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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 REPORTING AND ACCOUNTABILITY

Introduced By: Representatives Tanzi, Tomasso, Ferri, Walsh, and Marcello

Date Introduced: May 01, 2013

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 35-1.1-3 of the General Laws in Chapter 35-1.1 entitled "Office of
2 Management and Budget" is hereby amended to read as follows:

3 **35-1.1-3. Director of management and budget.** -- Appointment and responsibilities.

4 (a) Within the department of administration there shall be a director of management and
5 budget, who shall be appointed by the director of administration with the approval of the
6 governor. The director shall be responsible to the governor and director of administration for
7 supervising the office of management and budget and for managing and providing strategic
8 leadership and direction to the budget officer, the performance management office, and the
9 federal grants management office.

10 (b) The director of management and budget shall be responsible to:

11 (1) Oversee, coordinate and manage the functions of the budget officer as set forth by
12 section 35-3, program performance management as set forth by § 35-3-24.1, approval of
13 agreements with federal agencies defined by § 35-3-25 and budgeting, appropriation and receipt
14 of federal monies as set forth by chapter 42-41;

15 (2) Manage federal fiscal proposals and guidelines, and serve as the State Clearinghouse
16 for the application of federal grants; and,

17 (3) Maximize the indirect cost recoveries by state agencies set forth by § 35-4-23.1.

18 (4) To undertake a comprehensive review and inventory of all reports filed by the
19 executive office and agencies of the state with the general assembly. The inventory should

1 [include but not be limited to: the type, title, and summary of reports; the author\(s\) of the reports;](#)
2 [the specific audience of the reports; and a schedule of the reports' release. The inventory shall be](#)
3 [presented to the general assembly as part of the budget submission on a yearly basis. The office](#)
4 [of management and budget shall also make recommendations to consolidate, modernize the](#)
5 [reports, and to make recommendations for elimination or expansion of each report.](#)

6 SECTION 2. Section 35-3-7 of the General Laws in Chapter 35-3 entitled "State Budget"
7 is hereby amended to read as follows:

8 **35-3-7. Submission of budget to general assembly - Contents. --**

9 (a) On or before the third Thursday in January in each year of each January session of
10 the general assembly, the governor shall submit to the general assembly a budget containing a
11 complete plan of estimated revenues and proposed expenditures, with a personnel supplement
12 detailing the number and titles of positions of each agency and the estimates of personnel costs
13 for the next fiscal year, [and with the inventory required by subsection 35-1.1-3\(b\)\(4\)](#). Provided,
14 however, in those years that a new governor is inaugurated, the new governor shall submit the
15 budget on or before the first Thursday in February. In the budget the governor may set forth in
16 summary and detail:

17 (1) Estimates of the receipts of the state during the ensuing fiscal year under laws existing
18 at the time the budget is transmitted and also under the revenue proposals, if any, contained in the
19 budget, and comparisons with the estimated receipts of the state during the current fiscal year, as
20 well as actual receipts of the state for the last two (2) completed fiscal years.

21 (2) Estimates of the expenditures and appropriations necessary in the governor's
22 judgment for the support of the state government for the ensuing fiscal year, and comparisons
23 with appropriations for expenditures during the current fiscal year, as well as actual expenditures
24 of the state for the last two (2) complete fiscal years.

25 (3) Financial statements of the

26 (i) Condition of the treasury at the end of the last completed fiscal year;

27 (ii) The estimated condition of the treasury at the end of the current fiscal year; and

28 (iii) Estimated condition of the treasury at the end of the ensuing fiscal year if the
29 financial proposals contained in the budget are adopted.

30 (4) All essential facts regarding the bonded and other indebtedness of the state.

31 (5) A report indicating those program revenues and expenditures whose funding source is
32 proposed to be changed from state appropriations to restricted receipts, or from restricted receipts
33 to other funding sources.

34 (6) Such other financial statements and data as in the governor's opinion are necessary or

1 desirable.

2 (b) Any other provision of the general laws to the contrary notwithstanding, the proposed
3 appropriations submitted by the governor to the general assembly for the next ensuing fiscal year
4 should not be more than five and one-half percent (5.5%) in excess of total state appropriations,
5 excluding any estimated supplemental appropriations, enacted by the general assembly for the
6 fiscal year previous to that for which the proposed appropriations are being submitted; provided,
7 that the increased state share provisions required to achieve fifty percent (50%) state financing of
8 local school operations as provided for in P.L. 1985, ch. 182, shall be excluded from the
9 definition of total appropriations.

10 (c) Notwithstanding the provisions of subsection 35-3-7(a), the governor shall submit to
11 the general assembly a budget for the fiscal year ending June 30, 2006 not later than the fourth
12 (4th) Thursday in January 2005.

13 (d) Notwithstanding the provisions of subsection 35-3-7(a), the governor shall submit to
14 the general assembly a supplemental budget for the fiscal year ending June 30, 2006 and/or a
15 budget for the fiscal year ending June 30, 2007 not later than Thursday, January 26, 2006.

16 (e) Notwithstanding the provisions of subsection 35-3-7(a), the governor shall submit to
17 the general assembly a supplemental budget for the fiscal year ending June 30, 2007 and/or a
18 budget for the fiscal year ending June 30, 2008 not later than Wednesday, January 31, 2007.

19 (f) Notwithstanding the provisions of subsection 35-3-7(a), the governor shall submit to
20 the general assembly a budget for the fiscal year ending June 30, 2012 not later than Thursday,
21 March 10, 2011.

22 (g) Notwithstanding the provisions of subsection 35-3-7(a), the governor shall submit to
23 the general assembly a budget for the fiscal year ending June 30, 2013 not later than Tuesday,
24 January 31, 2012.

25 SECTION 3. Section 22-12-3 of the General Laws in Chapter 22-12 entitled "Fiscal
26 Notes" is hereby amended to read as follows:

27 **22-12-3. Request for fiscal notes.--** (a) Fiscal notes shall only be requested by the
28 chairperson of the house or senate finance committee upon being notified by another committee
29 chairperson, the sponsor of the bill or resolution, or in the case of bills or resolutions affecting
30 cities or towns, by the Rhode Island League of Cities and Towns in addition to the individuals
31 referred to in this section, of the existence of any bill or resolution described in § 22-12-1.
32 Requests shall be made in the form and substance as may be requested by the finance committee
33 chairperson, and shall be forwarded through the house or senate fiscal adviser to the state budget
34 officer, who shall determine the agency or agencies affected by the bill, or for bills affecting cities

1 and towns to the chief executive official of the cities and the towns, the Rhode Island League of
2 Cities and Towns, and the department of revenue. The budget officer shall then be responsible, in
3 cooperation with these agencies, for the preparation of the fiscal note, except that the department
4 of administration, in consultation and cooperation with the Rhode Island League of Cities and
5 Towns, shall be responsible for the preparation of the fiscal note for bills affecting cities and
6 towns.

7 [\(b\) The chairperson of either the house finance or senate finance committee may also](#)
8 [require executive branch agencies to provide performance metrics when legislation affecting an](#)
9 [agency's program or policy has an economic impact.](#)

10 SECTION 4. Section 42-146-6 of the General Laws in Chapter 42-142 entitled
11 "Department of Revenue" is hereby amended to read as follows:

12 **42-142-6. Annual unified economic development report.** -- (a) The director of the
13 department of revenue shall, no later than January 15th of each state fiscal year, compile and
14 publish, in printed and electronic form, including on the Internet, an annual unified economic
15 development report which shall provide the following comprehensive information regarding the
16 tax credits or other tax benefits conferred pursuant to §§ 42-64-10, 44-63-3, 42-64.5-5, 42-64.3-1,
17 and 44-31.2-6.1 during the preceding fiscal year:

18 (1) The name of each recipient of any such tax credit or other tax benefit; the dollar
19 amount of each such tax credit or other tax benefit; and summaries of the number of full-time and
20 part-time jobs created or retained, an overview of benefits offered, and the degree to which job
21 creation and retention, wage and benefit goals and requirements of recipient and related
22 corporations, if any, have been met. The report shall include aggregate dollar amounts of each
23 category of tax credit or other tax benefit; to the extent possible, the amounts of tax credits and
24 other tax benefits by geographical area; the number of recipients within each category of tax
25 credit or retained; overview of benefits offered; and the degree to which job creation and
26 retention, wage and benefit rate goals and requirements have been met within each category of
27 tax credit or other tax benefit;

28 (2) The cost to the state and the approving agency for each tax credit or other tax benefits
29 conferred pursuant to §§ 42-64-10, 44-63-3, 42-64.5-5, 42-64.3-1, and 44-31.2-6.1 during the
30 preceding fiscal year;

31 (3) To the extent possible, the amounts of tax credits and other tax benefits by
32 geographical area; ~~and~~

33 (4) The extent to which any employees of and recipients of any such tax credits or other
34 tax benefits has received RIte Care or RIte Share benefits or assistance; ~~;~~ [and](#)

1 (5) To the extent the data exists, a cost-benefit analysis prepared by the office of revenue
2 analysis based upon the collected data under sections 42-64-10, 44-63-3, 42-64.5-5, 42-64-3.1,
3 and 44-31.2-6.1, and required for the preparation of the unified economic development report.
4 The cost-benefit analysis may include but shall not be limited to the cost to the state for the
5 revenues reductions, cost to administer the credit, projected revenues gained from the credit, and
6 other metrics which can be measured along with a baseline assessment of the original intent of
7 the legislation. The office of revenue analysis shall also state in the report the intended purpose of
8 the credit and any measureable goals established by the granting authority of the credit. Where
9 possible, the analysis shall cover a five (5) year period projecting the cost and benefits over this
10 period. The office of revenue analysis may utilize outside services or sources for development of
11 the methodology and modeling techniques. The unified economic development report shall
12 include the cost-benefit analysis starting January 15, 2014. The office of revenue analysis shall
13 work in conjuncture with Rhode Island commerce corporation as established chapter 42-64
14 (Rhode Island Commerce Corporation).

15 (b) After the initial report, the division of taxation will perform reviews of each recipient
16 of this tax credit or other tax benefits to ensure the accuracy of the employee data submitted. The
17 division of taxation will include a summary of the reviews performed along with any adjustments,
18 modifications and/or allowable recapture of tax credit amounts and data included on prior year
19 reports.

20 SECTION 5. 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 REPORTING AND ACCOUNTABILITY

1 This act would require the director of management and budget to prepare a
2 comprehensive review and inventory of all reports from the executive office and other state
3 agencies that are filed with the general assembly. This act would also provide that this inventory
4 would be presented to the general assembly as part of the annual budget submission. This act
5 would also require that a cost-benefit analysis be incorporated into the annual unified economic
6 development report that is prepared by the office of revenue analysis.

7 This act would take effect upon January 1, 2014.

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