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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 STATE AFFAIRS AND GOVERNMENT -- EXECUTIVE OFFICE OF  
COMMERCE

Introduced By: Representatives Melo, Ucci, Blazejewski, Winfield, and Costantino

Date Introduced: May 01, 2013

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND  
2 GOVERNMENT" is hereby amended by adding thereto the following chapter:

3 CHAPTER 64.18

4 EXECUTIVE OFFICE OF COMMERCE

5 **42-64.18-1. Statement of intent. --** The purpose of this chapter is to develop an  
6 integrated system of economic development activities while preserving and protecting the safety  
7 and quality of life for the citizens of Rhode Island and to promote the economic viability of the  
8 Rhode Island economy, and ensure the efficient use of all available resources by the  
9 departments/divisions responsible for the regulation of growth within the state and the provision  
10 of labor and training programs serving all Rhode Islanders, and to provide and promote and  
11 encourage the preservation, expansion and sound development of new and existing industry,  
12 business, commerce, agriculture, tourism, recreational, and renewable energy facilities,  
13 promoting thereby the economic development of the state and the general welfare of its citizens  
14 and to meet this need while continuing to build on the achievements that have already been made.  
15 The interests of all Rhode Islanders will best be served by codifying in the state's general laws the  
16 purposes and responsibilities of the executive office of commerce and the position of secretary of  
17 commerce.

18 **42-64.18-2. Purposes. --** The Rhode Island executive office of commerce is authorized,

1 created, and established as the state's lead agency for economic development throughout Rhode  
2 Island for the following purposes: To promote and encourage the preservation, expansion, and  
3 sound development of new and existing industry, business, commerce, agriculture, tourism, and  
4 recreational facilities in the state, which will promote the economic development of the state and  
5 the creation of opportunities for economic stability and employment through a business climate  
6 that fosters opportunity for all Rhode Islanders.

7 **42-64.18-3. Executive office of commerce.** -- (a) There is hereby established within the  
8 executive branch of state government an executive office of commerce effective January 1, 2014,  
9 to serve as the principal agency of the executive branch of state government for managing the  
10 promotion of commerce, economy and environment within the state and shall have the following  
11 powers and duties in accordance with the following schedule:

12 (1) On or about February 1, 2014, to operate various divisions and functions from the  
13 department of business regulation;

14 (2) No later than April 1, 2014, to operate various divisions and functions from  
15 department of labor and training;

16 (3) No later than July 1, 2014, to operate various divisions and functions from the  
17 department of environmental management;

18 (4) No later than October 1, 2014, to operate various divisions and functions from the  
19 department of administration; and

20 (b) In this capacity, the office shall:

21 (1) Lead the state's three business regulatory and permitting services departments in order  
22 to:

23 (i) Improve the economy, efficiency, coordination, and quality of the business climate in  
24 the state;

25 (ii) Design strategies and implement best practices that foster economic development and  
26 growth of the state's economy;

27 (iii) Maximize and leverage funds from all available public and private sources, including  
28 federal financial participation, grants and awards;

29 (iv) Increase public confidence by conducting customer centric operations whereby  
30 commercial enterprise are supported and provided programs and services that will grow and  
31 nurture the Rhode Island economy; and

32 (v) Be the state's lead agency for economic development.

33 (c) The office shall lead the state's energy programs, office of regulatory reform and other  
34 administration functions which promote, enhance or regulate various service and functions in

1 order to:

2 (1) Promote coordinated and consistent energy plans within the state; and

3 (2) Promote the reform and improvement of the regulatory function of the state.

4 **42-64.18-4. Secretary of commerce -- Appointment.** -- The executive office of  
5 commerce shall be administered by a secretary of commerce, hereafter referred to as "secretary".  
6 The position of secretary is hereby created in the unclassified service. The secretary shall be  
7 appointed by the governor. The secretary shall hold office at the pleasure of the governor and  
8 until a successor is appointed and qualified. Before entering upon the discharge of duties, the  
9 secretary shall take an oath to faithfully execute the duties of the office. The secretary shall be  
10 appointed by January 1, 2014.

11 **42-64.18-5. Responsibilities of the secretary.** -- (a) The secretary shall be responsible to  
12 the governor for supervising the executive office of commerce, for managing and providing  
13 strategic leadership and direction to the divisions and departments under the jurisdiction of this  
14 chapter, for serving as the chief executive officer of the Rhode Island commerce corporation, for  
15 convening the economic development planning council to develop the economic development  
16 policy and strategic plan in accordance with section 42-64-16, and for serving as chair of the  
17 council of economic advisors in accordance with section 42-64-17.

18 (b) Notwithstanding any provision of law to the contrary, the secretary shall appoint the  
19 chiefs/directors of the divisions/departments within the executive office of commerce.

20 **42-64.18-6. Duties of the secretary.** -- The secretary shall be subject to the direction and  
21 supervision of the governor for the oversight, coordination and cohesive direction of state  
22 economic development activities of the state and in ensuring the laws are faithfully executed,  
23 notwithstanding any law to the contrary. In this capacity, the secretary of commerce shall be  
24 authorized to:

25 (a) Coordinate the administration and financing of various departments or divisions  
26 within the office and to supervise the work of the Rhode Island commerce corporation.

27 (b) Serve as the governor's chief advisor and liaison to federal policymakers on economic  
28 development as well as the principal point of contact in the state on any such related matters.  
29 Review and ensure the coordination of the development of an overarching economic development  
30 plan as produced by the office.

31 (c) Receive from department directors, within the timelines specified, any information  
32 and resources the secretary deems necessary in order to perform the reviews authorized in this  
33 section;

34 (d) Beginning in 2014, prepare and submit to the governor, the chairpersons of the house

1 and senate finance committees, and the caseload estimating conference, by no later than April 15  
2 of each year, a comprehensive overview of the Rhode Island economy. The secretary shall  
3 determine the contents of the overview and shall determine the important economic data and  
4 information that will inform the governor, and the revenue estimating committee on the economic  
5 conditions of the state and future issues and forward looking projects of the Rhode Island  
6 economy.

7 (e) The directors of the departments, as well as local governments and school  
8 departments, shall assist and cooperate with the secretary in fulfilling this responsibility by  
9 providing whatever resources, information and support shall be necessary.

10 (f) Resolve administrative, jurisdictional, operational, program, or policy conflicts among  
11 departments and their executive staffs and make necessary recommendations to the governor.

12 (g) Assure continued progress toward improving the quality, the economy, the  
13 accountability and the efficiency of state-administered programs to support the Rhode Island  
14 economy. In this capacity, the secretary shall:

15 (1) Direct implementation of reforms in the economic development practices of the  
16 departments that streamline and upgrade services, achieve greater economies of scale and  
17 establish the coordinated system of the staff education, cross- training, and career development  
18 services necessary to recruit and retain a highly-skilled, responsive, and engaged workforce;

19 (2) Encourage the departments to utilize consumer-centered approaches to service design  
20 and delivery that expand their capacity to respond efficiently and responsibly to the diverse and  
21 changing needs of the people and communities they serve;

22 (3) Develop all opportunities to maximize resources by leveraging the state's purchasing  
23 power, centralizing fiscal service functions related to budget, finance, and procurement,  
24 centralizing communication, policy analysis and planning, and information systems and data  
25 management, pursuing alternative funding sources through grants, awards and partnerships and  
26 securing all available federal financial participation for programs and services provided through  
27 the departments; and

28 (4) Strengthen the financial support system for business and enterprises program  
29 integrity, quality control and collections, and recovery activities by consolidating functions within  
30 the office in a single unit that ensures all affected parties pay their fair share of the cost of  
31 services and are aware of alternative financing.

32 (h) Prepare and integrate comprehensive budgets for the commerce services departments  
33 and any other functions and duties assigned to the office. The budgets shall be submitted to the  
34 state budget office by the secretary, for consideration by the governor, on behalf of the state's

1 commerce agencies in accordance with the provisions set forth in section 35-3-4 of the Rhode  
2 Island general laws.

3 (i) Utilize objective data to evaluate economic development policy goals, resource use  
4 and outcome evaluation and to perform short and long-term policy planning and development.

5 (j) Establishment of an integrated approach to interdepartmental information and data  
6 management that complements and furthers the goals of the council of economic advisors and  
7 that will facilitate the transition to consumer-centered system of state administered economic  
8 development programs and services.

9 (k) At the direction of the governor or the general assembly, conduct independent reviews  
10 of state-administered economic development programs, policies and related agency actions and  
11 activities and assist the department directors in identifying strategies to address any issues or  
12 areas of concern that may emerge thereof. The department directors shall provide any information  
13 and assistance deemed necessary by the secretary when undertaking such independent reviews.

14 (l) Provide regular and timely reports to the governor and make recommendations with  
15 respect to the state's economic development agenda.

16 (m) Employ such personnel and contract for such consulting services as may be required  
17 to perform the powers and duties lawfully conferred upon the secretary.

18 (n) Implement the provisions of any general or public law or regulation related to the  
19 disclosure, confidentiality and privacy of any information or records, in the possession or under  
20 the control of the executive office or the departments assigned to the executive office, that may be  
21 developed or acquired for purposes directly connected with the secretary's duties set forth herein.

22 **42-64.18-7. Departments/divisions assigned to the executive office -- Powers and**  
23 **duties. -- (a) The departments and or divisions assigned to the secretary shall:**

24 (1) Exercise their respective powers and duties in accordance with their statutory  
25 authority and the general policy established by the governor or by the secretary acting on behalf  
26 of the governor or in accordance with the powers and authorities conferred upon the secretary by  
27 this chapter;

28 (2) Provide such assistance or resources as may be requested or required by the governor  
29 and/or the secretary; and

30 (3) Provide such records and information as may be requested or required by the  
31 governor and/or the secretary to the extent allowed under the provisions of any applicable general  
32 or public law, regulation, or agreement relating to the confidentiality, privacy or disclosure of  
33 such records or information.

34 (4) Forward to the secretary copies of all reports to the governor.

1 (b) Except as provided herein, no provision of this chapter or application thereof shall be  
2 construed to limit or otherwise restrict the department of environmental management, the  
3 department of business regulation or the department of labor and training from fulfilling any  
4 statutory requirement or complying with any valid rule or regulation.

5 (c) The secretary shall determine in collaboration with the department directors whether  
6 the officers, employees, agencies, advisory councils, committees, commissions, and task forces of  
7 the departments who were performing such functions shall be transferred to the office.

8 (d) In the transference of such functions, the secretary shall be responsible for ensuring:

9 (1) Minimal disruption of services to consumers;

10 (2) Elimination of duplication of functions and operations;

11 (3) Services are coordinated and functions are consolidated where appropriate;

12 (4) Clear lines of authority are delineated and followed;

13 (5) Cost savings are achieved whenever feasible;

14 (6) Program application and eligibility determination processes are coordinated and,  
15 where feasible, integrated; and

16 (7) State and federal funds available to the office and the entities therein are allocated and  
17 utilized for service delivery to the fullest extent possible.

18 (d) Except as provided herein, no provision of this chapter or application thereof shall be  
19 construed to limit or otherwise restrict the departments under this section from fulfilling any  
20 statutory requirement or complying with any regulation deemed otherwise valid.

21 (e) To ensure an orderly transfer of functions to the office of commerce the following  
22 transition shall occur at the direction of the governor, secretary of commerce and the respective  
23 directors of the department affected.

24 (f) On or about February 1, 2014, the office shall commence to operate various divisions  
25 and functions from the department of business regulation (DBR) as set forth below:

26 (1) All functions currently assigned to the DBR shall be transferred to the office of  
27 commerce effective no later than February 1, 2014.

28 (g) No later than April 1, 2014, the office shall commence to operate various divisions  
29 and functions from the department of labor and training (DLT).

30 (1) The following functions currently assigned to the DLT shall be transferred to the  
31 office of commerce effective no later than April 1, 2014:

32 (i) Employment services;

33 (ii) Governor's workforce board;

34 (iii) Job training partnership act (JTPA) and other training programs;

1 (iv) Labor market information;

2 (v) Veteran services;

3 (vi) Labor standards;

4 (vii) Occupational safety; and

5 (viii) Professional regulations.

6 (h) No later than July 1, 2014, the office shall commence to operate various divisions and  
7 functions from the department of environmental management.

8 (1) The following functions currently assigned to the department of environmental  
9 management ( DEM) shall be transferred to the office of commerce effective no later than July 1,  
10 2014;

11 (i) Permitting.

12 (i) No later than October 1, 2014, the office shall commence to operate various divisions  
13 and functions from the department of administration;

14 (1)The following functions currently assigned to the department of administration (DOA)  
15 shall be transferred to the office of commerce effective no later than October 1, 2014;

16 (i) Fire code; building code; regulatory reform; energy resources; renewable energy fund;  
17 statewide planning; planning; housing/community development; minority business enterprises;  
18 and health benefits exchange.

19 (j) No later than February 1, 2014, Coastal Resource Management Council (CRMC) shall  
20 report to the secretary of commerce, and the office of commerce shall commence to operate  
21 various divisions and functions from (CRMC);

22 (1)The following functions currently assigned to the CRMC shall be transferred to the  
23 office of commerce effective no later than February 1, 2014;

24 (i) All programs and subprograms currently affiliated with CRMC.

25 (k) There may be formed within the office of the commerce four (4) divisions assigning  
26 the above listed functions to these specific divisions within the office. The four divisions may  
27 include workforce training, regulatory, energy and central management. The governor with the  
28 submission of the FY 2015 budget shall allocate resources to the new commerce office and to  
29 consolidate the departments that have had their functions changed.

30 **42-64.18-8. Appointment of employees.** -- The secretary, subject to the provisions of  
31 applicable state law, shall be the appointing authority for all employees of the executive office of  
32 commerce. The secretary may assign this function to such subordinate officers and employees of  
33 the executive office as may to him or her seem feasible or desirable. The appointing authority of  
34 the secretary provided for herein shall not affect, interfere with, limit, or otherwise restrict the

1 [appointing authority vested in the directors for the employees of the departments under applicable](#)  
2 [general and public laws.](#)

3 **42-64.18-9. Appropriations and disbursements.** -- [The general assembly shall annually](#)  
4 [appropriate such sums as it may deem necessary for the purpose of carrying out the provisions of](#)  
5 [this chapter. The state controller is hereby authorized and directed to draw his or her orders upon](#)  
6 [the general treasurer for the payment of such sum or sums, or so much thereof as may from time](#)  
7 [to time be required, upon receipt by him or her of proper vouchers approved by the secretary of](#)  
8 [the executive office of commerce, or his or her designee.](#)

9 **42-64.18-10. Rules and regulations.** -- [The executive office of commerce shall be](#)  
10 [deemed an agency for purposes of section 42-35-1, et seq. of the Rhode Island general laws. The](#)  
11 [secretary shall make and promulgate such rules and regulations, fee schedules not inconsistent](#)  
12 [with state law and fiscal policies and procedures as he or she deems necessary for the proper](#)  
13 [administration of this chapter and to carry out the policy and purposes thereof.](#)

14 **42-64.18-11. Severability.** -- [If any provision of this chapter or the application thereof to](#)  
15 [any person or circumstance is held invalid, such invalidity shall not affect other provisions or](#)  
16 [applications of the chapter, which can be given effect without the invalid provision or application,](#)  
17 [and to this end the provisions of this chapter are declared to be severable.](#)

18 **42-64.18-12. Cooperation of other state executive branch agencies.** -- [As may be](#)  
19 [appropriate from time to time, the departments and other agencies of the state of the executive](#)  
20 [branch that have not been assigned to the executive office of commerce under this chapter shall](#)  
21 [assist and cooperate with the executive office as may be required by the governor requested by](#)  
22 [the secretary.](#)

23 SECTION 2. Sections 42-64.13-3, 42-64.13-5 and 42-64.13-6 of the General Laws in  
24 Chapter 42-64.13 entitled "Rhode Island Regulatory Reform Act" are hereby amended to read as  
25 follows:

26 **42-64.13-3. Purposes of chapter.** -- The purposes of this chapter are to create within the  
27 ~~office of management and budget~~ [Rhode Island executive office of commerce](#), the office of  
28 regulatory reform that will facilitate the regular review of Rhode Island's regulatory processes and  
29 permitting procedures, report thereon in an effort to improve them and assist and facilitate  
30 economic development opportunities within the regulatory and permitting processes and  
31 procedures that exist within Rhode Island state and municipal government.

32 **42-64.13-5. Creation of the office of regulatory reform.** -- The ~~office of management~~  
33 ~~and budget~~ [Rhode Island executive office of commerce](#) shall create [and maintain](#) an office of  
34 regulatory reform that shall be adequately staffed and supervised in order to fulfill its functions as

1 set forth in this chapter.

2 **42-64.13-6. Director of office of regulatory reform.** -- The office of regulatory reform  
3 shall be managed by a director of office of regulatory reform who shall report to the ~~director of~~  
4 ~~the office of management and budget~~ secretary of commerce within the Rhode Island executive  
5 office of commerce.

6 SECTION 3. This act shall take effect on January 1, 2014.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- EXECUTIVE OFFICE OF  
COMMERCE

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1           This act would establish a new executive office of commerce to develop an integrated  
2 system of economic development activities in the state. This act would also create a secretary of  
3 commerce to be appointed by the governor, to administer the office of commerce and provide  
4 economic leadership for the state.

5           This act would take effect on January 1, 2014.

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