement the provisions of subsection (a)(1) of this section. At a minimum, however, the
2 commission shall require, under the terms of the contract, that the relay service provider:

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

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

6 (3) Maintain the confidentiality of all communications.

7 ~~(c)~~ (d) The commission shall collect from the telecommunications service providers the
8 amounts of the surcharge collected from their subscribers and remit to the department of
9 human services an additional ten thousand dollars (\$10,000) annually commencing in fiscal year
10 2005 for the adaptive telephone equipment loan program and forty thousand dollars (\$40,000) to
11 the department of human services for the establishment of a new telephone access to the text of
12 newspaper programs. In addition, eighty thousand dollars (\$80,000) shall annually be remitted to
13 the Rhode Island Commission on the Deaf and Hard of Hearing for an emergency and public
14 communication access program, pursuant to section 23-1.8-4 of the Rhode Island general laws.

15 The surcharge referenced hereunder shall be generated from existing funding mechanisms and
16 shall not be generated as a result of any new funding mechanisms charged to each residence and
17 business telephone access line or trunk in the state, including PBX trunks and centrex equivalent
18 trunks and each service line or trunk, or upon each user interface number or extension number or
19 similarly identifiable line, trunk or path to or from a digital network.

20 SECTION 2. Chapter 23-1.8 of the General Laws entitled "Commission on the Deaf and
21 Hard of Hearing" is hereby amended by adding thereto the following section:

22 **23-1.8-4. Emergency and public communication access account.** -- (a) There is
23 established within the general fund the emergency and public communication access restricted
24 receipt account, which shall be referred to as the EPCA account. This purpose of this account is
25 to fund emergency communication and enhance public communication access for deaf and hard
26 of hearing people, in accordance with subsection 39-1-42(e) of the Rhode Island general laws. In
27 addition, the account shall be used to enhance emergency communication systems to alert deaf
28 and hard of hearing people to any type of emergencies within the state.

29 (b) The account shall be used to purchase and install public communication access
30 equipment and products at public sites for deaf and hard of hearing citizens.

31 (c) The commission is authorized to establish, administer and promote its emergency and
32 public communication access program.

33 (d) The commission is authorized to make purchases specifically for the EPCA program
34 and empowered to receive donations and grants from sources including, but not limited to, the

1 federal government, governmental and private foundations, and corporate and individual donors;
2 these donations and grants to be deposited in the EPCA account.

3 (e) The commission is authorized to promulgate rules and regulations that will set forth
4 how the commission shall utilize the EPCA account. In preparing rules and regulations regarding
5 emergency communications, the Commission shall confer with applicable departments and
6 agencies.

7 SECTION 3. This article shall take effect upon passage.

ARTICLE 18

RELATING TO HUMAN SERVICES -- TEMPORARY ASSISTANCE FOR NEEDY
FAMILIES AND CHILD CARE

SECTION 1. Temporary Assistance for Needy Families Pilot Initiative.

WHEREAS, The state is focused on providing opportunities to low income people to increase their skills and training, find employment and support their families; and

WHEREAS, The Department of Human Services (the "Department") provides numerous programs to assist low income families to not only find employment but also retain employment and increase career path opportunities; and

WHEREAS, the Rhode Island Works and Child Care Assistance Programs administered by the Department offer the assistance necessary to ensure low income Rhode Islanders have every chance to succeed in the workplace; and

WHEREAS, The Rhode Island Works Program offers a number of opportunities for participants including, but not limited to, on the job training, subsidized employment, unpaid work experiences, community service, job readiness training and vocational education training; and

WHEREAS, the FY 2014 budget provides \$3,000,000 in temporary assistance for needy families ("TANF") surplus funds to establish a pilot initiative that promotes innovation in TANF supported programs and tests new ways of delivering services to low income individuals and families; and

WHEREAS, There are a number of challenges that need to be addressed in these programs to increase the success rate of participants including, but not limited to, the work participation rates in Rhode Island Works and the ability of parents to increase their work hours and/or salaries without immediately losing access to important child care assistance; and

WHEREAS, Opportunities exist as part of the pilot initiative to identify innovations for how the Rhode Island Works and Child Care Assistance Programs deliver services to those families and individuals that benefit from the programs; now therefore be it

RESOLVED, That the Department shall draft an innovative proposal to test new approaches and shall award a contract on a competitive basis with a job development vendor(s) to increase the work participation rates of the Rhode Island Works Program; and be it further

1 RESOLVED, That the Department may increase its case management of Rhode Island
2 Works participants in order to ensure greater levels of success, quality employment and training
3 opportunities for participants; and be it further

4 RESOLVED, That the statutory limitations for income levels eligible for the Child Care
5 Assistance Program will be temporarily adjusted to provide that parents whose income increases
6 from a level at or below one hundred eighty percent (180%) of the federal poverty level to a level
7 between one hundred eighty percent (180%) and two hundred twenty-five percent (225%) will
8 not lose access to the program because of the increase in income; and be it further

9 RESOLVED, That the Department shall provide the Governor with monthly written
10 reports regarding the implementation of the pilot initiative including, but not limited to,
11 performance measures and progress made to increase work participation rates for Rhode Island
12 Works programs; and be it further

13 RESOLVED, That the Department shall report to the Governor and the General
14 Assembly no later than April 1, 2014 regarding the findings of the pilot initiative including
15 program changes that were tested, vendor performance and benchmarks achieved,
16 recommendations for statutory amendments to continue the successes of the pilot, and the number
17 of individuals and families that participated in the pilot and their successes; and be it further

18 RESOLVED, That any and all information in the Department's report regarding
19 participants shall be in the aggregate and shall not include personally identifying information that
20 may be highlighted as models for the pilot initiative's success without prior consent of any
21 participants.

22 SECTION 2. Section 40-5.2-20 of the General Laws in Chapter 40-5.2 entitled "The
23 Rhode Island Works Program" is hereby amended to read as follows:

24 **40-5.2-20. Child care assistance.** -- Families or assistance units eligible for childcare
25 assistance.

26 (a) The department shall provide appropriate child care to every participant who is
27 eligible for cash assistance and who requires child care in order to meet the work requirements in
28 accordance with this chapter.

29 (b) Low-Income child care. - The department shall provide child care to all other
30 working families with incomes at or below one hundred eighty percent (180%) of the federal
31 poverty level, if and to the extent such other families require child care in order to work at paid
32 employment as defined in the department's rules and regulations.

33 (c) No family/assistance unit shall be eligible for child care assistance under this chapter
34 if the combined value of its liquid resources exceeds ten thousand dollars (\$10,000). Liquid

1 resources are defined as any interest(s) in property in the form of cash or other financial
2 instruments or accounts which are readily convertible to cash or cash equivalents. These include,
3 but are not limited to, cash, bank, credit union, or other financial institution savings, checking and
4 money market accounts, certificates of deposit or other time deposits, stocks, bonds, mutual
5 funds, and other similar financial instruments or accounts. These do not include educational
6 savings accounts, plans, or programs; retirement accounts, plans, or programs; or accounts held
7 jointly with another adult, not including a spouse. The department is authorized to promulgate
8 rules and regulations to determine the ownership and source of the funds in the joint account.

9 (d) As a condition of eligibility for child care assistance under this chapter, the parent or
10 caretaker relative of the family must consent to and must cooperate with the department in
11 establishing paternity, and in establishing and/or enforcing child support and medical support
12 orders for all children in the family in accordance with title 15 of the general laws, as amended,
13 unless the parent or caretaker relative is found to have good cause for refusing to comply with the
14 requirements of this subsection.

15 (e) For purposes of this section "appropriate child care" means child care, including
16 infant ~~or~~ toddler, pre-school, nursery school, school-age, which is provided by a person or
17 organization qualified, approved, and authorized to provide such care by the department of
18 children, youth, and families, or by the department of elementary and secondary education, or
19 such other lawful providers as determined by the department of human services, in cooperation
20 with the department of children, youth and families and the department of elementary and
21 secondary education.

22 (f)(1) Families with incomes below one hundred percent (100%) of the applicable
23 federal poverty level guidelines shall be provided with free childcare. Families with incomes
24 greater than one hundred percent (100%) and less than one hundred eighty (180%) of the
25 applicable federal poverty guideline shall be required to pay for some portion of the childcare
26 they receive, according to a sliding fee scale adopted by the department in the department's rules.

27 (2) For a twelve (12) month period beginning October 1, 2013, the Child Care Subsidy
28 Transition Program shall function within the department of human services. Under this program,
29 families who are already receiving childcare assistance and who become ineligible for childcare
30 assistance as a result of their incomes exceeding one hundred eighty percent (180%) of the
31 applicable federal poverty guidelines shall continue to be eligible for childcare assistance from
32 October 1, 2013 to September 30, 2014 or until their incomes exceed two hundred twenty-five
33 percent (225%) of the applicable federal poverty guidelines, whichever occurs first. To be
34 eligible, such families must continue to pay for some portion of the childcare they receive, as

1 [indicated in a sliding fee scale adopted in the department's rules and in accordance with all other](#)
2 [eligibility standards.](#)

3 (g) In determining the type of childcare to be provided to a family, the department shall
4 take into account the cost of available childcare options, the suitability of the type of care
5 available for the child, and the parent's preference as to the type of child care.

6 (h) For purposes of this section "income" for families receiving cash assistance under
7 section 40-5.2-11 means gross earned income and unearned income, subject to the income
8 exclusions in subdivisions 40-5.2-10(g)(2) and 40-5.2-10(g)(3) and income for other families
9 shall mean gross earned and unearned income as determined by departmental regulations.

10 (i) The caseload estimating conference established by chapter 17 of title 35 shall forecast
11 the expenditures for childcare in accordance with the provisions of section 35-17-1.

12 (j) In determining eligibility for child care assistance for children of members of reserve
13 components called to active duty during a time of conflict, the department shall freeze the family
14 composition and the family income of the reserve component member as it was in the month prior
15 to the month of leaving for active duty. This shall continue until the individual is officially
16 discharged from active duty.

17 **SECTION 3. This article shall take effect upon passage.**

1 **ARTICLE 19**

2 RELATING TO MEDICAL ASSISTANCE

3 SECTION 1. Sections 40-8-13.4, 40-8-17 and 40-8-19 of the General Laws in Chapter
4 40-8 entitled "Medical Assistance" are hereby amended to read as follows:

5 **40-8-13.4. Rate methodology for payment for in state and out of state hospital**
6 **services.--** (a) The ~~department~~ executive office of health and human services shall implement a
7 new methodology for payment for in state and out of state hospital services in order to ensure
8 access to and the provision of high quality and cost-effective hospital care to its eligible
9 recipients.

10 (b) In order to improve efficiency and cost effectiveness, the ~~department~~ executive office
11 of health and human services shall:

12 (1) With respect to inpatient services for persons in fee for service Medicaid, which is
13 non-managed care, implement a new payment methodology for inpatient services utilizing the
14 Diagnosis Related Groups (DRG) method of payment, which is, a patient classification method
15 which provides a means of relating payment to the hospitals to the type of patients cared for by
16 the hospitals. It is understood that a payment method based on Diagnosis Related Groups may
17 include cost outlier payments and other specific exceptions. The ~~department~~ executive office will
18 review the DRG payment method and the DRG base price annually, making adjustments as
19 appropriate in consideration of such elements as trends in hospital input costs, patterns in hospital
20 coding, beneficiary access to care, and the Center for Medicare and Medicaid Services national
21 CMS Prospective Payment System (IPPS) Hospital Input Price index.

22 (B) With respect to inpatient services, (i) it is required as of January 1, 2011 until
23 December 31, 2011, that the Medicaid managed care payment rates between each hospital and
24 health plan shall not exceed ninety and one tenth percent (90.1%) of the rate in effect as of June
25 30, 2010. Negotiated increases in inpatient hospital payments for each annual twelve (12) month
26 period beginning January 1, 2012 may not exceed the Centers for Medicare and Medicaid
27 Services national CMS Prospective Payment System (IPPS) Hospital Input Price index for the
28 applicable period; (ii) provided, however, for the twelve (12) month period beginning July 1,
29 2013 the Medicaid managed care payment rates between each hospital and health plan shall not
30 exceed the payment rates in effect as of January 1, 2013; (iii) negotiated increases in inpatient

1 hospital payments for each annual twelve (12) month period beginning July 1, 2014 may not
2 exceed the Centers for Medicare and Medicaid Services national CMS Prospective Payment
3 System (IPPS) Hospital Input Price Index, less Productivity Adjustment, for the applicable
4 period; (iv) The Rhode Island ~~department~~ executive office of health and human services will
5 develop an audit methodology and process to assure that savings associated with the payment
6 reductions will accrue directly to the Rhode Island Medicaid program through reduced managed
7 care plan payments and shall not be retained by the managed care plans; ~~(iii)~~ (v) All hospitals
8 licensed in Rhode Island shall accept such payment rates as payment in full; and ~~(iv)~~ (vi) for all
9 such hospitals, compliance with the provisions of this section shall be a condition of participation
10 in the Rhode Island Medicaid program.

11 (2) With respect to outpatient services and notwithstanding any provisions of the law to
12 the contrary, for persons enrolled in fee for service Medicaid, the ~~department~~ executive office will
13 reimburse hospitals for outpatient services using a rate methodology determined by the
14 ~~department~~ executive office and in accordance with federal regulations. Fee-for-service outpatient
15 rates shall align with Medicare payments for similar services. ~~Changes~~ Notwithstanding the
16 above, there shall be no increase in the Medicaid fee-for-service outpatient rates effective July 1,
17 2013. Thereafter, changes to outpatient rates will be implemented on July 1 each year and shall
18 align with Medicare payments for similar services from the prior federal fiscal year. With respect
19 to the outpatient rate, (i) it is required as of January 1, 2011 until December 31, 2011, that the
20 Medicaid managed care payment rates between each hospital and health plan shall not exceed one
21 hundred percent (100%) of the rate in effect as of June 30, 2010. Negotiated increases in hospital
22 outpatient payments for each annual twelve (12) month period beginning January 1, 2012 may
23 not exceed the Centers for Medicare and Medicaid Services national CMS Outpatient Prospective
24 Payment System (OPPS) hospital price index for the applicable period; (ii) provided, however,
25 for the twelve (12) month period beginning July 1, 2013 the Medicaid managed care outpatient
26 payment rates between each hospital and health plan shall not exceed the payment rates in effect
27 as of January 1, 2013; (iii) negotiated increases in outpatient hospital payments for each annual
28 twelve (12) month period beginning July 1, 2014 may not exceed the Centers for Medicare and
29 Medicaid Services national CMS Outpatient Prospective Payment System (OPPS) Hospital Input
30 Price Index, less Productivity Adjustment, for the applicable period.

31 (c) It is intended that payment utilizing the Diagnosis Related Groups method shall
32 reward hospitals for providing the most efficient care, and provide the ~~department~~ executive
33 office the opportunity to conduct value based purchasing of inpatient care.

34 (d) The ~~director~~ secretary of the ~~department~~ executive office of health and human

1 ~~services and/or the secretary of executive office of health and human services~~ is hereby
2 authorized to promulgate such rules and regulations consistent with this chapter, and to establish
3 fiscal procedures he or she deems necessary for the proper implementation and administration of
4 this chapter in order to provide payment to hospitals using the Diagnosis Related Group payment
5 methodology. Furthermore, amendment of the Rhode Island state plan for medical assistance
6 (Medicaid) pursuant to Title XIX of the federal Social Security Act is hereby authorized to
7 provide for payment to hospitals for services provided to eligible recipients in accordance with
8 this chapter.

9 (e) The ~~department~~ executive office shall comply with all public notice requirements
10 necessary to implement these rate changes.

11 (f) As a condition of participation in the DRG methodology for payment of hospital
12 services, every hospital shall submit year-end settlement reports to the ~~department~~ executive
13 office within one year from the close of a hospital's fiscal year. Should a participating hospital
14 fail to timely submit a year-end settlement report as required by this section, the ~~department~~
15 executive office shall withhold financial cycle payments due by any state agency with respect to
16 this hospital by not more than ten percent (10%) until said report is submitted. For hospital fiscal
17 year 2010 and all subsequent fiscal years, hospitals will not be required to submit year-end
18 settlement reports on payments for outpatient services. For hospital fiscal year 2011 and all
19 subsequent fiscal years, hospitals will not be required to submit year-end settlement reports on
20 claims for hospital inpatient services. Further, for hospital fiscal year 2010, hospital inpatient
21 claims subject to settlement shall include only those claims received between October 1, 2009
22 and June 30, 2010.

23 (g) The provisions of this section shall be effective upon implementation of the
24 amendments and new payment methodology pursuant to this section and § 40-8-13.3, which shall
25 in any event be no later than March 30, 2010, at which time the provisions of §§ 40-8-13.2, 27-
26 19-14, 27-19-15, and 27-19-16 shall be repealed in their entirety.

27 ~~(h) The director of the Department of Human Services shall establish an independent~~
28 ~~study commission comprised of representatives of the hospital network, representatives from the~~
29 ~~communities the hospitals serve, state and local policy makers and any other stakeholders or~~
30 ~~consumers interested in improving the access and affordability of hospital care.~~

31 ~~The study commission shall assist the director in identifying: issues of concern and~~
32 ~~priorities in the community hospital system, the delivery of services and rate structures, including~~
33 ~~graduate medical education and training programs; and opportunities for building sustainable and~~
34 ~~effective public-private partnerships that support the missions of the department and the state's~~

1 community hospitals.

2 The director of the Department of Human Services shall report to the chairpersons of the
3 House and Senate Finance Committees the findings and recommendations of the study
4 commission by December 31, 2010.

5 **40-8-17. Waiver request.** -- (a) Formation. - The department of human services, in
6 conjunction with the executive office of health and human services, is directed and authorized to
7 apply for and obtain any necessary waiver(s), waiver amendment(s) and/or state plan
8 amendments from the secretary of the United States department of health and human services,
9 including, but not limited to, a an extension of the section 1115(a) global demonstration waiver
10 that provides program flexibility in exchange for federal budgetary certainty and under which
11 Rhode Island will operate all facets of the state's Medicaid program, except as may be explicitly
12 exempted under any applicable public or general laws. amended, as appropriate, and renamed to
13 reflect the state's effort to coordinate all publicly financed healthcare. The secretary of the office
14 shall ensure that the state's health and human services departments and the people and
15 communities they serve in the Medicaid program shall have the opportunity to contribute to and
16 collaborate in the formulation of any request for a new waiver, waiver extension and/or state plan
17 amendment(s). Any such actions shall: (1) continue efforts to re-balance the system of long-term
18 services and supports by assisting people in obtaining care in the most appropriate and least
19 restrictive setting; (2) pursue further utilization of care management models that promote
20 preventive care, offer a health home, and provide an integrated system of services; (3) use smart
21 payments and purchasing to finance and support Medicaid initiatives that fill gaps in the
22 integrated system of care; and (4) recognize and assure access to non-medical services and
23 supports, such as peer navigation and employment and housing stabilization services, that are
24 essential for optimizing a person's health, wellness and safety and that reduce or delay the need
25 for long-term services and supports.

26 (b) Effective July 1, 2009, any provision presently in effect in the Rhode Island General
27 Laws where the department of human services, in conjunction with the executive office of health
28 and human services, is authorized to apply for and obtain any necessary waiver(s), waiver
29 amendment(s) and/or state plan amendment(s) for the purpose of providing medical assistance to
30 recipients, shall authorize the department of human services, in conjunction with the executive
31 office of health and human services, to proceed with appropriate category changes in accordance
32 with the special terms and conditions of the Rhode Island Global Consumer Choice Compact
33 section 1115(a) Demonstration Waiver, which became effective January 16, 2009. or any
34 extension thereof, as amended and/or renamed under the authority provided in this section.

1 **40-8-19. Rates of payment to nursing facilities.** -- (a) Rate reform. (1) The rates to be
2 paid by the state to nursing facilities licensed pursuant to chapter 17 of title 23, and certified to
3 participate in the Title XIX Medicaid program for services rendered to Medicaid-eligible
4 residents, shall be reasonable and adequate to meet the costs which must be incurred by
5 efficiently and economically operated facilities in accordance with 42 U.S.C. § 1396a(a)(13). The
6 executive office of health and human services shall promulgate or modify the principles of
7 reimbursement for nursing facilities in effect as of July 1, 2011 to be consistent with the
8 provisions of this section and Title XIX, 42 U.S.C. § 1396 et seq., of the Social Security Act.

9 (2) The executive office of health and human services (“Executive Office”) shall review
10 the current methodology for providing Medicaid payments to nursing facilities, including other
11 long-term care services providers, and is authorized to modify the principles of reimbursement to
12 replace the current cost based methodology rates with rates based on a price based methodology
13 to be paid to all facilities with recognition of the acuity of patients and the relative Medicaid
14 occupancy, and to include the following elements to be developed by the executive office:

- 15 (i) A direct care rate adjusted for resident acuity;
16 (ii) An indirect care rate comprised of a base per diem for all facilities;
17 (iii) A rearray of costs for all facilities every three (3) years beginning October, 2015,
18 which may or may not result in automatic per diem revisions;
19 (iv) Application of a fair rental value system;
20 (v) Application of a pass-through system; and
21 (vi) Adjustment of rates by the change in a recognized national nursing home inflation
22 index to be applied on October 1st of each year, beginning October 1, 2012. [This adjustment will](#)
23 [not occur on October 1, 2013, but will resume on October 1, 2014.](#) Said inflation index shall be
24 applied without regard for the transition factor in subsection (b)(2) below.

25 (b) Transition to full implementation of rate reform. For no less than four (4) years after
26 the initial application of the price-based methodology described in subdivision (a)(2) to payment
27 rates, the ~~department~~ [executive office of health and human services](#) shall implement a transition
28 plan to moderate the impact of the rate reform on individual nursing facilities. Said transition
29 shall include the following components:

30 (1) No nursing facility shall receive reimbursement for direct care costs that is less than
31 the rate of reimbursement for direct care costs received under the methodology in effect at the
32 time of passage of this act; and

33 (2) No facility shall lose or gain more than five dollars (\$5.00) in its total per diem rate
34 the first year of the transition. The adjustment to the per diem loss or gain may be phased out by

1 twenty-five percent (25%) each year; and

2 (3) The transition plan and/or period may be modified upon full implementation of
3 facility per diem rate increases for quality of care related measures. Said modifications shall be
4 submitted in a report to the general assembly at least six (6) months prior to implementation.

5 SECTION 2. Title 40 of the General Laws entitled "HUMAN SERVICES" is hereby
6 amended by adding thereto the following chapter:

7 CHAPTER 40-8.11

8 HEALTH CARE FOR ADULTS

9 **40-8.11-1. Purpose.** -- Pursuant to section 42-12.3-2, it is the intent of the general
10 assembly to create access to comprehensive health care for uninsured Rhode Islanders. The
11 Rhode Island Medicaid program has become an important source of insurance coverage for low
12 income pregnant women, families with children, elders, and persons with disabilities who might
13 not be able otherwise to obtain or afford health care. Under the *U.S. Patient Protection and*
14 *Affordable Care Act (ACA) of 2010*, all Americans will be required to have health insurance, with
15 some exceptions, beginning in 2014. Federal funding is available with ACA implementation to
16 help pay for health insurance for low income adults, ages nineteen (19) to sixty-four (64), who do
17 not qualify for Medicaid eligibility under Rhode Island general and public laws. It is the intent of
18 the general assembly, therefore, to implement the Medicaid expansion for adults without
19 dependent children authorized by the ACA, to extend health insurance coverage to these Rhode
20 Islanders and further the goal established in section 42-12.3-2 in 1993.

21 **40-8.11-2. Eligibility.**-- (a) *Medicaid coverage for non-pregnant adults without children.*
22 There is hereby established, effective January 1, 2014, a category of Medicaid eligibility pursuant
23 to Title XIX of the Social Security Act, as amended by the *U.S. Patient Protection and*
24 *Affordable Care Act (ACA) of 2010*, 42 U.S.C. section 1396u-1, for adults ages nineteen (19) to
25 sixty-four (64) who do not have dependent children and do not qualify for Medicaid under Rhode
26 Island general laws applying to families with children and adults who are blind, aged or living
27 with a disability. The executive office of health and human services is directed to make any
28 amendments to the Medicaid state plan and waiver authorities established under title XIX
29 necessary to implement this expansion in eligibility and assure the maximum federal contribution
30 for health insurance coverage provided pursuant to this chapter.

31 (b) *Income.* The secretary of the executive office of health and human services is
32 authorized and directed to amend the Medicaid Title XIX state plan and, as deemed necessary,
33 any waiver authority to effectuate this expansion of coverage to any Rhode Islander who qualifies
34 for Medicaid eligibility under this chapter with income at or below one hundred and thirty-eight

1 percent (138%) the federal poverty level, based on modified adjusted gross income.

2 (c) *Delivery system.* The executive office of health and human services is authorized and
3 directed to apply for and obtain any waiver authorities necessary to provide persons eligible under
4 this chapter with managed, coordinated health care coverage consistent with the principles set
5 forth in section 42-12.4, pertaining to a health care home.

6 **40-8.11-3. Premium assistance program.** – (a) The office of health and human services
7 is directed to amend its rules and regulations to implement a premium assistance program for
8 adults with dependent children, enrolled in the state's health benefits exchange, whose annual
9 income is up to one hundred seventy-five percent (175%) of the federal poverty level. The
10 premium assistance will pay one-half of the cost of a commercial plan that a parent may incur
11 after subtracting the cost-sharing requirement under section 42-8.4-12 as of December 31, 2013
12 and any applicable federal tax credits available. The office is also directed to amend the 1115
13 waiver demonstration extension and the medical assistance title XIX state plan for this program if
14 it is determined that it is eligible for funding pursuant to title XIX of the social security act.

15 (b) The office of health and human services shall require any individual receiving
16 benefits under a state funded healthcare assistance program to apply for any health insurance for
17 which he or she is eligible, including health insurance available through the health benefits
18 exchange. Nothing shall preclude the state from using funds appropriated for affordable care act
19 transition expenses to reduce the impact on an individual who has been transitioned from a state
20 program to a health insurance plan available through the health benefits exchange. It shall not be
21 deemed cost effective for the state if it would result in a loss of benefits or an increase in the cost
22 of health care services for the person above an amount deemed de minimus as determined by state
23 regulation.

24 SECTION 3. Section 42-12.4-8 of the General Laws in Chapter 42-12.4 entitled "The
25 Rhode Island Medicaid Reform Act of 2008" is hereby amended to read as follows:

26 **42-12.4-8. Demonstration termination.— Demonstration expiration or termination.-**
27 In the event the demonstration is suspended or terminated for any reason, or in the event that the
28 demonstration expires, ~~the department of human services, in conjunction with the executive office~~
29 of health and human services, is directed and authorized to apply for ~~and obtain all waivers~~ an
30 extension or renewal of the section 1115 research and demonstration waiver or any new waiver(s)
31 that, at a minimum, ensure continuation of the waiver authorities in existence prior to the
32 acceptance of the demonstration. The office shall ensure that any such actions are conducted in
33 accordance with applicable federal guidelines pertaining to section 1115 demonstration waiver
34 renewals, extensions, suspensions or terminations. ~~The department of human services and the~~

1 executive office of health and human services to the extent possible shall ensure that said ~~waivers~~
2 waiver authorities are reinstated prior to any suspension, termination, or expiration of the
3 demonstration.

4 SECTION 4. Section 40-8.4-4 of the General Laws in Chapter 40-8.4 entitled "Health
5 Care For Families" is hereby amended to read as follows:

6 **40-8.4-4. Eligibility.** -- (a) Medical assistance for families. - There is hereby established
7 a category of medical assistance eligibility pursuant to section 1931 of Title XIX of the Social
8 Security Act, 42 U.S.C. section 1396u-1, for families whose income and resources are no greater
9 than the standards in effect in the aid to families with dependent children program on July 16,
10 1996 or such increased standards as the department may determine. The ~~department~~ office of
11 health and human services is directed to amend the medical assistance Title XIX state plan and to
12 submit to the U.S. Department of Health and Human Services an amendment to the RIte Care
13 waiver project to provide for medical assistance coverage to families under this chapter in the
14 same amount, scope and duration as coverage provided to comparable groups under the waiver.
15 The department is further authorized and directed to submit such amendments and/or requests for
16 waivers to the Title XXI state plan as may be necessary to maximize federal contribution for
17 provision of medical assistance coverage provided pursuant to this chapter, including providing
18 medical coverage as a "qualified state" in accordance with Title XXI of the Social Security Act,
19 42 U.S.C. section 1397 et seq. Implementation of expanded coverage under this chapter shall not
20 be delayed pending federal review of any Title XXI amendment or waiver.

21 (b) Income. - The ~~director~~ secretary of the ~~department~~ office of health and human
22 services is authorized and directed to amend the medical assistance Title XIX state plan or RIte
23 Care waiver to provide medical assistance coverage through expanded income disregards or other
24 methodology for parents or relative caretakers whose income levels are below ~~one hundred~~
25 ~~seventy-five percent (175%)~~ one hundred thirty-three percent (133%) of the federal poverty level.

26 ~~(c) Waiver. The department of human services is authorized and directed to apply for~~
27 ~~and obtain appropriate waivers from the Secretary of the U.S. Department of Health and Human~~
28 ~~Services, including, but not limited to, a waiver of the appropriate provisions of Title XIX, to~~
29 ~~require that individuals with incomes equal to or greater than one hundred fifty percent (150%) of~~
30 ~~the federal poverty level pay a share of the costs of their medical assistance coverage provided~~
31 ~~through enrollment in either the RIte Care Program or under the premium assistance program~~
32 ~~under section 40-8.4-12, in a manner and at an amount consistent with comparable cost-sharing~~
33 ~~provisions under section 40-8.4-12, provided that such cost-sharing shall not exceed five percent~~
34 ~~(5%) of annual income for those with annual income in excess of one hundred fifty percent~~

1 (~~150%~~); and provided, further, that cost sharing shall not be required for pregnant women or
2 children under age one.

3 SECTION 5. Section 40-8.4-12 of the General Laws in Chapter 40-8.4 entitled "Health
4 Care For Families" is hereby amended to read as follows:

5 **40-8.4-12. RIte Share Health Insurance Premium Assistance Program.** -- (a) Basic
6 RIte Share Health Insurance Premium Assistance Program. - The ~~department~~ office of health and
7 human services is authorized and directed to amend the medical assistance Title XIX state plan to
8 implement the provisions of section 1906 of Title XIX of the Social Security Act, 42 U.S.C.
9 section 1396e, and establish the Rhode Island health insurance premium assistance program for
10 RIte Care eligible ~~parents~~ families with incomes up to ~~one hundred seventy five percent (175%)~~
11 two hundred fifty percent (250%) of the federal poverty level who have access to employer-based
12 health insurance. The state plan amendment shall require eligible ~~individuals~~ families with access
13 to employer-based health insurance to enroll themselves and/or their family in the employer-
14 based health insurance plan as a condition of participation in the RIte Share program under this
15 chapter and as a condition of retaining eligibility for medical assistance under chapters 5.1 and
16 8.4 of this title and/or chapter 12.3 of title 42 and/or premium assistance under this chapter,
17 provided that doing so meets the criteria established in section 1906 of Title XIX for obtaining
18 federal matching funds and the department has determined that the individual's and/or the family's
19 enrollment in the employer-based health insurance plan is cost-effective and the department has
20 determined that the employer-based health insurance plan meets the criteria set forth in
21 subsection (d). The department shall provide premium assistance by paying all or a portion of the
22 employee's cost for covering the eligible individual or his or her family under the employer-based
23 health insurance plan, subject to the cost sharing provisions in subsection (b), and provided that
24 the premium assistance is cost-effective in accordance with Title XIX, 42 U.S.C. section 1396 et
25 seq.

26 (b) Individuals who can afford it shall share in the cost. - The ~~department~~ office of health
27 and human services is authorized and directed to apply for and obtain any necessary waivers from
28 the secretary of the United States Department of Health and Human Services, including, but not
29 limited to, a waiver of the appropriate sections of Title XIX, 42 U.S.C. section 1396 et seq., to
30 require that ~~individuals~~ families eligible for RIte Care under this chapter or chapter 12.3 of title
31 42 with incomes equal to or greater than one hundred fifty percent (150%) of the federal poverty
32 level pay a share of the costs of health insurance based on the individual's ability to pay, provided
33 that the cost sharing shall not exceed five percent (5%) of the individual's annual income. The
34 department of human services shall implement the cost-sharing by regulation, and shall consider

1 co-payments, premium shares or other reasonable means to do so.

2 (c) Current RItE Care enrollees with access to employer-based health insurance. - The
3 ~~department~~ office of health and human services shall require any ~~individual~~ family who receives
4 RItE Care or whose family receives RItE Care on the effective date of the applicable regulations
5 adopted in accordance with subsection (f) to enroll in an employer-based health insurance plan at
6 the individual's eligibility redetermination date or at an earlier date determined by the department,
7 provided that doing so meets the criteria established in the applicable sections of Title XIX, 42
8 U.S.C. section 1396 et seq., for obtaining federal matching funds and the department has
9 determined that the individual's and/or the family's enrollment in the employer-based health
10 insurance plan is cost-effective and has determined that the health insurance plan meets the
11 criteria in subsection (d). The insurer shall accept the enrollment of the individual and/or the
12 family in the employer-based health insurance plan without regard to any enrollment season
13 restrictions.

14 (d) Approval of health insurance plans for premium assistance. - The ~~department~~ office
15 of health and human services shall adopt regulations providing for the approval of employer-
16 based health insurance plans for premium assistance and shall approve employer-based health
17 insurance plans based on these regulations. In order for an employer-based health insurance plan
18 to gain approval, the department must determine that the benefits offered by the employer-based
19 health insurance plan are substantially similar in amount, scope, and duration to the benefits
20 provided to RItE Care eligible persons by the RItE Care program, when the plan is evaluated in
21 conjunction with available supplemental benefits provided by the ~~department~~ office. The
22 ~~department~~ office shall obtain and make available to persons otherwise eligible for RItE Care as
23 supplemental benefits those benefits not reasonably available under employer-based health
24 insurance plans which are required for RItE Care eligible persons by state law or federal law or
25 regulation.

26 (e) Maximization of federal contribution. - The ~~department~~ office of health and human
27 services is authorized and directed to apply for and obtain federal approvals and waivers
28 necessary to maximize the federal contribution for provision of medical assistance coverage
29 under this section, including the authorization to amend the Title XXI state plan and to obtain any
30 waivers necessary to reduce barriers to provide premium assistance to recipients as provided for
31 in Title XXI of the Social Security Act, 42 U.S.C. section 1397 et seq.

32 (f) Implementation by regulation. - The ~~department~~ office of health and human services
33 is authorized and directed to adopt regulations to ensure the establishment and implementation of
34 the premium assistance program in accordance with the intent and purpose of this section, the

1 requirements of Title XIX, Title XXI and any approved federal waivers.

2 SECTION 6. Section 42-7.2-5 of the General Laws in Chapter 42-7.2 entitled "Office of
3 Health and Human Services" is hereby amended to read as follows:

4 **42-7.2-5. Duties of the secretary.** -- The secretary shall be subject to the direction and
5 supervision of the governor for the oversight, coordination and cohesive direction of state
6 administered health and human services and in ensuring the laws are faithfully executed, not
7 withstanding any law to the contrary. In this capacity, the Secretary of Health and Human
8 Services shall be authorized to:

9 (1) Coordinate the administration and financing of health care benefits, human services
10 and programs including those authorized by the Global Consumer Choice Compact Waiver and,
11 as applicable, the Medicaid State Plan under Title XIX of the US Social Security Act. However,
12 nothing in this section shall be construed as transferring to the secretary the powers, duties or
13 functions conferred upon the departments by Rhode Island public and general laws for the
14 administration of federal/state programs financed in whole or in part with Medicaid funds or the
15 administrative responsibility for the preparation and submission of any state plans, state plan
16 amendments, or authorized federal waiver applications, once approved by the secretary.

17 (2) Serve as the governor's chief advisor and liaison to federal policymakers on Medicaid
18 reform issues as well as the principal point of contact in the state on any such related matters.

19 (3) Review and ensure the coordination of any Global Consumer Choice Compact
20 Waiver requests and renewals as well as any initiatives and proposals requiring amendments to
21 the Medicaid state plan or category two (II) or three (III) changes, as described in the special
22 terms and conditions of the Global Consumer Choice Compact Waiver with the potential to affect
23 the scope, amount or duration of publicly-funded health care services, provider payments or
24 reimbursements, or access to or the availability of benefits and services as provided by Rhode
25 Island general and public laws. The secretary shall consider whether any such changes are legally
26 and fiscally sound and consistent with the state's policy and budget priorities. The secretary shall
27 also assess whether a proposed change is capable of obtaining the necessary approvals from
28 federal officials and achieving the expected positive consumer outcomes. Department directors
29 shall, within the timelines specified, provide any information and resources the secretary deems
30 necessary in order to perform the reviews authorized in this section;

31 (4) Beginning in 2006, prepare and submit to the governor, the chairpersons of the house
32 and senate finance committees, the caseload estimating conference, and to the joint legislative
33 committee for health care oversight, by no later than March 15 of each year, a comprehensive
34 overview of all Medicaid expenditures outcomes, and utilization rates. The overview shall

1 include, but not be limited to, the following information:

2 (i) Expenditures under Titles XIX and XXI of the Social Security Act, as amended;

3 (ii) Expenditures, outcomes and utilization rates by population and sub-population
4 served (e.g. families with children, children with disabilities, children in foster care, children
5 receiving adoption assistance, adults with disabilities, and the elderly);

6 (iii) Expenditures, outcomes and utilization rates by each state department or other
7 municipal or public entity receiving federal reimbursement under Titles XIX and XXI of the
8 Social Security Act, as amended; and

9 (iv) Expenditures, outcomes and utilization rates by type of service and/or service
10 provider.

11 The directors of the departments, as well as local governments and school departments,
12 shall assist and cooperate with the secretary in fulfilling this responsibility by providing whatever
13 resources, information and support shall be necessary.

14 (5) Resolve administrative, jurisdictional, operational, program, or policy conflicts
15 among departments and their executive staffs and make necessary recommendations to the
16 governor.

17 (6) Assure continued progress toward improving the quality, the economy, the
18 accountability and the efficiency of state-administered health and human services. In this
19 capacity, the secretary shall:

20 (i) Direct implementation of reforms in the human resources practices of the departments
21 that streamline and upgrade services, achieve greater economies of scale and establish the
22 coordinated system of the staff education, cross-training, and career development services
23 necessary to recruit and retain a highly-skilled, responsive, and engaged health and human
24 services workforce;

25 (ii) Encourage the departments to utilize consumer-centered approaches to service design
26 and delivery that expand their capacity to respond efficiently and responsibly to the diverse and
27 changing needs of the people and communities they serve;

28 (iii) Develop all opportunities to maximize resources by leveraging the state's purchasing
29 power, centralizing fiscal service functions related to budget, finance, and procurement,
30 centralizing communication, policy analysis and planning, and information systems and data
31 management, pursuing alternative funding sources through grants, awards and partnerships and
32 securing all available federal financial participation for programs and services provided through
33 the departments;

34 (iv) Improve the coordination and efficiency of health and human services legal

1 functions by centralizing adjudicative and legal services and overseeing their timely and judicious
2 administration;

3 (v) Facilitate the rebalancing of the long term system by creating an assessment and
4 coordination organization or unit for the expressed purpose of developing and implementing
5 procedures across departments that ensure that the appropriate publicly-funded health services are
6 provided at the right time and in the most appropriate and least restrictive setting; and

7 (vi) Strengthen health and human services program integrity, quality control and
8 collections, and recovery activities by consolidating functions within the office in a single unit
9 that ensures all affected parties pay their fair share of the cost of services and are aware of
10 alternative financing.

11 (vii) Broaden access to publicly funded food and nutrition services by consolidating
12 agency programs and initiatives to eliminate duplication and overlap and improve the availability
13 and quality of services; and

14 (viii) Assure protective services are available to vulnerable elders and adults with
15 developmental and other disabilities by reorganizing existing services, establishing new services
16 where gaps exist and centralizing administrative responsibility for oversight of all related
17 initiatives and programs.

18 (7) Prepare and integrate comprehensive budgets for the health and human services
19 departments and any other functions and duties assigned to the office. The budgets shall be
20 submitted to the state budget office by the secretary, for consideration by the governor, on behalf
21 of the state's health and human services in accordance with the provisions set forth in section 35-
22 3-4 of the Rhode Island general laws.

23 (8) Utilize objective data to evaluate health and human services policy goals, resource
24 use and outcome evaluation and to perform short and long-term policy planning and
25 development.

26 (9) Establishment of an integrated approach to interdepartmental information and data
27 management that complements and furthers the goals of the CHOICES initiative and that will
28 facilitate the transition to consumer-centered system of state administered health and human
29 services.

30 (10) At the direction of the governor or the general assembly, conduct independent
31 reviews of state-administered health and human services programs, policies and related agency
32 actions and activities and assist the department directors in identifying strategies to address any
33 issues or areas of concern that may emerge thereof. The department directors shall provide any
34 information and assistance deemed necessary by the secretary when undertaking such

1 independent reviews.

2 (11) Provide regular and timely reports to the governor and make recommendations with
3 respect to the state's health and human services agenda.

4 (12) Employ such personnel and contract for such consulting services as may be required
5 to perform the powers and duties lawfully conferred upon the secretary.

6 (13) Implement the provisions of any general or public law or regulation related to the
7 disclosure, confidentiality and privacy of any information or records, in the possession or under
8 the control of the executive office or the departments assigned to the executive office, that may be
9 developed or acquired for purposes directly connected with the secretary's duties set forth herein.

10 (14) Hold the director of each health and human services department accountable for
11 their administrative, fiscal and program actions in the conduct of the respective powers and duties
12 of their agencies. The secretary must approve all policy guidance, including, but not limited to,
13 changes to rules and regulations, issued by the department of behavioral healthcare,
14 developmental disabilities and hospitals before publication in draft, proposed and final form.

15 SECTION 7. Section 40.1-1-13 of the General Laws in Chapter 40.1-1 entitled
16 "Department of Behavioral Healthcare, Developmental Disabilities and Hospitals" is hereby
17 amended to read as follows:

18 **40.1-1-13. Powers and duties of the office.** -- Notwithstanding any provision of the
19 Rhode Island general laws to the contrary, the department of mental health, retardation, and
20 hospitals shall have the following powers and duties:

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

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

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

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

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

34 (6) Confer with all interested department directors to coordinate the administration of

1 state programs and policies that directly affect substance abuse treatment and prevention;

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

4 (8) Act in the capacity of "state substance abuse authority" as that term has meaning for
5 coordination of state substance abuse planning and policy and as it relates to requirements set
6 forth in pertinent federal substance abuse laws and regulations;

7 (9) Propose, review and/or approve, as appropriate, proposals, policies or plans involving
8 insurance and managed care systems for substance abuse services in Rhode Island;

9 (10) To enter into, in compliance with the provisions of title 37, chapter 2, contractual
10 relationships and memoranda of agreement as necessary for the purposes of this chapter;

11 (11) To license facilities and programs for the care and treatment of substance abusers,
12 and for the prevention of substance abuse;

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
16 out the intent and purposes of this chapter; and

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: chapter
19 1.10 of title 23; chapter 10.1 of title 23; chapter 28.2 of title 23; chapter 21.2 of title 16; chapter
20 21.3 of title 16; chapter 50.1 of title 42; chapter 109 of title 42; chapter 69 of title 5 and section
21 35-4-18.

22 (15) To establish a Medicare Part D restricted receipt account in the Hospitals and
23 Community Rehabilitation Services program to receive and expend Medicare Part D
24 reimbursements from pharmacy benefit providers consistent 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.

33 [\(18\) The department of behavioral healthcare, developmental disabilities and hospitals](#)
34 [must submit for approval by the secretary of the office of health and human services all policy](#)

1 [guidance issued, including, but not limited to, changes to rules and regulations, before publication](#)
2 [in draft, proposed and final form.](#)

3 SECTION 8. Rhode Island Medicaid Reform Act of 2008.

4 WHEREAS, The General Assembly enacted Chapter 12.4 of Title 42 entitled “The
5 Rhode Island Medicaid Reform Act of 2008”; and

6 WHEREAS, A Joint Resolution is required pursuant to Rhode Island General Laws § 42-
7 12.4-1, et seq.; and

8 WHEREAS, Rhode Island General Law § 42-12.4-7 provides that any change that
9 requires the implementation of a rule or regulation or modification of a rule or regulation in
10 existence prior to the implementation of the global consumer choice section 1115 demonstration
11 (“the demonstration”) shall require prior approval of the general assembly; and further provides
12 that any category II change or category III change as defined in the demonstration shall also
13 require prior approval by the general assembly; and

14 WHEREAS, Rhode Island General Law § 42-7.2-5 provides that the Secretary of the
15 Office of Health and Human Services is responsible for the “review and coordination of any
16 Global Consumer Choice Compact Waiver requests and renewals as well as any initiatives and
17 proposals requiring amendments to the Medicaid state plan or category II or III changes” as
18 described in the demonstration, with “the potential to affect the scope, amount, or duration of
19 publicly-funded health care services, provider payments or reimbursements, or access to or the
20 availability of benefits and services as provided by Rhode Island general and public laws”; and

21 WHEREAS, In pursuit of a more cost-effective consumer choice system of care that is
22 fiscally sound and sustainable, the secretary requests general assembly approval of the following
23 proposals to amend the demonstration:

24 (a) *Nursing Facility Payment Rates - Eliminate Rate Increase.* The Medicaid agency
25 proposes to eliminate the projected nursing facility rate increase and associated hospice rate
26 increase that would otherwise become effective during state fiscal year 2014. A Category II
27 change is required to implement this proposal under the terms and conditions of the Global
28 Consumer Choice Compact Waiver. Further, this change may also require the adoption of new or
29 amended rules, regulations and procedures.

30 (b) *Medicaid Hospital Payment Rates - Eliminate Adjustments.* The Medicaid single state
31 agency proposes to reduce hospital payments by eliminating the projected inpatient and outpatient
32 hospital rate increase for state fiscal year 2014. A Category II change is required to implement
33 this proposal under the terms and conditions of the Global Consumer Choice Compact Waiver.
34 Further, this change may also require the adoption of new or amended rules, regulations and

1 procedures.

2 (c) *Integrated Care initiative - Implementation Phase-in.* The Medicaid single state
3 agency proposes to continue implementation of the Medicaid Integrated Care Initiative for Adults
4 authorized under the Rhode Island Medicaid Reform Act of 2008, as amended in 2011. Moving
5 the initiative forward may require Category II changes under the terms and conditions of the
6 Global Consumer Choice Compact Waiver and the adoption of new or amended rules, regulations
7 and procedures.

8 (d) *BHDDH System Reforms - implementation of Employment First Initiative.* As part of
9 ongoing reforms promoting rehabilitation services that enhance a person's dignity, self-worth and
10 connection to the community, the Department of Behavioral Healthcare, Developmental
11 Disabilities, and Hospitals proposes to change Medicaid financing to support the Employment
12 First initiative. The initiative uses reductions in Medicaid payments to provide incentives for
13 service alternatives that optimize health and independence. The resulting changes in payment
14 rates may require Category II changes under the terms and conditions of the Global Consumer
15 Choice Compact Waiver and the adoption of new or amended rules, regulations and procedures.

16 (e) *Costs Not Otherwise Matchable (CNOM) Federal Funding.* Implementation of the
17 U.S. Patient Protection and Affordable Care Act of 2010 will render it unnecessary for the
18 Medicaid agency to continue to pursue federal CNOM funding for services to certain newly
19 Medicaid eligible populations served by the Executive Office of Health and Human Services, the
20 Department of Human Services and the Department of Behavioral Healthcare, Developmental
21 Disabilities and Hospitals. Category II changes may be necessary under the terms and conditions
22 of the Global Consumer Choice Compact Waiver to facilitate the transition of the affected people
23 and services to full Medicaid coverage.

24 (f) *Approved Authorities: Section 1115 Waiver Demonstration Extension.* The Medicaid
25 agency proposes to implement authorities approved under the Section 1115 waiver demonstration
26 extension request - formerly known as the Global Consumer Choice Waiver - that (1) continue
27 efforts to re-balance the system of long term services and supports by assisting people in
28 obtaining care in the most appropriate and least restrictive setting; (2) pursue further utilization of
29 care management models that offer a health home, promote access to preventive care, and provide
30 an integrated system of services; (3) use smart payments and purchasing to finance and support
31 Medicaid initiatives that fill gaps in the integrated system of care; and (4) recognize and assure
32 access to non-medical services and supports, such as peer navigation and employment and
33 housing stabilization services, that are essential for optimizing a person's health, wellness and
34 safety and that reduce or delay the need for long term services and supports.

1 (g) *Medicaid Requirements and Opportunities under the US. Patient Protection and*
2 *Affordable Care Act of 2010.* The Medicaid agency proposes to pursue any requirements and/or
3 opportunities established under the U.S. Patient Protection and Affordable Care Act of 2010 that
4 may warrant a Medicaid State Plan Amendment and/or a Category II or III change under the
5 terms and conditions of the Global Consumer Choice Compact Waiver or its successor or any
6 extension thereof. Such opportunities and requirements include, but are not limited to: (1) the
7 continuation of coverage for youths who had been in substitute care who are at least eighteen (18)
8 years old but are not yet twenty-six (26) years of age, and who are eligible for Medicaid coverage
9 under the Foster Care Independence Act of 1999 (2) the maximizing of Medicaid federal
10 matching funds for any services currently administered by the health and human services
11 agencies that are authorized under Rhode Island general and public laws. Any such actions the
12 Medicaid agency takes shall not have an adverse impact on beneficiaries or cause there to be an
13 increase in expenditures beyond the amount appropriated for state fiscal year 2014. Now,
14 therefore, be it

15 (h) *RIte Care Parents Eligibility.* The Medicaid single state agency proposes to reduce
16 the RIte Care coverage income eligibility threshold for parents to one hundred thirty-three percent
17 (133%) of the federal poverty level. A Category III change is required to implement this proposal
18 under the terms and conditions of the Global Consumer Choice Compact Waiver. Further this
19 change requires the adoption of amended rules, regulations and procedures.

20 Now, therefore, be it

21 RESOLVED, that the general assembly hereby approves proposals (a) through (f) listed
22 above to amend the demonstration; and be it further

23 RESOLVED, that the secretary of the office of health and human services is authorized
24 to pursue and implement any waiver amendments, category II or category III changes, state plan
25 amendments and/or changes to the applicable department's rules, regulations and procedures
26 approved herein and as authorized by § 42-12.4-7.

27 SECTION 9. This article shall take effect upon passage.

ARTICLE 20

RELATING TO MUNICIPAL ROAD AND BRIDGE REVOLVING FUND

SECTION 1. Title 24 of the General Laws entitled "HIGHWAYS" is hereby amended by adding thereto the following chapter:

CHAPTER 18

MUNICIPAL ROAD AND BRIDGE REVOLVING FUND

24-18-1. Short title. -- This act shall be known and may be cited as the "Municipal Road and Bridge Revolving Fund Act of 2013."

24-18-2. Legislative findings. -- The general assembly finds and declares that:

(1) Transportation plays a critical role in enabling economic activity in the state of Rhode Island;

(2) Cities and towns can lower the costs of borrowing for road and bridge projects through cooperation with the Rhode Island Clean Water Finance Agency;

(3) The Clean Water and Drinking Water Fund programs administered by the Rhode Island Clean Water Finance Agency benefit from the highest bond rating of any public entity in the state of Rhode Island; and

(4) Greater coordination among cities and towns will enable more efficient allocation of infrastructure resources by the state of Rhode Island.

24-18-3. Definitions. -- As used in this chapter, the following terms, unless the context requires a different interpretation, shall have the following meanings:

(1) "Agency" means the Rhode Island clean water finance agency as set forth in chapter 46-12.2;

(2) "Annual construction plan" means the finalized list of approved projects to commence construction each calendar year;

(3) "Approved project" means any project approved by the agency for financial assistance;

(4) "Department" means the department of transportation, or, if the department shall be abolished, the board, body, or commission succeeding to the principal functions thereof or upon whom the powers given by chapter 5 of title 37 to the department shall be given by law.

(5) "Eligible project" means an infrastructure plan, or portion of an infrastructure plan,

1 that meets the project evaluation criteria;

2 (6) "Financial assistance" means any form of financial assistance other than grants
3 provided by the agency to a city or town in accordance with this chapter for all or any part of the
4 cost of an approved project, including, without limitation, temporary and permanent loans, with
5 or without interest, guarantees, insurance, subsidies for the payment of debt service on loans,
6 lines of credit, and similar forms of financial assistance;

7 (7) "Infrastructure plan" means a project proposed by a city or town that would make
8 capital improvements to roads, bridges and appurtenances thereto consistent with project
9 evaluation criteria;

10 (8) "Market rate" means the rate the city or town would receive in the open market at the
11 time of the original loan agreement as determined by the agency in accordance with its rules and
12 regulations;

13 (9) "Project evaluation criteria" means the criteria used by the department to evaluate
14 infrastructure plans and rank eligible projects and shall include the extent to which the project
15 generates economic benefits, the extent to which the project would be able to proceed at an earlier
16 date, the likelihood that the project would provide mobility benefits, the cost effectiveness of the
17 project, the likelihood that the project would increase safety, and the project's readiness to
18 proceed within the forthcoming calendar year;

19 (10) "Project priority list" means the list of eligible projects ranked in the order in which
20 financial assistance shall be awarded by the agency pursuant to section 7 of this chapter;

21 (11) "Revolving fund" means the municipal road and bridge revolving fund established
22 under section 4 of this chapter; and

23 (12) "Subsidy assistance" means credit enhancements and other measures to reduce the
24 borrowing costs for a city or town.

25 **24-18-4. Establishment of the municipal road and bridge revolving fund. --** (a) There
26 is hereby established a municipal road and bridge revolving fund. The agency shall establish and
27 set up on its books the revolving fund, to be held in trust and to be administered by the agency
28 solely as provided in this chapter and in any trust agreement securing bonds of the agency. The
29 agency shall deposit the following monies into the fund:

30 (1) Amounts appropriated or designated to the agency by the state for the purposes of this
31 chapter;

32 (2) Loan repayments and other payments received by the agency pursuant to loan
33 agreements with cities and towns executed in accordance with this chapter;

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

1 (4) Proceeds of bonds of the agency to the extent required by any trust agreement for
2 such bonds;

3 (5) Administrative fees levied by the agency;

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

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

8 (b) The agency shall establish and maintain fiscal controls and accounting procedures
9 conforming to generally accepted government accounting standards sufficient to ensure proper
10 accounting for receipts in and disbursements from the revolving fund.

11 **24-18-5. Administration.** -- (a) The agency shall have all the powers necessary and
12 convenient to carry out and effectuate the purposes and provisions of this chapter including,
13 without limiting the generality of the preceding statement, the authority:

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

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

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

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

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

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

25 (7) Such other authority as granted to the agency under chapter 46-12.2.

26 (b) Subject to the provisions of this chapter, to the provisions of any agreement with the
27 state authorized by section 24-18-6, and to any agreements with the holders of any bonds of the
28 agency or any trustee therefor, amounts held by the agency for the account of the revolving fund
29 shall be applied by the agency, either by direct expenditure, disbursement, or transfer to one or
30 more other funds and accounts held by the agency or maintained under any trust agreement
31 pertaining to bonds, either alone or with other funds of the agency, to the following purposes:

32 (1) To provide financial assistance to cities and towns to finance costs of approved
33 projects, and to refinance the costs of the projects, subject to such terms and conditions, if any, as
34 are determined by the department and/or the agency in accordance with section 24-18-7;

1 (2) To fund reserves for bonds of the agency and to purchase insurance and pay the
2 premiums therefor, and pay fees and expenses of letters or lines of credit and costs of
3 reimbursement to the issuers thereof for any payments made thereon or on any insurance, and to
4 otherwise provide security for, and a source of payment for obligations of the agency, by pledge,
5 lien, assignment, or otherwise as provided in chapter 46-12.2;

6 (3) To pay expenses of the agency and the department in administering the revolving
7 fund. As part of the annual appropriations bill, the department shall set forth the gross amount of
8 expenses received from the agency and a complete, specific breakdown of the sums retained
9 and/or expended for administrative expenses;

10 (4) To pay or provide for subsidy assistance equivalent to one third (1/3) of the market
11 rate or such other subsidy assistance as determined by the agency;

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

17 (6) To provide a reserve for, or to otherwise secure, by pledge, lien, assignment, or
18 otherwise as provided in chapter 46-12.2, any bonds of the agency.

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

24 (d) Within ninety (90) days after the end of each fiscal year, the agency shall submit an
25 annual report to the governor, the speaker of the house of representatives, the president of the
26 senate, and the secretary of state of its activities during that fiscal year. The report shall provide: a
27 summary of the agency's meetings including when the agency met, subjects addressed, decisions
28 rendered and meeting minutes; a summary of the agency's actions including a listing of rules,
29 regulations, or procedures adopted or amended, applications received for financial assistance for
30 contracts or agreements entered into, applications and intended use plans submitted to federal
31 agencies for capitalization grants, properties acquired or leased, and bonds issued; a synopsis of
32 any complaints, suspensions, or other legal matters related to the authority of the agency; a
33 consolidated financial statement of all funds received and disbursed by the agency including the
34 source of and recipient of the funds which shall be audited by an independent certified public

1 accountant firm; copies of audits or reports required under federal law; a listing of the staff and/or
2 consultants employed by the agency; a listing of findings and recommendation derived from
3 agency activities; and a summary of performance during the previous fiscal year including
4 accomplishments, shortcomings and remedies. The report shall be posted as prescribed in § 42-
5 20-8.2. The director of the department of administration shall be responsible for the enforcement
6 of this provision. The initial report shall be due no later than January 1, 2015.

7 **24-18-6. Payment of state funds.** -- (a) Subject to the provisions of subsection (b), upon
8 the written request of the agency, the general treasurer shall pay to the agency, from time to time,
9 from the proceeds of any bonds or notes issued by the state for the purposes of this chapter or
10 funds otherwise lawfully payable to the agency for the purposes of this chapter, such amounts as
11 shall have been appropriated or lawfully designated for the revolving fund. All amounts so paid
12 shall be credited to the revolving fund in addition to any other amounts credited or expected to be
13 credited to the revolving fund.

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

18 **24-18-7. Procedure for project approval.** -- (a) By September 1, 2013, the department
19 shall promulgate rules and regulations establishing the project evaluation criteria and the process
20 through which a city or town may submit an infrastructure plan. By December 31, 2013, the
21 agency shall promulgate rules and regulations to effectuate the provisions of this chapter which
22 may include, without limitation, forms for financial assistance applications, loan agreements, and
23 other instruments. All rules and regulations promulgated pursuant to this chapter shall be
24 promulgated in accordance with the provisions of chapter 42-35.

25 (b) Beginning with the calendar year 2013 and for each calendar year thereafter, cities
26 and towns shall have from September 15th through October 15th to submit an infrastructure plan to
27 the department. In the event that October 15th is a Saturday, Sunday, or a general holiday as
28 enumerated in section 25-1-1, the deadline shall be extended through the next day that is not a
29 Saturday, Sunday, or a general holiday as enumerated in section 25-1-1.

30 (c) By the end of each calendar year, the department shall evaluate all submitted
31 infrastructure plans and, in accordance with the project evaluation criteria, identify all eligible
32 projects, and after a public hearing, the department shall finalize and provide the agency and
33 statewide planning with a project priority list for the forthcoming calendar year.

34 (d) By the end of each calendar year, the agency shall determine the maximum amount of

1 financial assistance available for the forthcoming calendar year, provided that it shall not exceed
2 an amount of twenty million dollars (\$20,000,000); and provided further that the agency shall not
3 obligate more than fifty percent (50%) of available funding in any calendar year to any one city
4 or town unless there are no other eligible projects on the project priority list.

5 (e) Upon issuance of the project priority list, the agency shall award financial assistance
6 to cities and towns for approved projects provided, however, that the agency does not exceed its
7 maximum annual amount of financial assistance. The agency may decline to award financial
8 assistance to an approved project which the agency determines will have a substantial adverse
9 effect on the interests of holders of bonds or other indebtedness of the agency or the interests of
10 other participants in the financial assistance program, or for good and sufficient cause affecting
11 the finances of the agency. All financial assistance shall be made pursuant to a loan agreement
12 between the agency and the city or town, acting by and through the officer or officers, board,
13 committee, or other body authorized by law, or otherwise its chief executive officer, according to
14 terms and conditions as determined by the agency, and each loan shall be evidenced and secured
15 by the issue to the agency of city or town obligations in fully marketable form in principal
16 amount, bearing interest at the rate or rates specified in the applicable loan agreement, and shall
17 otherwise bear such terms and conditions as authorized by this chapter and/or the loan agreement.

18 **24-18-8. Inspection of approved projects.** -- For any approved project, the department
19 shall have the authority to inspect the construction and operation thereof to ensure compliance
20 with the provisions of this chapter.

21 **24-18-9. Expenses incurred by the department.** -- (a) In order to provide for the
22 expenses of the department under this chapter, the agency shall transfer to the department an
23 amount from the revolving fund equal to the amount authorized by the general assembly.

24 **24-18-10. Severability.** -- If any provision of this chapter or the application of this
25 chapter to any person or circumstances is held invalid, the invalidity shall not affect other
26 provisions or applications of the chapter, which can be given effect without the invalid provision
27 or application, and to this end the provisions of this chapter are declared to be severable.

28 SECTION 1. Sections 46-12.2-4, 46-12.2-14, 46-12.2-15, 46-12.2-16, 46-12.2-17, 46-
29 12.2-18, 46-12.2-19, 46-12.2-20, 46-12.2-21, 46-12.2-22 and 46-12.2-25 of the General Laws in
30 Chapter 46-12.2 entitled "Rhode Island Clean Water Finance Agency" are hereby amended to
31 read as follows:

32 **46-12.2-4. General powers and duties of agency.** -- (a) The agency shall have all
33 powers necessary or convenient to carry out and effectuate the purposes and provisions of this
34 chapter and chapter 24-18, including without limiting the generality of the foregoing, the powers

1 and duties:

2 (1) To adopt and amend bylaws, rules, regulations, and procedures for the governance of
3 its affairs, the administration of its financial assistance programs, and the conduct of its business;

4 (2) To adopt an official seal;

5 (3) To maintain an office at such place or places as it may determine;

6 (4) To adopt a fiscal year;

7 (5) To adopt and enforce procedures and regulations in connection with the performance
8 of its functions and duties;

9 (6) To sue and be sued;

10 (7) To employ personnel as provided in § 46-12.2-5, and to engage accounting,
11 management, legal, financial, consulting and other professional services;

12 (8) Except as provided in this chapter, to receive and apply its revenues to the purposes of
13 this chapter without appropriation or allotment by the state or any political subdivision thereof;

14 (9) To borrow money, issue bonds, and apply the proceeds thereof, as provided in this
15 chapter [and chapter 24-18](#), and to pledge or assign or create security interests in revenues, funds,
16 and other property of the agency and otherwise as provided in this chapter [and chapter 24-18](#), to
17 pay or secure the bonds; and to invest any funds held in reserves or in the water pollution control
18 revolving fund, the Rhode Island water pollution control revolving fund, [the municipal road and](#)
19 [bridge fund established under chapter 24-18](#), or the local interest subsidy trust fund, or any
20 revenues or funds not required for immediate disbursement, in such investments as may be legal
21 investments for funds of the state;

22 (10) To obtain insurance and to enter into agreements of indemnification necessary or
23 convenient to the exercise of its powers under this chapter [and chapter 24-18](#);

24 (11) To apply for, receive, administer, and comply with the conditions and requirements
25 respecting any grant, gift, or appropriation of property, services, or moneys;

26 (12) To enter into contracts, arrangements, and agreements with other persons, and
27 execute and deliver all instruments necessary or convenient to the exercise of its powers under
28 this chapter [and chapter 24-18](#); such contracts and agreements may include without limitation,
29 loan agreements with local governmental units, capitalization grant agreements, intended use
30 plans, operating plans, and other agreements and instruments contemplated by title VI of the
31 Clean Water Act, 33 U.S.C. § 1381 et seq., or this chapter, [agreement and instruments](#)
32 [contemplated by chapter 24-18](#), grant agreements, contracts for financial assistance or other forms
33 of assistance from the state or the United States, and trust agreements and other financing
34 agreements and instruments pertaining to bonds;

1 (13) To authorize a representative to appear on its own behalf before other public bodies,
2 including, without limiting the generality of the foregoing, the congress of the United States, in
3 all matters relating to its powers and purposes;

4 (14) To provide financial assistance to local governmental units to finance costs of
5 approved projects, and to acquire and hold local governmental obligations at such prices and in
6 such manner as the agency shall deem advisable, and sell local governmental obligations acquired
7 or held by it at prices without relation to cost and in such manner as the agency shall deem
8 advisable, and to secure its own bonds with such obligations all as provided in this chapter [and](#)
9 [chapter 24-18](#);

10 (15) To establish and collect such fees and charges as the agency shall determine to be
11 reasonable;

12 (16) To acquire, own, lease as tenant, or hold real, personal or mixed property or any
13 interest therein for its own use; and to improve, rehabilitate, sell, assign, exchange, lease as
14 landlord, mortgage, or otherwise dispose of or encumber the same;

15 (17) To do all things necessary, convenient, or desirable for carrying out the purposes of
16 this chapter [and chapter 24-18](#) or the powers expressly granted or necessarily implied by this
17 chapter [and chapter 24-18](#);

18 (18) To conduct a training course for newly appointed and qualified members and new
19 designees of ex-officio members within six (6) months of their qualification or designation. The
20 course shall be developed by the executive director, approved by the board of directors, and
21 conducted by the executive director. The board of directors may approve the use of any board of
22 directors or staff members or other individuals to assist with training. The training course shall
23 include instruction in the following areas: the provisions of chapters 46-12.2, 42-46, 36-14, and
24 38-2; and the agency's rules and regulations. The director of the department of administration
25 shall, within ninety (90) days of the effective date of this act [July 15, 2005], prepare and
26 disseminate, training materials relating to the provisions of chapters 42-46, 36-14 and 38-2; and

27 (19) Upon the dissolution of the water resources board (corporate) pursuant to § 46-15.1-
28 22, to have all the powers and duties previously vested with the water resources board
29 (corporate), as provided pursuant to chapter 46-15.1.

30 (20) To meet at the call of the chair at least eight (8) times per year. All meetings shall be
31 held consistent with chapters 42-46.

32 (b) Notwithstanding any other provision of this chapter, the agency shall not be
33 authorized or empowered:

34 (1) To be or to constitute a bank or trust company within the jurisdiction or under the

1 control of the department of banking and insurance of the state, or the commissioner thereof, the
2 comptroller of the currency of the United States of America, or the Treasury Department thereof;
3 or

4 (2) To be or constitute a bank, banker or dealer in securities within the meaning of, or
5 subject to the provisions of, any securities, securities exchange, or securities dealers' law of the
6 United States or the state.

7 **46-12.2-14. Bonds of the agency.** -- (a) The agency may provide by resolution of the
8 board of directors for the issuance, from time to time, of bonds of the agency for any of its
9 corporate purposes, including those set forth in chapter 24-18, or for the borrowing of money in
10 anticipation of the issuance of the bonds. Bonds issued by the agency may be issued as general
11 obligations of the agency or as special obligations payable solely from particular revenues or
12 funds as may be provided for in any trust agreement or other agreement securing bonds. The
13 agency may also provide by resolution of the board of directors for the issuance, from time to
14 time, of temporary notes in anticipation of the revenues to be collected or received by the agency,
15 including, without limitation, in anticipation of any payments to the agency from the state
16 pursuant to section 46-12.2-7, or in anticipation of the receipt of other grants or aid. The issue of
17 notes shall be governed by the provisions of this chapter and chapter 24-18, as applicable,
18 relating to the issue of bonds of the agency other than temporary notes as ~~this chapter~~ these
19 chapters may be applicable; provided, however, that notes issued in anticipation of revenues shall
20 mature no later than one year from their respective dates, or the date of expected receipt of the
21 revenues, if later, and notes issued in anticipation of grants, or other aid and renewals thereof,
22 shall mature no later than six (6) months after the expected date of receipt of the grant or aid.

23 (b) The bonds of each issue shall be dated, may bear interest at such rate or rates,
24 including rates variable from time to time as determined by such index, banker's loan rate, or
25 other method determined by the agency, and shall mature or otherwise be payable at such time or
26 times, as may be determined by the agency, and may be made redeemable before maturity at the
27 option of the agency or the holder thereof at such price or prices and under such terms and
28 conditions as may be fixed by the agency. The agency shall determine the form of bonds, and the
29 manner of execution of the bonds, and shall fix the denomination or denominations of the bonds,
30 and the place or places of payment of principal, redemption premium, if any, and interest, which
31 may be paid at any bank or trust company within or without the state. In case any officer whose
32 signature or a facsimile of whose signature shall appear on any bonds shall cease to be the officer
33 before the delivery thereof, the signature or facsimile shall nevertheless be valid and sufficient for
34 all purposes as if the officer had remained in office until delivery. The agency may provide for

1 authentication of bonds by a trustee, fiscal agent, registrar, or transfer agency. Bonds may be
2 issued in bearer or in registered form, or both, and, if notes, may be made payable to the bearer or
3 to order, as the agency may determine. The agency may also establish and maintain a system of
4 registration for any bonds whereby the name of the registered owner, the rights evidenced by the
5 bonds, the transfer of the bonds, and the rights and other similar matters, are recorded in books or
6 other records maintained by or on behalf of the agency, and no instrument evidencing the bond or
7 rights need be delivered to the registered owner by the agency. A copy of the books or other
8 records of the agency pertaining to any bond registered under a registration system certified by an
9 authorized officer of the agency or by the agent of the agency maintaining the system shall be
10 admissible in any proceeding without further authentication. The board of directors may by
11 resolution delegate to any member or officer of the agency, or any combination thereof, the
12 power to determine any of the matters set forth in this section. In the discretion of the agency,
13 bonds of the agency may be issued with such terms as will cause the interest thereon to be subject
14 to federal income taxation. The agency may sell its bonds in such manner, either at public or
15 private sale, for the price, at the rate or rates of interest, or at discount in lieu of interest, as it may
16 determine will best effect the purposes of this chapter [or chapter 24-18, as applicable.](#)

17 (c) The agency may issue interim receipts or temporary bonds, exchangeable for
18 definitive bonds, when the bonds shall have been executed and are available for delivery. The
19 agency may also provide for the replacement of any bonds which shall have become mutilated or
20 shall have been destroyed or lost. The agency, by itself or through such agency as it may select,
21 may purchase and invite offers to tender for purchase any bonds of the agency at any time
22 outstanding; provided, however, that no purchase by the agency shall be made at a price,
23 exclusive of accrued interest, if any, exceeding the principal amount thereof or, if greater, the
24 redemption price of the bonds when next redeemable at the option of the agency, and may resell
25 any bonds so purchased in such manner and for such price as it may determine will best effect the
26 purposes of this chapter [or chapter 24-18, as applicable.](#)

27 (d) In the discretion of the board of directors, any bonds issued under this section may be
28 secured by a trust agreement in such form and executed in such manner as may be determined by
29 the board of directors, between the agency and the purchasers or holders of the bonds, or between
30 the agency and a corporate trustee which may be any trust company or bank having the powers of
31 a trust company within or without the state. The trust agreement may pledge or assign, in whole
32 or in part, any loan agreements and local governmental obligations, and the revenues, funds, and
33 other assets or property held or to be received by the agency, including without limitation all
34 moneys and investments on deposit from time to time in the water pollution control revolving

1 fund, the Rhode Island water pollution control revolving fund, and the local interest subsidy trust
2 fund, [or the municipal road and bridge revolving fund, as applicable](#), and any contract or other
3 rights to receive the same, whether then existing or thereafter coming into existence and whether
4 then held or thereafter acquired by the agency, and the proceeds thereof. The trust agreement may
5 contain such provisions for protecting and enforcing the rights, security, and remedies of the
6 bondholders as may be reasonable and proper including, without limiting the generality of the
7 foregoing, provisions defining defaults and providing for remedies in the event thereof which
8 may include the acceleration of maturities, restrictions on the individual right of action by
9 bondholders, and covenants setting forth the duties of and limitations on the agency in relation to
10 the custody, safeguarding, investment, and application of moneys, the enforcement of loan
11 agreements and local governmental obligations, the issue of additional or refunding bonds, the
12 fixing, revision, charging, and collection of charges, the use of any surplus bond proceeds, the
13 establishment of reserves, and the making and amending of contracts.

14 (e) In the discretion of the board of directors, any bonds issued under authority of this
15 chapter [or chapter 24-18](#) may be issued by the agency in the form of lines of credit or other
16 banking arrangements under terms and conditions, not inconsistent with this chapter [or chapter](#)
17 [24-18](#), and under such agreements with the purchasers or makers thereof or any agent or other
18 representative of such purchasers or makers, as the board of directors may determine to be in the
19 best interests of the agency. In addition to other security provided herein or otherwise by law,
20 bonds issued by the agency under any provision of this chapter [or chapter 24-18](#) may be secured,
21 in whole or in part, by financial guarantees, by insurance, or by letters or lines of credit issued to
22 the agency or a trustee or any other person, by any bank, trust company, insurance or surety
23 company, or other financial institution, within or without the state, and the agency may pledge or
24 assign, in whole or in part, any loan agreements and local governmental obligations, and the
25 revenues, funds, and other assets and property held or to be received by the agency, and any
26 contract or other rights to receive the same, whether then existing or thereafter coming into
27 existence and whether then held or thereafter acquired by the agency, and the proceeds thereof, as
28 security for the guarantees or insurance or for the reimbursement by the agency to any issuer of
29 the line or letter of credit.

30 (f) It shall be lawful for any bank or trust company to act as a depository or trustee of the
31 proceeds of bonds, revenues, or other moneys under a trust agreement of the agency, and to
32 furnish indemnification and to provide security as may be required by the agency. It is hereby
33 declared that any pledge or assignment made by the agency under this chapter [or chapter 24-18](#) is
34 an exercise of the governmental powers of the agency, and loan agreements, local governmental

1 obligations, revenues, funds, assets, property, and contract or other rights to receive the same and
2 the proceeds thereof, which are subject to the lien of a pledge or assignment created under this
3 chapter [or chapter 24-18](#), shall not be applied to any purposes not permitted by the pledge or
4 assignment.

5 (g) Any holder of a bond issued by the agency under the provisions of this chapter [or](#)
6 [chapter 24-18](#) and any trustee or other representative under a trust agreement securing the trustee
7 or representative, except to the extent the rights herein given may be restricted by the trust
8 agreement, may bring suit upon the bonds in the superior court and may, either at law or in
9 equity, by suit, action, mandamus, or other proceeding for legal or equitable relief, protect and
10 enforce any and all rights under the laws of the state or granted hereunder or under the trust
11 agreement, and may enforce and compel performance of all duties required by this chapter,
12 [chapter 24-18](#), or by the trust agreement, to be performed by the agency or by any officer thereof.

13 **46-12.2-15. Refunding bonds.** -- The agency may issue refunding bonds for the purpose
14 of paying any of its bonds, issued pursuant to this chapter [or chapter 24-18](#), at or prior to maturity
15 or upon acceleration or redemption or purchase and retirement. Refunding bonds may be issued at
16 such times at or prior to the maturity, redemption, or purchase and retirement of the refunded
17 bonds as the board of directors deems to be in the interest of the agency. Refunding bonds may be
18 issued in sufficient amounts to pay or provide for payment of the principal of the bonds being
19 refunded, together with any redemption premium thereon, any interest or discount accrued or to
20 accrue to the date of payment of the bonds, the costs of issuance of the refunding bonds, the
21 expenses of paying, redeeming, or purchasing the bonds being refunded, the costs of holding and
22 investing proceeds of refunding bonds pending payment, redemption, or purchase and reserves
23 for debt service or other expenses from the proceeds of refunding bonds as may be required by a
24 trust agreement securing the bonds. Pending application, the proceeds of the refunding bonds may
25 be placed in escrow. The issue and sale of refunding bonds, the maturities, and other details
26 thereof, the security therefor, the rights of the holders thereof, and the rights, duties, and
27 obligations of the agency in respect of the same shall be governed by the provisions of this
28 chapter [and chapter 24-18, as applicable](#), relating to the issue of bonds other than refunding bonds
29 insofar as ~~this chapter~~ [these chapters](#) may be applicable.

30 **46-12.2-16. Bonds eligible for investment.** -- Bonds issued by the agency under this
31 chapter [or chapter 24-18](#) and local governmental obligations issued hereunder are hereby made
32 securities in which all public officers and agencies of the state and its political subdivisions, all
33 insurance companies, trust companies in their commercial departments, savings banks,
34 cooperative banks, banking associations, investment companies, executors, administrators,

1 trustees, and other fiduciaries may properly invest funds, including capital in their control or
2 belonging to them. The bonds and local governmental obligations are hereby made securities
3 which may properly be deposited with and received by any state or municipal officer of any
4 agency or political subdivision of the state for any purpose for which the deposit of bonds or
5 obligations of the state or any political subdivision is now or may hereafter be authorized by law.

6 **46-12.2-17. No additional consent required.** -- Except as provided in this section, bonds
7 and local governmental obligations may be issued under this chapter [or chapter 24-18](#) without
8 obtaining the consent of any executive office, department, division, commission, board, bureau,
9 or agency of the state or any political subdivision thereof, and without any other proceedings or
10 the happening of any condition, or acts other than those proceedings, conditions, or acts which are
11 specifically required therefor hereunder or under any applicable bond act, and the validity of and
12 security for any bonds issued by the agency pursuant to this chapter [or chapter 24-18](#), and any
13 local governmental obligations issued in accordance herewith, shall not be affected by the
14 existence or nonexistence of any consent or other proceedings, conditions, or acts. Nothing in this
15 chapter [or chapter 24-18](#) shall exempt the agency from the provisions of chapter 10.1 of title 42
16 entitled "Public Finance Management Board," and the Narragansett Bay water quality
17 management district commission shall not issue any bonds, notes, or other indebtedness without
18 the approval of the division of public utilities as required by section 39-3-15.

19 **46-12.2-18. Bonds not obligations of the state.** -- Bonds issued by the agency under the
20 provisions of this chapter [or chapter 24-18](#) shall not be deemed to be a debt or a pledge of the
21 faith and credit of the state or of any of its political subdivisions, but shall be payable solely from
22 the revenues, funds, assets, and other property of the agency from which they are made payable
23 pursuant to this chapter [or chapter 24-18](#). Bonds issued by the agency under the provisions of this
24 chapter [and chapter 24-18](#) shall recite that neither the state nor any political subdivisions thereof
25 shall be obligated to pay the bonds, and that neither the faith and credit nor the taxing power of
26 the state or of any political subdivision thereof is pledged to the payment of the principal or of
27 interest on the bonds. Further, every bond shall recite whether it is a general obligation of the
28 agency, or a special obligation thereof payable solely from particular revenues, funds, assets, or
29 other property pledged to its payment.

30 **46-12.2-19. Lien status -- Recording.** -- (a) Notwithstanding any provision of any other
31 law, including the Uniform Commercial Code:

32 (1) Any pledge or assignment of revenues of any kind, funds, loan agreements, local
33 governmental obligations, property, or assets made pursuant to the provisions of this chapter [or](#)
34 [chapter 24-18](#) by the agency, or any local governmental unit hereunder, shall be valid and binding

1 against all parties having claims of any kind in tort, contract, or otherwise, whether or not the
2 parties have notice thereof, and shall be deemed continuously perfected from the time it is made;

3 (2) No filing of any kind with respect to a pledge or assignment need be made under the
4 Uniform Commercial Code, as amended, or otherwise;

5 (3) Unless otherwise provided in the loan agreement, a pledge of revenues of any kind
6 shall be deemed to include a pledge of any accounts or general intangibles from which the
7 pledged revenues are derived, whether existing at the time of the pledge or thereafter coming into
8 existence, and whether held at the time of the pledge or thereafter acquired by the agency or local
9 governmental unit, and the proceeds of the accounts or general intangibles; and

10 (4) The pledge of revenues of any kind, accounts, and general intangibles shall be
11 subject to the lien of the pledge without delivery or segregation, and the lien of the pledge shall
12 be valid and binding against all parties having claims of contract or tort or otherwise against the
13 agency or local governmental unit.

14 (b) A pledge of revenues of any kind under this chapter [or chapter 24-18](#) shall constitute
15 a sufficient appropriation thereof for the purposes of any provision for appropriation, and the
16 revenues may be applied as required by the pledge without further appropriation.

17 (c) For the purposes of this section, the word "pledge" shall be construed to include the
18 grant of a security interest under the Uniform Commercial Code.

19 **46-12.2-20. Bonds and local government obligations as investment securities. --**

20 Notwithstanding any of the provisions of this chapter, [chapter 24-18](#), or any recitals in any bonds
21 or local governmental obligations issued hereunder, all bonds and local governmental obligations
22 shall be deemed to be investment securities under the Uniform Commercial Code.

23 **46-12.2-21. Proceeds received by agency as trust funds. --**

24 All moneys received by the
25 agency pursuant to the provisions of this chapter [or chapter 24-18](#), whether as proceeds from the
26 issue of bonds or as revenues or otherwise, shall be deemed to be trust funds to be held and
27 applied solely as provided in ~~this chapter~~ [these chapters](#).

28 **46-12.2-22. Tax exemption. --**

29 Bonds issued by the agency and local governmental
30 obligations issued by any local governmental unit in accordance with this chapter [or chapter 24-
31 18](#), their transfer and the income therefrom, including any profit made on the sale thereof, shall, at
32 all times, be exempt from taxation by and within the state. The agency shall not be required to
33 pay any taxes, assessments, or excises upon its income, existence, operation, or property.

34 **46-12.2-25. Supplemental powers -- Inconsistent laws. --**

The provisions of this chapter
[and chapter 24-18](#) shall be deemed to provide an additional, alternative, and complete method for
accomplishing the purposes of ~~this chapter~~ [these chapters](#), and shall be deemed and construed to

1 be supplemental and additional to, and not in derogation of, powers conferred upon the agency,
2 the department, and local governmental units by other laws; provided, however, that insofar as
3 the provisions of ~~this chapter~~ [these chapters](#) are inconsistent with the provisions of any general or
4 special law, municipal charter, administrative order or regulations, the provisions of ~~this chapter~~
5 [these chapters](#) shall be controlling. Any amounts appropriated by ~~this chapter~~ [these chapters](#) to
6 the agency or the department shall be in addition to any other amounts appropriated to the agency
7 or the department by any other law.

8 SECTION 2. This article shall take effect upon passage.

1 **ARTICLE 21**

2 RELATING TO RHODE ISLAND PUBLIC TRANSIT AUTHORITY

3 SECTION 1. Section 42-11-2.4 of the General Laws in Chapter 42-11 entitled
4 "Department of Administration" is hereby amended to read as follows:

5 **42-11-2.4. State Fleet Replacement Revolving Loan Fund.** -- (a) There is hereby
6 created as a separate fund within the treasury to be known as the state fleet replacement revolving
7 loan fund which shall be administered by the general treasurer in accordance with the same laws
8 and fiscal procedures as the general funds of the state. This fund, hereafter referred to as the
9 "revolving loan fund", shall consist of such sums as the state may from time to time appropriate,
10 as well as money received from the disposal of used vehicles, loan, interest and service charge
11 payments from benefiting state agencies, as well as interest earnings, money received from the
12 federal government, gifts, bequests, donations, or otherwise from any public or private source.

13 (b) This fund shall be used for the purpose of acquiring motor vehicles, both new and
14 used, and vehicle-related equipment and attachments for state departments and agencies.

15 (c) The proceeds from the repayment of any loans made for the purposes authorized
16 under this chapter shall be deposited in and returned to the revolving loan fund in order to
17 constitute a continuing revolving fund for the purposes listed above.

18 (d) The office of state fleet operations of the Rhode Island department of administration
19 shall adopt rules and regulations consistent with the purposes of this chapter and chapter 35 of
20 title 42, in order to provide for the orderly and equitable disbursement and repayment of funds
21 from the revolving loan fund.

22 (e) Provided; however, a total of four million two hundred thousand dollars (\$4,200,000)
23 shall be made available as a direct grant from the revolving loan fund for the required twenty
24 percent (20%) match for the Rhode Island Public Transit Authority to obtain federal funds to
25 purchase buses through FY 2017. Any such sums need not be repaid to the revolving loan fund.

26 SECTION 2. This article shall take effect upon passage.

ARTICLE 22

RELATING TO HISTORIC TAX CREDITS

SECTION 1. Historic Preservation Tax Credit Fund

WHEREAS, the General Assembly finds that the State of Rhode Island tax credits earned pursuant to Rhode Island General Laws sections 44-33.2-1 et seq. (the "Historic Tax Credits") have had and continue to have the desired effect of stimulating, promoting and encouraging the redevelopment and reuse of historic structures by modern commercial, residential and manufacturing enterprises in order to foster civic beauty, promote public education, pleasure and welfare and otherwise generally improve and enhance the long-term economic well-being of the citizens and municipalities of the State of Rhode Island; and

WHEREAS, the 2008 General Assembly authorized Rhode Island Economic Development Corporation (the "RIEDC") to issue not more than three hundred fifty-six million two hundred thousand dollars (\$356.2 million) of Revenue Bonds – Historic Structures Tax Credit Financing Taxable Series to assist in the future cost of the Historic Structures Tax Credit Program; and

WHEREAS, this three hundred fifty-six million two hundred thousand dollars (\$356.2 million) authorization included two hundred ninety-nine million nine hundred thousand dollars (\$299.9 million) to be deposited into the project fund, and the balance was authorized for a debt service reserve fund and cost of issuance; and

WHEREAS, allowing tax credits formerly issued to projects declared abandoned by the Division of Taxation on May 15, 2013 to be reissued would stimulate and encourage the redevelopment and reuse of historic structures by modern commercial, residential and manufacturing enterprises in order to foster civic beauty, promote public education, pleasure and welfare and otherwise generally improve and further enhance the long-term economic well-being of the citizens and municipalities of the State of Rhode Island; now, therefore, be it

RESOLVED, that the RIEDC is authorized to continue with the financing as detailed in the 2008 Joint Resolution and the General Assembly hereby reaffirms the RIEDC's issuance of not more than \$356.2 million in Bonds; and be it further

RESOLVED, that the original amount of bonds authorized to be issued for deposit in the project fund of \$299.9 million shall be the maximum amount that can be issued to pay processing

1 fee reimbursements on abandoned projects and to reimburse the State of Rhode Island for tax
2 credits issued on original projects or those approved after July 1, 2013, recognizing that savings
3 from currently abandoned projects have primarily offset the lower interest earnings on bond
4 proceeds and the processing fees originally anticipated in 2008; and be it further

5 RESOLVED, that the RIEDC is authorized to use the Bond proceeds to pay processing
6 fee reimbursements and to reimburse the State of Rhode Island for Historic Tax Credits approved
7 in accordance with Rhode Island General Laws chapter 44-33.2 or 44-33.6 as well as any
8 replacement project approved on or after July 1, 2013; and be it further

9 RESOLVED, that the RIEDC shall continue to request the Governor to include in each of
10 the fiscal years following the issuance of the Bonds by the RIEDC an amount equal to the debt
11 service of the Bonds pursuant to the terms set forth in this Resolution; and be it further

12 RESOLVED, that neither the Bonds nor the Payment Agreement shall constitute
13 indebtedness of the State or any of its subdivisions or a debt for which the full faith and credit of
14 the State or any of its subdivisions is pledged, except to the extent that the State appropriates
15 funds for the Bonds or the Payment Agreement subject to annual budget appropriations.

16 SECTION 2. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
17 adding thereto the following chapter:

18 CHAPTER 33.6

19 HISTORIC PRESERVATION TAX CREDITS 2013

20 **44-33.6-1. Declaration of purpose.** -- The general assembly finds and declares that
21 Rhode Island's historic structures continue to experience high vacancy rates and physical
22 deterioration, particularly in Rhode Island's central business districts. Without adding economic
23 incentive, these structures are not viable for the redevelopment and reuse by modern commercial,
24 residential or manufacturing enterprises and will continue their physical deterioration. The
25 redevelopment and reuse of these historic structures are of critical importance to the economic
26 measures and will assist in stimulating the reuse and redevelopment of historic structures and will
27 improve property values, foster civic beauty, create employment opportunities, enhance
28 commerce, and promote public education, pleasure, and welfare. Furthermore, during this
29 unprecedented economic climate, many in the building and construction trades, and related
30 service industries, have been severely impacted. The redevelopment and reuse of these historic
31 structures will serve as a vital catalyst in the recovery of these trades and services, in addition to
32 stimulating various other related economic benefits and business activities. The purpose of this
33 chapter is to create economic incentives for the purpose of stimulating the redevelopment and
34 reuse of Rhode Island's historic structures, as well as to generate the positive economic and

1 employment activities that will result from such redevelopment and reuse.

2 **44-33.6-2. Definitions.** -- As used in this chapter:

3 (1) "Certified historic structure" means a property which is located in the state of Rhode
4 Island and is:

5 (i) Listed individually on the national register of historic places; or

6 (ii) Listed individually in the state register of historic places; or

7 (iii) Located in a registered historic district and certified by either the commission or
8 Secretary of the Interior as being of historic significance to the district.

9 (2) "Certified rehabilitation" means any rehabilitation of a certified historic structure
10 consistent with the historic character of such property or the district in which the property is
11 located as determined by the commission guidelines.

12 (3) "Substantial Construction" means that: (i) the owner of a certified historic structure
13 has entered into a contract with the division of taxation and paid the processing fee; (ii) the
14 commission has certified that the certified historic structure's rehabilitation will be consistent
15 with the standards set forth in this chapter; and (iii) the owner has expended ten percent (10%) of
16 its qualified rehabilitation expenditures, estimated in the contract entered into with the division of
17 taxation for the project or its first phase of a phased project.

18 (4) "Commission" means the Rhode Island historical preservation and heritage
19 commission created pursuant to section 42-45-2.

20 (5) "Exempt from real property tax" means, with respect to any certified historic
21 structure, that the structure is exempt from taxation pursuant to section 44-3-3.

22 (6) "Holding period" means twenty-four (24) months after the commission issues a
23 certificate of completed work to the owner. In the case of a rehabilitation which may reasonably
24 be expected to be completed in phases as described in subdivision (15) of this section, "holding
25 period" shall be extended to include a period of time beginning on the date of issuance of a
26 certificate of completed work for the first phase or phases for which a certificate of completed
27 work is issued and continuing until the expiration of twenty-four (24) months after the certificate
28 of completed work issued for the last phase.

29 (7) "Part 2 application" means the Historic Preservation Certification Application Part 2-
30 Description of Rehabilitation.

31 (8) "Placed in service" means that substantial rehabilitation work has been completed
32 which would allow for occupancy of the entire structure or some identifiable portion of the
33 structure, as established in the Part 2 application.

34 (9) "Principal residence" means the principal residence of the owner within the meaning

1 of section 121 of the Internal Revenue Code [26 U.S.C. 121] or any successor provision.

2 (10) "Qualified rehabilitation expenditures" means any amounts expended in the
3 rehabilitation of a certified historic structure properly capitalized to the building and either:

4 (i) Depreciable under the Internal Revenue Code, 26 U.S.C. section 1 et seq., or

5 (ii) Made with respect to property (other than the principal residence of the owner) held
6 for sale by the owner. Fees paid pursuant to this chapter are not qualified rehabilitation
7 expenditures. Notwithstanding the foregoing, except in the case of a nonprofit corporation, there
8 will be deducted from qualified rehabilitation expenditures for the purposes of calculating the tax
9 credit any funds made available to the person (including any entity specified in section 44-33.5-
10 3(a)) incurring the qualified rehabilitation expenditures in the form of a direct grant from a
11 federal, state or local governmental entity or agency or instrumentality of government.

12 (11) "Registered historic district" means any district listed in the national register of
13 historic places or the state register of historic places.

14 (12) "Remain idle" means that substantial work has ceased at the subject project; work
15 crews have been reduced by more than twenty-five percent (25%) for reasons unrelated to
16 scheduled completion of work in accordance with the project schedule, reasonably unanticipated
17 physical conditions, or force majeure; or the project schedule that was originally submitted by the
18 taxpayer to the commission has been extended by more than twelve (12) months for reasons other
19 than reasonably unanticipated physical conditions or an event of force majeure (by way of
20 example, and not in limitation, any delays, work stoppage, or work force reduction caused by
21 issues with project funding, finances, disputes, or violation of laws shall be deemed to cause a
22 project to remain idle).

23 (13) "Scattered Site Development" means a development project for which the developer
24 seeks unified financing to rehabilitate dwelling units in two (2) or more buildings located in an
25 area that is defined by a neighborhood revitalization plan and is not more than one mile in
26 diameter.

27 (14) "Social club" means a corporation or other entity and/or its affiliate that offers its
28 facilities primarily to members for social or recreational purposes and the majority source of its
29 revenue is from funds and/or dues paid by its members and/or an entity defined as a social club
30 pursuant to the Internal Revenue Code section 501(c)(7).

31 (15) "Substantial rehabilitation" means, with respect to a certified historic structure, that
32 the qualified rehabilitation expenses of the building during the twenty-four (24) month period
33 selected by the taxpayer ending with or within the taxable year exceed the adjusted basis in such
34 building and its structural components as of the beginning of such period. In the case of any

1 rehabilitation, which may reasonably be expected to be completed in phases set forth in
2 architectural plans and specifications completed before the rehabilitation begins, the above
3 definition shall be applied by substituting "sixty (60) month period" for "twenty-four (24) month
4 period".

5 (16) "Trade or business" means an activity that is carried on for the production of income
6 from the sale or manufacture of goods or performance of services, excluding residential rental
7 activity.

8 **44-33.6-3. Tax credit.** -- (a) Subject to the maximum credit provisions set forth in
9 subsections (c) and (d) below, any person, firm, partnership, trust, estate, limited liability
10 company, corporation (whether for profit or nonprofit) or other business entity that incurs
11 qualified rehabilitation expenditures for the substantial rehabilitation of a certified historic
12 structure, provided the rehabilitation meets standards consistent with the standards of the
13 Secretary of the United States Department of the Interior for rehabilitation as certified by the
14 commission and said person, firm, partnership, trust, estate, limited liability company,
15 corporation or other business entity is not a social club as defined in subdivision 44-33.6-2 (13) of
16 this chapter, shall be entitled to a credit against the taxes imposed on such person or entity
17 pursuant to chapter 11, 12, 13, 14, 17 or 30 of this title in an amount equal to the following:

18 (1) Twenty percent (20%) of the qualified rehabilitation expenditures; or

19 (2) Twenty-five percent (25%) of the qualified rehabilitation expenditures provided that
20 either:

21 (i) At least twenty-five percent (25%) of the total rentable area of the certified historic
22 structure will be made available for a trade or business; or

23 (ii) The entire rentable area located on the first floor of the certified historic structure will
24 be made available for a trade or business.

25 (b) Tax credits allowed pursuant to this chapter shall be allowed for the taxable year in
26 which such certified historic structure or an identifiable portion of the structure is placed in
27 service provided that the substantial rehabilitation test is met for such year.

28 (c) Maximum project credit. - The credit allowed pursuant to this chapter shall not exceed
29 five million dollars (\$5,000,000) for any certified rehabilitation project under this chapter.

30 (d) Maximum aggregate credits. - The aggregate credits authorized to be reserved
31 pursuant to this chapter shall not exceed twelve million dollars (\$12,000,000) annually.

32 (e) Subject to the exception provided in subsection (g) of this section, if the amount of the
33 tax credit exceeds the taxpayer's total tax liability for the year in which the substantially
34 rehabilitated property is placed in service, the amount that exceeds the taxpayer's tax liability may

1 be carried forward for credit against the taxes imposed for the succeeding ten (10) years, or until
2 the full credit is used, whichever occurs first for the tax credits. Credits allowed to a partnership, a
3 limited liability company taxed as a partnership or multiple owners of property shall be passed
4 through to the persons designated as partners, members or owners respectively pro rata or
5 pursuant to an executed agreement among such persons designated as partners, members or
6 owners documenting an alternate distribution method without regard to their sharing of other tax
7 or economic attributes of such entity. Credits may be allocated to partners, members or owners
8 that are exempt from taxation under section 501(c)(3), section (c)(4) or section 501(c)(6) of the
9 U.S. Code and these partners, members or owners must be treated as taxpayers for purposes of
10 this section.

11 (f) If the taxpayer has not claimed the tax credits in whole or part, taxpayers eligible for
12 the tax credits may assign, transfer or convey the credits, in whole or in part, by sale or otherwise
13 to any individual or entity, including, but not limited to, condominium owners in the event the
14 certified historic structure is converted into condominiums and assignees of the credits that have
15 not claimed the tax credits in whole or part may assign, transfer or convey the credits, in whole or
16 in part, by sale or otherwise to any individual or entity. The assignee of the tax credits may use
17 acquired credits to offset up to one hundred percent (100%) of the tax liabilities otherwise
18 imposed pursuant to chapter 11, 12, 13, (other than the tax imposed under section 44-13-13), 14,
19 17 or 30 of this title. The assignee may apply the tax credit against taxes imposed on the assignee
20 until the end of the tenth calendar year after the year in which the substantially rehabilitated
21 property is placed in service or until the full credit assigned is used, whichever occurs first. Fiscal
22 year assignees may claim the credit until the expiration of the fiscal year that ends within the
23 tenth year after the year in which the substantially rehabilitated property is placed in service. The
24 assignor shall perfect the transfer by notifying the state of Rhode Island division of taxation, in
25 writing, within thirty (30) calendar days following the effective date of the transfer and shall
26 provide any information as may be required by the division of taxation to administer and carry
27 out the provisions of this section.

28 For purposes of this chapter, any assignment or sales proceeds received by the taxpayer
29 for its assignment or sale of the tax credits allowed pursuant to this section shall be exempt from
30 this title. If a tax credit is subsequently recaptured under this chapter, revoked or adjusted, the
31 seller's tax calculation for the year of revocation, recapture, or adjustment shall be increased by
32 the total amount of the sales proceeds, without proration, as a modification under chapter 30 of
33 this title. In the event that the seller is not a natural person, the seller's tax calculation under
34 chapters 11, 12, 13 (other than with respect to the tax imposed under section 44-13-13), 14, 17, or

1 30 of this title, as applicable, for the year of revocation, recapture, or adjustment, shall be
2 increased by including the total amount of the sales proceeds without proration.

3 (g) Credits allowed to partners, members or owners that are exempt from taxation under
4 section 501(c)(3), section (c)(4) or section 501(c)(6) of the U.S. Code, and only said credits, shall
5 be fully refundable.

6 (h) Substantial rehabilitation of property that either:

7 (1) Is exempt from real property tax;

8 (2) Is a social club; or

9 (3) Consists of a single family home or a property that contains less than three (3)
10 residential apartments or condominiums shall be ineligible for the tax credits authorized under
11 this chapter; provided, however, a scattered site development with five (5) or more residential
12 units in the aggregate (which may include single family homes) shall be eligible for tax credit. In
13 the event a certified historic structure undergoes a substantial rehabilitation pursuant to this
14 chapter and within twenty-four (24) months after issuance of a certificate of completed work the
15 property becomes exempt from real property tax, the taxpayer's tax for the year shall be increased
16 by the total amount of credit actually used against the tax.

17 (i) In the case of a corporation, this credit is only allowed against the tax of a corporation
18 included in a consolidated return that qualifies for the credit and not against the tax of other
19 corporations that may join in the filing of a consolidated tax return.

20 **44-33.6-4. Administration.** -- (a) To claim the tax credit authorized in this chapter,
21 taxpayers shall apply:

22 (1) To the commission prior to the certified historic structure being placed in service for a
23 certification that the certified historic structure's rehabilitation will be consistent with the
24 standards of the Secretary of the United States Department of the Interior for rehabilitation;

25 (2) To the commission after completion of the rehabilitation work of the certified historic
26 structure for a certification that the rehabilitation is consistent with the standards of the Secretary
27 of the United States Department of the Interior for rehabilitation; and

28 (3) To the division of taxation after completion of the rehabilitation work of the certified
29 historic structure for a certification as to the amount of tax credit for which the rehabilitation
30 qualifies. The commission and the division of taxation shall rely on the facts represented in the
31 application without independent investigation and, with respect to the amount of tax credit for
32 which the rehabilitation qualifies, upon the certification of a certified public accountant licensed
33 in the state of Rhode Island. The applications shall be developed by the commission and the
34 division of taxation and may be amended from time to time.

1 **(b) Within thirty (30) days after the commission's and division of taxation's receipt of the**
2 **taxpayer's application requesting certification for the completed rehabilitation work:**

3 **(1) The commission shall issue the taxpayer a written determination either denying or**
4 **certifying the rehabilitation; and**

5 **(2) Division of taxation shall issue a certification of the amount of credit for which the**
6 **rehabilitation qualifies. To claim the tax credit, the division of taxation's certification as to the**
7 **amount of the tax credit shall be attached to all state tax returns on which the credit is claimed.**

8 **(c) No taxpayer may benefit from the provisions of this chapter unless the owner of the**
9 **certified historic structure grants a restrictive covenant to the commission, agreeing that during**
10 **the holding period no material alterations to the certified historic structure will be made without**
11 **the commission's prior approval and agreeing that such shall be done in a manner consistent with**
12 **the standards of the Secretary of the United States Department of the Interior; and, in the event**
13 **the owner applies for the twenty-five percent (25%) tax credit, that either:**

14 **(1) At least twenty-five percent (25%) of the total rentable area of the certified historic**
15 **structure will be made available for a trade or business; or**

16 **(2) The entire rentable area located on the first floor of the certified historic structure will**
17 **be made available for a trade or business, in either case, for a period of sixty (60) months after the**
18 **placed in service date of the certified historic structure or identifiable portion thereof.**

19 **(d) The division of taxation shall charge a fee equal to three percent (3%) of qualified**
20 **rehabilitation expenditures. The fee shall be payable upon submission of the Part 2 application.**
21 **The fee shall be non-refundable.**

22 **(e) Notwithstanding any provisions of the general laws or regulations adopted thereunder**
23 **to the contrary, including, but not limited to, the provisions of chapter 2 of title 37, the division of**
24 **taxation is hereby expressly authorized and empowered to enter into contracts with persons,**
25 **firms, partnerships, trusts, estates, limited liability companies, corporations (whether for profit or**
26 **nonprofit) or other business entities that incur qualified rehabilitation expenditures for the**
27 **substantial rehabilitation of certified historic structures or some identifiable portion of a structure.**
28 **Upon payment of the portion of the fee set forth in subdivision (d)(1) above, the division of**
29 **taxation and the applicant shall enter into a contract for tax credits consistent with the terms and**
30 **provisions of this chapter.**

31 **(f) Upon satisfaction of the requirements set forth herein and the payment of the fees as**
32 **set forth in subdivision (d)(2) above, the division of taxation shall, on behalf of the State of**
33 **Rhode Island, guarantee the delivery of one hundred percent (100%) of the tax credit and use of**
34 **one hundred percent (100%) of the tax credit in the tax year a certified historic structure is placed**

1 in service through a contract with persons, firms, partnerships, trusts, estates, limited liability
2 companies, corporations (whether for profit or nonprofit) or other business entities that will incur
3 qualified rehabilitation expenditures for the substantial rehabilitation of a certified historic
4 structure or some identifiable portion of a structure.

5 (g) Any contract executed pursuant to this chapter by a person, firm, partnership, trust,
6 estate, limited liability company, corporation (whether for profit or nonprofit) or other business
7 entity shall be assignable to:

8 (1) An affiliate thereof without any consent from the division of taxation;

9 (2) A banking institution as defined by subdivision 44-14-2(2) or credit union as defined
10 in subdivision 44-15-1.1(1) without any consent from the division of taxation; or

11 (3) A person, firm, partnership, trust, estate, limited liability company, corporation
12 (whether for profit or nonprofit) or other business entity that incurs qualified rehabilitation
13 expenditures for the substantial rehabilitation of certified historic structures or some identifiable
14 portion of a structure, with such assignment to be approved by the division of taxation, which
15 approval shall not be unreasonably withheld or conditioned. For purposes of this subsection,
16 "affiliate" shall be defined as any entity controlling, controlled by or under common control with
17 such person, firm, partnership, trust, estate, limited liability company, corporation (whether for
18 profit or nonprofit) or other business entity.

19 (h) If information comes to the attention of the commission or division of taxation at any
20 time up to and including the last day of the holding period that is materially inconsistent with
21 representations made in an application, the commission may deny the requested certification or
22 revoke a certification previously given, and in either instance all fees paid by the applicant shall
23 be deemed forfeited. In the event that tax credits or a portion of tax credits are subject to
24 recapture for ineligible costs and such tax credits have been transferred, assigned and/or
25 allocated, the state will pursue its recapture remedies and rights against the applicant of the tax
26 credits, and all fees paid by the applicant shall be deemed forfeited. No redress shall be sought
27 against assignees, transferees or allocates of such credits provided they acquired the tax credits by
28 way of an arms-length transaction, for value, and without notice of violation, fraud or
29 misrepresentation.

30 (i) The commission, in consultation with the division of taxation, shall promulgate such
31 rules and regulations as are necessary to carry out the intent and purpose of this chapter.

32 **44-33.6-5. Information requests. --** The tax division and its agents, for the purpose of
33 ascertaining the correctness of any credit claimed under the provisions of this chapter, may
34 examine any books, papers, records, or memoranda bearing upon the matters required to be

1 included in the return, report, or other statement, and may require the attendance of the person
2 executing the return, report, or other statement, or of any officer or employee of any taxpayer, or
3 the attendance of any other person, and may examine the person under oath respecting any matter
4 which the tax administrator or his or her agent deems pertinent or material in determining the
5 eligibility for credits claimed and may request information from the commission, and the
6 commission shall provide the information in all cases, to the extent not otherwise prohibited by
7 statute.

8 **44-33.6-6. Election; Limitations.** -- Taxpayers who elect and qualify to claim tax credits
9 for the substantial rehabilitation of a certified historic structure pursuant to this chapter are
10 ineligible for any tax credits that may also be available to the taxpayer for the substantial
11 rehabilitation of that particular certified historic structure under the provisions of chapters 33.1 of
12 this title, 64.7 of title 42, and/or 31 of this title. Neither taxpayers nor assignees may apply any
13 tax credits issued in accordance with this section until fiscal year 2014.

14 **44-33.6-7. Timing and reapplication.** -- Taxpayers shall have twelve (12) months from
15 the approval of Part 2 application to commence substantial construction activities related to the
16 subject substantial rehabilitation. Upon commencing substantial construction activities, the
17 taxpayer shall submit an affidavit of commencement of substantial construction to the
18 commission, together with evidence of such requirements having been satisfied. Furthermore,
19 after commencement of substantial construction activities, no project shall remain idle prior to
20 completion for a period of time exceeding six (6) months. In the event that a taxpayer does not
21 commence substantial construction activities within twelve (12) months from the approval of Part
22 2 application, or in the event that a project remains idle prior to completion for a period of time
23 exceeding six (6) months, the subject taxpayer shall forfeit all fees paid prior to such date and its
24 then-current contract for tax credits shall be deemed null and void, and shall terminate without
25 need for further action or documentation. Upon any such forfeiture and termination, a taxpayer
26 may re-apply for tax credits pursuant to this chapter, however, notwithstanding anything
27 contained herein to the contrary, one hundred percent (100%) of the fees required shall be paid
28 upon reapplication and such fees shall be non-refundable. Additionally, any taxpayer reapplying
29 for tax credits pursuant to this section 44-33.6-7 shall be required to submit evidence with its
30 application establishing the reason for delay in commencement or the project sitting idle, as the
31 case may be, and provide evidence, reasonably satisfactory to the commission, that such
32 condition or event causing same has been resolved. All taxpayers shall submit a reasonably
33 detailed project timeline to the commission together with the Part 2 application. The provisions of
34 this section shall be further detailed and incorporated into the form of contract for tax credits used

1 in connection with this chapter.

2 **44-33.6-8. Historic tax credit apprenticeship requirements.** -- (a) Notwithstanding any
3 laws to the contrary, any credit allowed under this chapter for hard construction costs valued at
4 ten million dollars (\$10,000,000) or more shall include a requirement that any contractor and
5 subcontractor working on the project shall have an apprenticeship program as defined herein for
6 all apprenticeable crafts that will be employed on the project at the time of bid. The provisions of
7 the section shall only apply to contractors and subcontractors with five (5) or more employees.
8 For purposes of this section, an apprenticeship program is one that is registered with and
9 approved by the United States department of labor in conformance with 29 C.F.R. 29 and 29
10 C.F.R.30; and

11 (b) The department of labor and training must provide information and technical
12 assistance to affected governmental, quasi-governmental agencies, and any contractors awarded
13 projects relative to their obligations under this statute.

14 (c) The department of labor and training may also impose a penalty of up to five hundred
15 dollars (\$500) for each calendar day of noncompliance with this section, as determined by the
16 director of labor and training. Mere errors and/or omissions shall not be grounds for imposing a
17 penalty under this subsection.

18 (d) Any penalties assessed under this statute shall be paid to the general fund.

19 (e) To the extent that any of the provisions contained in section 37-13-3.2 conflict with
20 the requirements for federal aid contracts, federal law and regulations shall control.

21 **44-33.2-9. Reporting requirements.** -- (a) Each taxpayer requesting certification of a
22 completed rehabilitation shall report to the commission and the division of taxation the following
23 information:

24 (1) The number of total jobs created;

25 (2) The number of Rhode Island businesses retained for work;

26 (3) The total amount of qualified rehabilitation expenditures;

27 (4) The total cost of materials or products purchased from Rhode Island businesses;

28 (5) Such other information deemed necessary by the tax administrator.

29 (b) Any agreements or contracts entered into under this chapter by the division, the
30 commission, or the economic development corporation and the taxpayer shall be sent to the
31 division of taxation and be available to the public for inspection by any person and shall be
32 published by the tax administrator on the tax division website.

33 (c) By August 15th of each year the division of taxation shall report the name, address,
34 and amount of tax credit received for each credit recipient during the previous state fiscal year to

1 the governor, the chairpersons of the house and senate finance committees, the house and senate
2 fiscal advisors, and the department of labor and training. This report shall be available to the
3 public for inspection by any person and shall be published by the tax administrator on the tax
4 division website.

5 (d) By September 1st of each year the division of taxation shall report in the aggregate the
6 information required under subsection 44-33.2-7(a). This report shall be available to the public
7 for inspection by any person and shall be published by the tax administrator on the tax division
8 website.

9 (e) By September 1, 2018 and biennially thereafter the division of taxation shall report in
10 the aggregate the total number of approved projects, project costs, and associated amount of
11 approved tax credits.

12 **44-33.6-10. Sunset. --** No credits shall be authorized to be reserved pursuant to this
13 chapter on or after June 30, 2017, and the provisions of this chapter shall be repealed effective
14 June 30, 2017.

15 SECTION 3. Section 1 of this article shall take effect upon passage. Section 2 of this
16 article shall take effect upon passage and shall be repealed effective June 30, 2017.

ARTICLE 23

RELATING TO STATE AFFAIRS AND GOVERNMENT - THE INNOVATE RHODE ISLAND SMALL BUSINESS PROGRAM

SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND GOVERNMENT" is hereby amended by adding thereto the following chapter:

CHAPTER 64.15

THE INNOVATE RHODE ISLAND SMALL BUSINESS PROGRAM

42-64.15-1. Establishment of incentive program. – (a) There is hereby established the Innovate Rhode Island Small Business Incentive Program SBIR/STTR to be administered by the Rhode Island Science and Technology Advisory Council (STAC). In order to foster job creation and economic development in the state, STAC may provide grants to eligible businesses to offset costs associated with applying to the United States Small Business Administration for Small Business Innovation Research (SBIR) grants or Small Business Technology Transfer Research (STTR) grants. The grants shall be paid from the Innovate Rhode Island Small Business Account established in this chapter.

(b) Eligibility. – In order to be eligible for a grant under this section, a business must satisfy all of the following conditions:

(1) The business must be a for-profit, Rhode Island-based business with fifty (50) or fewer employees. For the purposes of this section, a Rhode Island-based business is one that has its principal place of business and at least fifty-one percent (51%) of its employees residing in this state.

(2) The business must have submitted a qualified SBIR/STTR Phase I proposal to a participating federal agency in response to a specific federal solicitation.

(3) The business must satisfy all federal SBIR/STTR requirements.

(4) The business shall not receive concurrent funding support from other sources that duplicates the purpose of this section.

(5) The business must certify that at least fifty-one percent (51%) of the research described in the federal SBIR/STTR Phase I proposal will be conducted in this state and that the business will remain a Rhode Island-based business for the duration of the SBIR/STTR Phase I project.

1 (6) The business must demonstrate its ability to conduct research in its SBIR/STTR Phase
2 I proposal.

3 (c) Grant. – STAC may award grants to reimburse an eligible business for up to fifty
4 percent (50%) of the costs of preparing and submitting an SBIR/STTR Phase I proposal, up to a
5 maximum of three thousand dollars (\$3,000). A business may receive only one grant under this
6 section per year. A business may receive only one grant under this section with respect to each
7 federal proposal submission. Costs that may be reimbursed include costs incurred directly related
8 to preparation and submission of the grant such as word processing services, proposal consulting
9 fees, project-related supplies, literature searches, rental of space or equipment related to the
10 proposal preparation, and salaries of individuals involved with the preparation of the proposals.
11 Costs that shall not be reimbursed include travel expenses, large equipment purchases, facility or
12 leasehold improvements, and legal fees.

13 (d) Application. – A business shall apply, under oath, to STAC for a grant under this
14 section on a form prescribed by STAC that includes at least all of the following:

15 (1) The name of the business, the form of business organization under which it is
16 operated, and the names and addresses of the principals or management of the business.

17 (2) An acknowledgement of receipt of the Phase I proposal by the relevant federal
18 agency.

19 (3) An itemized statement of the costs that may be reimbursed.

20 (4) Any other information necessary for STAC to evaluate the application.

21 **42-64.15-2. Establishment of matching funds program.** – (a) There is established the
22 Rhode Island SBIR/STTR Matching Funds Program to be administered by STAC. In order to
23 foster job creation and economic development in the state, STAC may provide grants to eligible
24 businesses to match funds received by a business as a SBIR or STTR Phase I award, loans to
25 eligible businesses to match funds received by a business as a SBIR or STTR Phase II award, and
26 to encourage businesses to apply for further Phase II and Phase III awards, respectively.

27 (b) Eligibility. – In order to be eligible for a grant under this section, a business must
28 satisfy all of the following conditions:

29 (1) The business must be a for-profit, Rhode Island-based business with fifty (50) or
30 fewer employees. For the purposes of this section, Rhode Island-based business is one that has its
31 principal place of business and at least fifty-one percent (51%) of its employees residing in this
32 state.

33 (2) The business must have received an SBIR/STTR Phase I award from a participating
34 federal agency in response to a specific federal solicitation. To receive the full Phase I matching

1 grant, the business must also have submitted a final Phase I report, demonstrated that the
2 sponsoring agency has interest in the Phase II proposal, and submitted a Phase II proposal to the
3 agency. To receive the full Phase II matching loan, the business must also have submitted a final
4 Phase II report, demonstrated that the sponsoring agency has interest in the Phase III proposal,
5 and submitted a Phase III proposal to the agency.

6 (3) The business must satisfy all federal SBIR/STTR requirements.

7 (4) The business shall not receive concurrent funding support from other sources that
8 duplicates the purpose of this section.

9 (5) For a Phase I matching grant, the business must certify that at least fifty-one percent
10 (51%) of the research described in the federal SBIR/STTR Phase II proposal will be conducted in
11 this state and that the business will remain a Rhode Island-based business for the duration of the
12 SBIR/STTR Phase II project. For a Phase II matching loan, the business must certify that at least
13 fifty-one percent (51%) of the research described in the federal SBIR/STTR Phase III proposal
14 will be conducted in this state and that the business will remain a Rhode Island-based business for
15 the duration of the SBIR/STTR Phase III project.

16 (6) For a Phase I matching grant, the business must demonstrate its ability to conduct
17 research in its SBIR/STTR Phase II proposal. For a Phase II matching loan, the business must
18 demonstrate its ability to conduct research in its SBIR/STTR Phase III proposal.

19 (c) Phase I Matching Grant. – STAC may award grants to match the funds received by a
20 business through a SBIR/STTR Phase I proposal up to a maximum of one hundred thousand
21 dollars (\$100,000). Seventy-five percent (75%) of the total grant shall be remitted to the business
22 upon receipt of the SBIR/STTR Phase I award and application for funds under this section.
23 Twenty-five percent (25%) of the total grant shall be remitted to the business upon submission by
24 the business of the Phase II application to the funding agency and acceptance of the Phase I report
25 by the funding agency. A business may receive only one grant under this section per year. A
26 business may receive only one grant under this section with respect to each federal proposal
27 submission. Over its lifetime, a business may receive a maximum of six (6) awards under this
28 section.

29 (d) Phase II Matching Loan. – STAC may award loans to match the funds received by a
30 business through a SBIR/STTR Phase II proposal up to a maximum of three hundred thousand
31 dollars (\$300,000) that must be secured by sufficient assets of the business. Seventy-five percent
32 (75%) of the total loan shall be remitted to the business upon receipt of the SBIR/STTR Phase II
33 award and application for funds under this section. Twenty-five percent (25%) of the total loan
34 shall be remitted to the business upon submission by the business of the Phase III application to

1 the funding agency and acceptance of the Phase I report by the funding agency. A business may
2 receive only one loan under this section per year. A business may receive only one loan under this
3 section with respect to each federal proposal submission. Over its lifetime, a business may receive
4 a maximum of six (6) loans under this section.

5 (e) Application. – A business shall apply, under oath, to STAC for a grant or loan under
6 this section on a form prescribed by STAC that includes at least all of the following:

7 (1) The name of the business, the form of business organization under which it is
8 operated, and the names and addresses of the principals or management of the business.

9 (2) For a Phase I matching grant, an acknowledgement of receipt of the Phase I report
10 and Phase II proposal by the relevant federal agency. For a Phase II matching loan, an
11 acknowledgement of receipt of the Phase II report and Phase III proposal by the relevant federal
12 agency.

13 (3) Any other information necessary for STAC to evaluate the application.

14 **42-64.15-3. Establishment of bioscience & engineering internship program. – (a)**

15 There is hereby established the Innovate Rhode Island Bioscience & Engineering Internship
16 Program to be administered by STAC. In order to promote workforce development and education
17 in the bioscience and engineering fields and enhance the talent pipeline for Rhode Island
18 businesses engaged in the biosciences and engineering, STAC may reimburse eligible bioscience
19 and engineering companies for eligible internship stipends. The reimbursements shall be paid
20 from the Innovate Rhode Island Small Business Account established in this chapter.

21 (b) Bioscience and engineering definitions.

22 (1) Bioscience definition. – For the purposes of this section, "bioscience" shall mean
23 advanced and applied sciences that expand the understanding of human physiology and have the
24 potential to lead to medical advances or therapeutic applications.

25 (2) Engineering definition. – For the purposes of this section, "engineering" shall mean
26 the creative application of advanced mathematics and natural sciences to design or develop
27 complex structures, machines, processes, or systems.

28 (c) Business eligibility. – In order to be eligible for reimbursement under this section, a
29 business must satisfy all of the following conditions:

30 (1) The business must be a for-profit, Rhode Island-based business with fifty (50) or
31 fewer employees. For the purposes of this section, a Rhode Island-based business is one that has
32 its principal place of business and at least fifty-one percent (51%) of its employees in this state.

33 (2) The business must be primarily engaged in a bioscience or engineering field and must
34 demonstrate its ability to conduct research in bioscience or engineering.

1 (3) The business must host the internship in Rhode Island.

2 (4) The business must offer interns a hands-on learning experience and at least one
3 mentor directly overseeing the internship.

4 (5) Any two or more related businesses that are commonly controlled by any person or
5 entity, directly or indirectly, are limited to reimbursement under this section available for one
6 business only.

7 (d) Intern eligibility. – In order to be an eligible intern under this section, a prospective
8 intern must satisfy all of the following requirements:

9 (1) The prospective intern must be a Rhode Island resident and must attend a college or
10 university located in Rhode Island.

11 (2) For students enrolled in community college, the student must be enrolled in an
12 Associate's Degree or Certificate program or completed one within the past year; for students
13 enrolled in four-year college or university, the student must have or will have completed at least
14 sophomore year the semester before the internship, or have graduated within the past year; for
15 graduate students, the student must be enrolled in a Master's Degree program or received their
16 Master's Degree within the past year.

17 (3) The intern cannot be the spouse, child, grandchild, sibling, niece, nephew, or spouse
18 of a child, grandchild, sibling, niece, or nephew of any employee of the business.

19 (4) The intern cannot participate in more than one internship subsidized under this section
20 in the same calendar year.

21 (5) The intern cannot participate in more than two internships subsidized under this
22 section, over two calendar years, with the same business.

23 (c) Reimbursement. – STAC may reimburse eligible companies for pay rates up to twelve
24 dollars (\$12) per hour for a total reimbursement of no more than three thousand dollars (\$3,000)
25 per eligible intern in a bioscience or engineering internship program. Businesses may seek
26 reimbursement for up to two (2) interns per calendar year. Interns shall be paid directly by the
27 eligible business. Eligible businesses may seek reimbursement under this section by providing
28 certification and proof of payment to STAC.

29 (d) Business application. – A business shall apply, under oath, to STAC to qualify for
30 reimbursement under this section on a form prescribed by STAC that includes at least all of the
31 following:

32 (1) The name of the business, the form of business organization under which it is
33 operated, and the names and addresses of the principals or management of the business.

34 (2) Certification that the business meets the requirements for eligibility under this section.

1 (3) A description of the bioscience or engineering internship program that the business
2 intends to offer.

3 (4) Any other information necessary for STAC to evaluate the application.

4 (e) Prospective intern application. – A prospective intern shall apply, under oath, to
5 STAC to qualify for an internship under this section on a form prescribed by STAC that includes
6 at least all of the following:

7 (1) The prospective intern’s name, address, college or university, program of study, year
8 of study at the college or university, and degree of attainment.

9 (2) Certification that prospective intern meets the requirements for eligibility under this
10 section.

11 (3) Proof of Rhode Island residency.

12 (4) Proof of enrollment in a college or university in Rhode Island or proof of having
13 graduated from a college or university in Rhode Island within the past year.

14 (5) Resume and cover letter.

15 (6) Any other information necessary for STAC to evaluate the application.

16 (f) Application process. – STAC may receive applications from businesses and
17 prospective interns throughout the calendar year and make determinations relating to eligibility
18 under this section. STAC may make available to eligible businesses the eligible intern
19 applications. Eligible businesses looking to host interns may review applications, interview
20 candidates, and select and hire interns according to their qualifications and the businesses’ needs.

21 **42-64.15-4. Program guidelines.** – STAC shall develop guidelines related to the
22 administration of the programs established by this chapter. At least twenty (20) days before the
23 effective date of any guidelines or nontechnical amendments to guidelines, STAC must publish
24 the proposed guidelines on STAC website and provide notice to persons who have requested
25 notice of proposed guidelines. In addition, STAC must accept oral and written comments on the
26 proposed guidelines during the fifteen (15) business days beginning on the first day that STAC
27 has completed these notifications. For the purpose of this section, a technical amendment is either
28 of the following:

29 (1) An amendment that corrects a spelling or grammatical error.

30 (2) An amendment that makes a clarification based on public comment and could have
31 been anticipated by the public notice that immediately preceded the public comment.

32 **42-64.15-5. Innovate Rhode Island Small Business Account established as a special**
33 **revenue fund.** – (a) Establishment. – The Innovate Rhode Island Small Business Account is
34 hereby established as a special revenue fund in STAC.

1 **(b) Purpose.** – The Innovate Rhode Island Small Business Account ("IRISBA") shall be
2 used for the Rhode Island SBIR/STTR Incentive Program, the Rhode Island SBIR/STTR
3 Matching Funds Program, and the Rhode Island Bioscience & Engineering Internship Program,
4 as specified in this chapter. Moneys in the IRISBA shall be allocated as specified in this chapter
5 and shall not exceed available funds in the account.

6 **42-64.15-6. Reports.** -- STAC shall publish a report on the use of funds in the Innovate
7 Rhode Island Small Business Account ("IRISBA") at the end of each fiscal quarter. The report
8 shall contain information on the commitment, disbursement, and use of funds allocated under the
9 (IRISBA). The report is due no later than one month after the end of the fiscal quarter, and must
10 be submitted to the following:

11 (1) The chairs of the house of representatives and senate finance committees.

12 (2) The fiscal offices of the general assembly.

13 SECTION 2. This act shall take effect upon passage.

1 (5) "Manufacturing industry company" means any corporation, partnership, joint venture,
2 limited liability company or other legal entity, or any subsidiary or affiliate thereof, that is
3 qualified to do business in the state and whose primary business is derived from or related to the
4 manufacturing industry or any subcontractor of such manufacturing industry company, the
5 employees of which perform their services in Rhode Island in such manufacturing industry
6 company's premises and who, if employed by such manufacturing industry company, would
7 qualify based on the number of hours and length of service at such manufacturing industry
8 company facility as a full-time equivalent active employee.

9 (6) "Manufacturing industry revitalization program" or (MIR program) means that
10 program authorized in section 42-64.15-4 hereof.

11 (7) "MIR participant" means a manufacturing industry company that has applied to, and
12 has been approved by, the Rhode Island Commerce Corporation (RICC) board for participation in
13 the MIR program.

14 (8) "Effective date" means the date on which a reimbursement agreement becomes
15 effective subject to its terms and the terms of this chapter.

16 (9) "Full-time equivalent active employee" means as to any calendar year an employee of
17 manufacturing industry company who:

18 (10) (i) Works within the state a minimum of thirty (30) hours per week, exclusive of
19 paid time off for vacation, sick, personal or qualified family medical leave, or two (2) or more
20 part-time employees whose combined weekly hours equal or exceed thirty (30) hours per week
21 within the state; (ii) Earns no less than two hundred percent (200%) of the hourly minimum wage
22 prescribed by Rhode Island law; and (iii) Was employed for not less than six (6) months during
23 such calendar year.

24 (11) "New employee(s)" means for each calendar year the positive difference, if any,
25 between:

26 (i) Number of full-time equivalent active employees for such calendar year; and

27 (ii) The stabilized employment; provided, however that no MIR participant shall be
28 permitted to transfer, assign or hire employees who are already employed within the state by such
29 MIR participant from itself or any affiliated entity, or utilize any other artifice or device for the
30 purpose of artificially creating new employees in order to qualify for MIR program benefits.

31 (12) "Jobs creation reimbursement" means an annual credit against withholding tax
32 collected pursuant to section 44-30-71 to an MIR participant of five hundred dollars (\$500) per
33 new employee.

34 (13) "Reimbursement agreement" means a manufacturing industry revitalization

1 reimbursement agreement entered into by and between an MIR participant and the RICC board as
2 authorized in section 42-64.15-5 and 42-64.15-6.

3 (14) "Reimbursement cap" means twenty-five percent (25%) of the capital expenditure
4 cost.

5 (15) "Stabilized employment" means the average aggregate number of full-time
6 equivalent active employed within the state by the MIR participant during the three (3) calendar
7 years immediately prior to the effective date.

8 (16) "State" means the state of Rhode Island and Providence Plantations, and any
9 department, office, board commission or agency thereof.

10 (17) "Term" means the term of the reimbursement agreement, which shall not exceed five
11 (5) years, provided that the MIR participant shall have two (2) five (5) year extension options,
12 which shall be considered part of the term, subject to the following:

13 (i) Such MIR participant not being in default under any material covenant, term or
14 condition of the reimbursement agreement that has not been cured within the applicable cure
15 period set forth in such reimbursement agreement; and

16 (ii) The MIR participant employing not less than one hundred (100) full-time equivalent
17 active employees in the state.

18 **42-64.15-3. Manufacturing industry revitalization program -- Application --**
19 **Approval. --** (a) A manufacturing industry company may apply to the RICC board for
20 participation in the MIR program provided that such manufacturing industry company shall agree
21 to:

22 (1) Make a capital expenditure or a series of related capital expenditures, of which a
23 minimum of ten million dollars (\$10,000,000) shall be made within two (2) years following the
24 effective date and the balance to be undertaken within a ten (10) years period following the
25 effective date as such period may be extended for good cause by the RICC board under its rules
26 and regulations;

27 (2) Employ at least one hundred (100) full-time equivalent active employees in excess of
28 its stabilized employment in each calendar year in order to qualify for job creation reimbursement
29 for each year;

30 (3) Cooperate in the development of a workforce training program as required by section
31 42-64.15-7 hereof; and

32 (4) Such other terms and conditions as required by this chapter and as the RICC board
33 shall reasonably require.

34 (b) The RICC board may authorize and contract for jobs creation reimbursements with

1 manufacturing industry companies that satisfy the requirements of this section.

2 (c) The application for the MIR program shall contain such additional information as the
3 MIR board may require in its sole discretion from time to time.

4 (d) The RICC board may approve or reject an application for the MIR program, subject to
5 the requirements of this chapter and its own rules and regulations. If approval is granted the RICC
6 board shall certify such approval to the governor and the chairs of the house finance and senate
7 finance committees within thirty (30) days thereof.

8 (e) Each MIR participant shall certify annually the RICC board on or before April 30 of
9 each year:

10 (1) The amount of actual capital expenditures made during the preceding calendar year;
11 and

12 (2) The average number of full-time equivalent active employees employed by such MIR
13 participant during the preceding calendar year.

14 (f) Each MIR participant shall make available to the RICC board its books and records
15 relative to capital expenditures and the number of its full-time equivalent active employees.

16 **42-64.15-4. Authorized procurement of reimbursement agreement. -- (a)**
17 Notwithstanding any provision of the general or public laws to the contrary, with ninety (90) days
18 of the approval by the RICC board, the RICC board and MIR participant shall enter into a
19 reimbursement agreement setting forth each party's obligations with respect to the MIR program,
20 including, without limitation, the MIR participant's commitments in accordance with subsection
21 42-64.15-4(a) and the following:

22 (1) The state shall make jobs creation reimbursement payments not to exceed the
23 reimbursement cap. Such payments shall commence on July 1 of the calendar year immediately
24 following the calendar year during which an approved portion of the capital expenditure has been
25 completed and the conditions of subsection 42-64.15-4(a) have been satisfied.

26 (2) The MIR participant shall agree to cooperate in the creation of a workforce training
27 program in accordance with section 42-64.15-6 hereof.

28 **42-64.15-5. Authorized procurement of manufacturing reimbursement agreement. --**

29 (a) Notwithstanding any provision of the general or public laws to the contrary, within
30 ninety (90) days of the effective date of this act, the RICC board is hereby authorized and directed
31 to enter into a reimbursement agreement with the approved MIRP setting forth each party's
32 obligations with respect to the MIR program, including, without limitation, the following:

33 (1) The approved MIRP shall agree to make capital expenditures to be undertaken with a
34 three (3) year period following the effective date and to hire at least an additional fifty (50) full-

1 time equivalent active employees in excess of its stabilized employment.

2 (2) The state shall make jobs creation reimbursement payments not to exceed the
3 reimbursement cap, as such cap may be adjusted from time to time to reflect the completion of
4 each approved phase of capital expenditure. Such payments shall commence on July 1 of the
5 calendar year following the calendar year during which the first phase of such capital expenditure
6 has been completed and the approved MIRP has employed fifty (50) full-time equivalent active
7 employees in excess of its stabilized employment and continues to meet such requirement
8 throughout the balance of the term of the reimbursement agreement. Such payments shall be
9 made by July 31 of each year.

10 (3) The approved MIRP shall agree to cooperate in the development of a workforce
11 training program as required by section 42-64.15-7 hereof.

12 **42-64.15-6. Workforce training.** -- The MIR participant shall cooperate in the
13 development of a workforce training program in collaboration with the board of education, the
14 department of labor and training, the Rhode Island commerce corporation, the Rhode Island
15 manufacturing association, the Community College of Rhode Island, the University of Rhode
16 Island and Rhode Island College.

17 **42-64.15-7. Audit and review.** -- (a) The department of labor and training and the
18 department of revenue shall be jointly responsible to conduct an audit of the capital expenditures
19 for purposes of ascertaining the reimbursement cap and an annual audit of the number of full-time
20 equivalent active employees employed by any MIR participant. The results of these audits shall
21 be certified to the RICC board, the office of management and budget of the department of
22 administration, the governor and the general assembly.

23 (b) The department of revenue and the department of labor and training shall make an
24 annual report to the governor and the general assembly with respect to the MIR program,
25 including, but not limited to, the amounts of any satisfied capital expenditures, the number of new
26 employees, the value of any jobs creation reimbursements, the status of workforce training
27 programs and the status of MIR participants. These reports shall be submitted on or before
28 January 31st of each year, beginning in the year immediately following the effective date, and
29 shall be made available to the public.

30 **SECTION 3.** This article shall take effect upon passage.

1 **ARTICLE 25**

2 RELATING TO ECONOMIC DEVELOPMENT

3 SECTION 1. Section 1 of Chapter 26 of the 2010 Public Laws entitled "AN ACT
4 RELATING TO ECONOMIC DEVELOPMENT" is hereby repealed.

5 SECTION 1. ~~WHEREAS, The Rhode Island Economic Development Corporation was~~
6 ~~created by the general assembly pursuant to chapter 64 of title 42 of the general laws in order to,~~
7 ~~among other things, promote the retention and expansion of businesses and the creation of jobs in~~
8 ~~Rhode Island; and~~

9 ~~WHEREAS, One of the methods utilized by the Rhode Island Economic Development~~
10 ~~Corporation to help promote and expand businesses in Rhode Island is the use of its quasi-public~~
11 ~~corporation powers to issue bonds and debt and guarantees of debt; and~~

12 ~~WHEREAS, Rhode Island continues to suffer from continuing high unemployment and~~
13 ~~other ill effects from the most recent national recession; and~~

14 ~~WHEREAS, One of Rhode Island's economic development's strategies of continuing to~~
15 ~~optimize its knowledge economy assets such, as the sciences, technology, digital media,~~
16 ~~innovative manufacturing and other technologies, requires adequate access to capital; and~~

17 ~~WHEREAS, Rhode Island companies in growth phases are limited in their ability to~~
18 ~~obtain reasonable credit without access to credit enhancement; and~~

19 ~~WHEREAS, The Rhode Island Economic Development Corporation desires to create a~~
20 ~~loan guarantee and bond program pursuant to which it will be able to guarantee loan repayments~~
21 ~~either directly or through the issuance of its bonds in order to induce lending to companies~~
22 ~~growing their employment in Rhode Island;~~

23 ~~WHEREAS, The Rhode Island Economic Development Corporation seeks to have~~
24 ~~authority pursuant to chapter 18 of title 35 of the general laws to guarantee debts or otherwise~~
25 ~~issue its bonds for this purpose not to exceed one hundred twenty five million dollars~~
26 ~~(\$125,000,000) in the aggregate of unpaid principal, thereby limiting the contingent long term~~
27 ~~cost of such program to the state; and~~

28 ~~WHEREAS, The Rhode Island Economic Development Corporation requests the~~
29 ~~approval of the general assembly prior to undertaking such program; now, therefore be it~~

30 ~~RESOLVED, That the Rhode Island Economic Development Corporation (the~~

1 ~~"corporation") is hereby empowered and authorized pursuant to chapter 18, title 35 of the general~~
2 ~~laws, and notwithstanding any provisions of chapter 64, title 42 of the general laws to the~~
3 ~~contrary, to create the corporation's Job Creation Guaranty Program (the "program"). Under the~~
4 ~~program, the corporation may from time to time issue its bonds, guaranty debt service thereon or~~
5 ~~on bonds issued by the Rhode Island industrial facilities corporation, or guaranty the debt service~~
6 ~~of another provided that the principal amount of bonds or other obligations guaranteed pursuant~~
7 ~~to the program shall not at any time exceed one hundred twenty five million dollars~~
8 ~~(\$125,000,000). The guaranty of any bond or other obligation may extend to repayment of the~~
9 ~~principal thereof, sinking payments therefore, interest thereon, and payment of any redemption~~
10 ~~price or premium in connection with the redemption thereof prior to maturity;~~

11 ~~RESOLVED, That guaranties or bonds issued by the corporation shall be approved by its~~
12 ~~board of directors, or a committee of the board as so designated by the board, and shall be~~
13 ~~executed by its executive director or any authorized officer of the corporation as authorized in a~~
14 ~~resolution approved by the board of directors of the corporation from time to time in a form the~~
15 ~~corporation may prescribe. The board of directors of the corporation in authorizing any such~~
16 ~~guaranty or bond obligations shall consider and be guided by the following objectives:~~

17 ~~(a) Priority will be given to projects that promptly create permanent, full-time jobs with~~
18 ~~annual wages in excess of two hundred fifty percent (250%) of the then current minimum wage~~
19 ~~earned annually with industry comparable benefits. A full-time job shall mean one in which the~~
20 ~~employee works a minimum of thirty (30) hours per week within this state.~~

21 ~~(b) Any guaranty or bond obligations hereby authorized should leverage capital~~
22 ~~formation to facilitate business development with new and existing companies that will create or~~
23 ~~retain jobs in this state. The documentation reflecting guaranty and bond obligations authorized~~
24 ~~hereby shall contain adequate legal provisions for assuring performance by the borrower of~~
25 ~~creating and retaining new jobs within this state.~~

26 ~~(c) Priority shall be given to guarantees that align with the State's economic development~~
27 ~~strategy to expand high wage jobs in knowledge industry growth clusters or with respect to assets~~
28 ~~related thereto.~~

29 ~~(d) Guarantees or loan obligations from the program's borrower will be collateralized by~~
30 ~~any and all available assets of the borrower and guarantors, where applicable, including~~
31 ~~subordinate collateral positions, cross collateralization with other lenders and collateralized~~
32 ~~guarantees as appropriate.~~

33 ~~(e) Insurances, including hazard and key person life, may be required where appropriate.~~

34 ~~(f) The corporation may utilize such data and retain experts as necessary to assess and~~

1 ~~validate associated guaranty risk, and the corporation may charge borrower reasonable fees for~~
2 ~~the corporation's guaranty and reimbursement of expenses;~~

3 ~~RESOLVED, that in order assure any payments due on guarantees or bond obligations~~
4 ~~issued by the corporation in connection with the program pursuant to this authorization are made,~~
5 ~~to assure the continued operation and solvency of the corporation for the carrying out of its~~
6 ~~corporate purposes, and except as otherwise set forth in these authorizing resolutions in~~
7 ~~accordance with the provisions of chapter 64, title 42 of the general laws: (i) The corporation~~
8 ~~shall create a reserve fund from which shall be charged any and all expenses of the corporation~~
9 ~~with respect to guarantee or bond obligations of the corporation pursuant to these resolutions~~
10 ~~resulting from a program borrower's default; and (ii) The corporation shall credit to the reserve~~
11 ~~fund no less than fifty percent (50%) of all program receipts of the corporation including guaranty~~
12 ~~fees, premiums and any other receipts or recoveries from collections received pursuant to the~~
13 ~~corporation's rights to recover payments as a guarantor; and (iii) To the extent the corporation's~~
14 ~~obligations as a guarantor or pursuant to its program bond obligations are not satisfied by~~
15 ~~amounts in its guaranty reserve fund, the executive director of the corporation shall annually, on~~
16 ~~or before December 1st, make and deliver to the governor a certificate stating the minimum~~
17 ~~amount, if any, required for the corporation to make payments due on such guarantees. During~~
18 ~~each January session of the general assembly, the governor shall submit to the general assembly,~~
19 ~~as part of the governor's budget, the total of such sums, if any, required to pay any and all~~
20 ~~obligations of the corporation under such guarantees or bond obligations pursuant to the terms of~~
21 ~~this authorization. All sums appropriated by the general assembly for that purpose, and paid to the~~
22 ~~corporation, if any, shall be utilized by the corporation to make payments due on such guarantees~~
23 ~~or bond obligations. Any recoveries by the corporation of guarantee payments are to be returned~~
24 ~~to the guarantee reserve fund and utilized to reduce any obligation of the state pursuant to any~~
25 ~~guarantees entered into by the corporation;~~

26 ~~RESOLVED, on or before January 1 of each year, the corporation shall issue a report on~~
27 ~~all guarantees issued by the corporation pursuant to this authorization. The report shall include at~~
28 ~~a minimum: a list of each guarantee issued; a description of the borrower on behalf of which the~~
29 ~~guarantee was issued; the lender or lenders that made the loan, and the amount of such loan, to~~
30 ~~such borrower; the amount of principal and interest on each such loan outstanding as of the date~~
31 ~~of such report; a summary of the collateral securing the repayment of such loan for which the~~
32 ~~guarantee was issued; and a summary of the economic impacts made by such borrower as a result~~
33 ~~of the guaranteed loan, including but not limited to the number, type and wages of jobs created by~~
34 ~~such borrower, any impacts on the industry in which the borrower operates and an estimate of~~

1 ~~income taxes for the state of Rhode Island generated by the employees of such borrower and the~~
2 ~~borrower itself.~~

3 SECTION 2. Section 1 of Chapter 29 of the 2010 Public Laws entitled “AN ACT
4 RELATING TO AUTHORIZING THE ECONOMIC DEVELOPMENT CORPORATION TO
5 CREATE THE JOB CREATION GUARANTY PROGRAM” is hereby repealed.

6 SECTION 1. ~~WHEREAS, The Rhode Island Economic Development Corporation was~~
7 ~~created by the general assembly pursuant to chapter 64 of title 42 of the general laws in order to,~~
8 ~~among other things, promote the retention and expansion of businesses and the creation of jobs in~~
9 ~~Rhode Island; and~~

10 ~~WHEREAS, One of the methods utilized by the Rhode Island Economic Development~~
11 ~~Corporation to help promote and expand businesses in Rhode Island is the use of its~~
12 ~~quasi-public corporation powers to issue bonds and debt and guarantees of debt; and~~

13 ~~WHEREAS, Rhode Island continues to suffer from continuing high unemployment and~~
14 ~~other ill effects from the most recent national recession; and~~

15 ~~WHEREAS, One of Rhode Island's economic development's strategies of continuing to~~
16 ~~optimize its knowledge economy assets such, as the sciences, technology, digital media,~~
17 ~~innovative manufacturing and other technologies, requires adequate access to capital; and~~

18 ~~WHEREAS, Rhode Island companies in growth phases are limited in their ability to~~
19 ~~obtain reasonable credit without access to credit enhancement; and~~

20 ~~WHEREAS, The Rhode Island Economic Development Corporation desires to create a~~
21 ~~loan guarantee and bond program pursuant to which it will be able to guarantee loan repayments~~
22 ~~either directly or through the issuance of its bonds in order to induce lending to companies~~
23 ~~growing their employment in Rhode Island;~~

24 ~~WHEREAS, The Rhode Island Economic Development Corporation seeks to have~~
25 ~~authority pursuant to chapter 18 of title 35 of the general laws to guarantee debts or otherwise~~
26 ~~issue its bonds for this purpose not to exceed one hundred twenty five million dollars~~

27 ~~(\$125,000,000) in the aggregate of unpaid principal, thereby limiting the contingent long-~~
28 ~~term Cost of such program to the state; and~~

29 ~~WHEREAS, The Rhode Island Economic Development Corporation requests the~~
30 ~~approval of the general assembly prior to undertaking such program; now, therefore be it~~

31 ~~RESOLVED, That the Rhode Island Economic Development Corporation (the~~
32 ~~"corporation") is hereby empowered and authorized pursuant to chapter 18, title 35 of the general~~
33 ~~laws, and notwithstanding any provisions of chapter 64, title 42 of the general laws to the~~
34 ~~contrary, to create the corporation's Job Creation Guaranty Program (the "program"). Under the~~

1 ~~program, the corporation may from time to time issue its bonds, guaranty debt service thereon or~~
2 ~~on bonds issued by the Rhode Island industrial facilities corporation, or guaranty the debt service~~
3 ~~of another provided that the principal amount of bonds or other obligations guaranteed pursuant~~
4 ~~to the program shall not at any time exceed one hundred twenty five million dollars~~
5 ~~(\$125,000,000). The guaranty of any bond or other obligation may extend to repayment of the~~
6 ~~principal thereof, sinking payments therefore, interest thereon, and payment of any redemption~~
7 ~~price or premium in connection with the redemption thereof prior to maturity;~~

8 ~~RESOLVED, That guaranties or bonds issued by the corporation shall be approved by its~~
9 ~~board of directors, or a committee of the board as so designated by the board, and shall be~~
10 ~~executed by its executive director or any authorized officer of the corporation as authorized in a~~
11 ~~resolution approved by the board of directors of the corporation from time to time in a form the~~
12 ~~corporation may prescribe. The board of directors of the corporation in authorizing any such~~
13 ~~guaranty or bond obligations shall consider and be guided by the following objectives:~~

14 ~~(a) Priority will be given to projects that promptly create permanent, full-time jobs with~~
15 ~~annual wages in excess of two hundred fifty percent (250%) of the then current minimum wage~~
16 ~~earned annually with industry comparable benefits. A full-time job shall mean one in which the~~
17 ~~employee works a minimum of thirty (30) hours per week within this state.~~

18 ~~(b) Any guaranty or bond obligations hereby authorized should leverage capital~~
19 ~~formation to facilitate business development with new and existing companies that will create or~~
20 ~~retain jobs in this state. The documentation reflecting guaranty and bond obligations authorized~~
21 ~~hereby shall contain adequate legal provisions for assuring performance by the borrower of~~
22 ~~creating and retaining new jobs within this state.~~

23 ~~(c) Priority shall be given to guarantees that align with the State's economic development~~
24 ~~strategy to expand high-wage jobs in knowledge industry growth clusters or with respect to assets~~
25 ~~related thereto.~~

26 ~~(d) Guarantees or loan obligations from the program's borrower will be collateralized by~~
27 ~~any and all available assets of the borrower and guarantors, where applicable, including~~
28 ~~subordinate collateral positions, cross collateralization with other lenders and collateralized~~
29 ~~guarantees as appropriate.~~

30 ~~(e) Insurances, including hazard and key person life, may be required where appropriate.~~

31 ~~(f) The corporation may utilize such data and retain experts as necessary to assess and~~
32 ~~validate associated guaranty risk, and the corporation may charge borrower reasonable fees for~~
33 ~~the corporation's guaranty and reimbursement of expenses;~~

34 ~~RESOLVED, that in order assure any payments due on guarantees or bond obligations~~

1 issued by the corporation in connection with the program pursuant to this authorization are made,
2 to assure the continued operation and solvency of the corporation for the carrying out of its
3 corporate purposes, and except as otherwise set forth in these authorizing resolutions in
4 accordance with the provisions of chapter 64, title 42 of the general laws: (i) The corporation
5 shall create a reserve fund from which shall be charged any and all expenses of the corporation
6 with respect to guarantee or bond obligations of the corporation pursuant to these resolutions
7 resulting from a program borrower's default; and (ii) The corporation shall credit to the reserve
8 fund no less than fifty percent (50%) of all program receipts of the corporation including guaranty
9 fees, premiums and any other receipts or recoveries from collections received pursuant to the
10 corporation's rights to recover payments as a guarantor; and (iii) To the extent the corporation's
11 obligations as a guarantor or pursuant to its program bond obligations are not satisfied by
12 amounts in its guaranty reserve fund, the executive director of the corporation shall annually, on
13 or before December 1st, make and deliver to the governor a certificate stating the minimum
14 amount, if any, required for the corporation to make payments due on such guarantees. During
15 each January session of the general assembly, the governor shall submit to the general assembly,
16 as part of the governor's budget, the total of such sums, if any, required to pay any and all
17 obligations of the corporation under such guarantees or bond obligations pursuant to the terms of
18 this authorization. All sums appropriated by the general assembly for that purpose, and paid to the
19 corporation, if any, shall be utilized by the corporation to make payments due on such guarantees
20 or bond obligations. Any recoveries by the corporation of guarantee payments are to be returned
21 to the guarantee reserve fund and utilized to reduce any obligation of the state pursuant to any
22 guarantees entered into by the corporation;

23 RESOLVED, on or before January 1 of each year, the corporation shall issue a report on
24 all guarantees issued by the corporation pursuant to this authorization. The report shall include at
25 a minimum: a list of each guarantee issued; a description of the borrower on behalf of which the
26 guarantee was issued; the lender or lenders that made the loan, and the amount of such loan, to
27 such borrower; the amount of principal and interest on each such loan outstanding as of the date
28 of such report; a summary of the collateral securing the repayment of such loan for which the
29 guarantee was issued; and a summary of the economic impacts made by such borrower as a result
30 of the guaranteed loan, including but not limited to the number, type and wages of jobs created by
31 such borrower, any impacts on the industry in which the borrower operates and an estimate of
32 income taxes for the state of Rhode Island generated by the employees of such borrower and the
33 borrower itself.

34 SECTION 3. This article shall take effect upon passage.

1

ARTICLE 26

2

RELATING TO EFFECTIVE DATE

3

SECTION 1. This act shall take effect as of July 1, 2013, except as otherwise provided

4

herein.

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SECTION 2. This article shall take effect upon passage.

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LC00567/SUB A

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SUBSTITUTE A

4 A N A C T

5 RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE
6 FISCAL YEAR ENDING JUNE 30, 2014

7 =====
8 LC00567/SUB A
9 =====

10 =====
11 Presented by

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