

2014 -- H 7133 SUBSTITUTE A

=====
LC003615/SUB A
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

—————
A N A C T

RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR
THE FISCAL YEAR ENDING JUNE 30, 2015

Introduced By: Representative Raymond E.Gallison

Date Introduced: January 16, 2014

Referred To: House Finance

(Governor)

It is enacted by the General Assembly as follows:

- 1 ARTICLE 1..... RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF
- 2 FY 2015
- 3 ARTICLE 2..... RELATING TO STATE AID
- 4 ARTICLE 3..... RELATING TO RESTRICTED RECEIPT ACCOUNTS
- 5 ARTICLE 4..... RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS
- 6 ARTICLE 5..... RELATING TO CAPITAL DEVELOPMENT PROGRAM
- 7 ARTICLE 6..... RELATING TO RESOURCE RECOVERY CORPORATION
- 8 ARTICLE 7..... RELATING TO REGIONAL GREENHOUSE GAS INITIATIVE ACT
- 9 ARTICLE 8..... RELATING TO UNDERGROUND ECONOMY AND EMPLOYEE
- 10 MISCLASSIFICATION ACT
- 11 ARTICLE 9..... RELATING TO GOVERNMENT REFORM
- 12 ARTICLE 10..... RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF
- 13 FY 2014
- 14 ARTICLE 11..... RELATING TO EMPLOYMENT
- 15 ARTICLE 12..... RELATING TO REVENUES
- 16 ARTICLE 13..... RELATING TO STATE LOTTERY
- 17 ARTICLE 14..... RELATING TO GOVERNMENT REORGANIZATION
- 18 ARTICLE 15..... RELATING TO HEALTH AND HUMAN SERVICES

- 1 ARTICLE 16.....RELATING TO HEALTH CARE
- 2 ARTICLE 17.....RELATING TO HOSPITAL UNCOMPENSATED CARE
- 3 ARTICLE 18.....RELATING TO MEDICAL ASSISTANCE
- 4 ARTICLE 19..... RELATING TO MEDICAL ASSISTANCE RECOVERIES
- 5 ARTICLE 20..... RELATING TO BOARD OF EDUCATION
- 6 ARTICLE 21.....RELATING TO TRANSPORTATION
- 7 ARTICLE 22.....RELATING TO EDUCATION
- 8 ARTICLE 23.....RELATING TO EFFECTIVE DATE

=====
LC003615/SUB A
=====

ARTICLE 1

RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF FY 2015

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, 2015. 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	1,594,772
Office of Digital Excellence	908,192
Total – Central Management	2,502,964

<i>Legal Services</i> General Revenues	2,039,872
--	-----------

<i>Accounts and Control</i> General Revenues	3,973,748
--	-----------

Office of Management and Budget

General Revenues	4,018,136
Restricted Receipts	61,374
Total – Office of Management and Budget	4,079,510

Purchasing

General Revenues	2,670,956
Other Funds	308,496
Total – Purchasing	2,979,452

<i>Auditing</i> General Revenues	1,434,565
----------------------------------	-----------

Human Resources

General Revenues	7,830,548
Federal Funds	766,793

1	Restricted Receipts	461,639
2	Other Funds	1,547,079
3	Total – Human Resources	10,606,059
4	<i>Personnel Appeal Board</i> General Revenues	75,216
5	<i>Facilities Management</i>	
6	General Revenues	30,790,738
7	Federal Funds	1,155,237
8	Restricted Receipts	462,262
9	Other Funds	3,322,025
10	Total – Facilities Management	35,730,262
11	<i>Capital Projects and Property Management</i> General Revenues	1,252,875
12	<i>Information Technology</i>	
13	General Revenues	19,377,273
14	Federal Funds	6,631,482
15	Restricted Receipts	4,099,027
16	Other Funds	3,701,511
17	Total – Information Technology	33,809,293
18	<i>Library and Information Services</i>	
19	General Revenues	881,464
20	Federal Funds	1,184,567
21	Restricted Receipts	653
22	Total – Library and Information Services	2,066,684
23	<i>Planning</i>	
24	General Revenues	1,922,778
25	Federal Funds	12,561,957
26	Restricted Receipts	3,400,000
27	Other Funds	
28	Federal Highway – PL Systems Planning	2,984,304
29	Air Quality Modeling	22,875
30	Total – Planning	20,891,914
31	<i>General</i>	
32	General Revenues	
33	Rhode Island Commerce Corporation	5,431,864
34	RICC – Airport Impact Aid	1,025,000

1 Sixty percent (60%) of the first \$1,000,000 appropriated for airport impact aid shall be
2 distributed to each airport serving more than 1,000,000 passengers based upon its percentage of
3 the total passengers served by all airports serving more than 1,000,000 passengers. Forty percent
4 (40%) of the first \$1,000,000 shall be distributed based on the share of landings during the
5 calendar year 2014 at North Central Airport, Newport-Middletown Airport, Block Island Airport,
6 Quonset Airport, T.F. Green Airport and Westerly Airport, respectively. The Rhode Island
7 Commerce Corporation shall make an impact payment to the towns or cities in which the airport
8 is located based on this calculation. Each community upon which any parts of the above airports
9 are located shall receive at least \$25,000.

10	RICC – EPScore (Research Alliance)	1,150,000
11	Innovative Matching Grants	500,000
12	Miscellaneous Grants	146,049
13	Slater Centers of Excellence	150,000
14	Torts – Courts/Awards	400,000
15	Current Care/Health Information Exchange	225,000
16	I-195 Commission	301,000
17	RI Film and Television Office	310,312
18	State Employees/Teachers Retiree Health Subsidy	2,321,057
19	Resource Sharing and State Library Aid	8,773,398
20	Library Construction Aid	2,331,589
21	Federal Funds	4,345,555
22	Restricted Receipts	421,500
23	Other Funds	
24	Rhode Island Capital Plan Funds	
25	Statehouse Renovations	3,000,000
26	DoIT Enterprise Operations Center	250,000
27	Cranston Street Armory	2,000,000
28	Cannon Building	440,000
29	Zambarano Building Rehabilitation	500,000
30	Pastore Center Rehab DOA Portion	3,150,000
31	Old State House	1,445,000
32	State Office Building	1,700,000
33	Old Colony House	100,000
34	William Powers Building	1,475,000

1	Fire Code Compliance State Buildings	500,000
2	Pastore Center Fire Code Compliance	1,300,000
3	Pastore Center Utility Systems Upgrade	2,600,000
4	Replacement of Fueling Tanks	300,000
5	Environmental Compliance	200,000
6	Big River Management Area	120,000
7	Pastore Center Building Demolition	1,000,000
8	Washington County Government Center	225,000
9	Chapin Health Laboratory	1,250,000
10	Pastore Center Parking	890,000
11	Pastore Center Water Tanks	250,000
12	Pastore Cottages Rehabilitation	800,000
13	Ladd Center Building Demolition	2,100,000
14	I-195 Commission	250,000
15	RI Convention Center Authority	1,000,000
16	Dunkin Donuts Center	1,387,500
17	Mathias	800,000
18	Pastore Center Power Plant	194,723
19	Harrington Hall Renovations	1,400,000
20	McCoy Stadium	150,000
21	Veterans Memorial Auditorium	1,370,099
22	Virks Building Renovations	400,000
23	Total – General	60,379,646
24	<i>Debt Service Payments</i>	
25	General Revenues	168,805,031
26	Out of the general revenue appropriations for debt service, the General Treasurer is	
27	authorized to make payments for the I-195 Redevelopment District Commission loan up to the	
28	maximum debt service due in accordance with the loan agreement.	
29	Federal Funds	2,667,399
30	Restricted Receipts	20,589,305
31	Other Funds	
32	Transportation Debt Service	26,828,667
33	Investment Receipts – Bond Funds	100,000
34	COPS – DLT Building – TDI	271,653

1	Total - Debt Service Payments	219,262,055
2	<i>Energy Resources</i>	
3	Federal Funds	524,775
4	Restricted Receipts	5,215,426
5	Total – Energy Resources	5,740,201
6	<i>Rhode Island Health Benefits Exchange Federal Funds</i>	23,433,222
7	<i>Construction Permitting, Approvals and Licensing</i>	
8	General Revenues	1,483,525
9	Restricted Receipts	1,339,903
10	Total – Construction Permitting, Approvals and Licensing	2,823,428
11	<i>Office of Diversity, Equity & Opportunity</i>	
12	General Revenues	777,197
13	Federal Funds	82,284
14	Total – Office of Diversity, Equity & Opportunity	859,481
15	<i>Statewide Personnel Adjustments</i>	
16	General Revenues	(3,420,118)
17	Federal Funds	(1,859,816)
18	Restricted Receipts	(402,343)
19	Other Funds	(2,603,414)
20	Total – Statewide Personnel Adjustments	(8,285,691)
21	Grand Total – Administration	425,654,756
22	Business Regulation	
23	<i>Central Management</i> General Revenues	1,234,949
24	<i>Banking Regulation</i>	
25	General Revenues	1,514,260
26	Restricted Receipts	50,000
27	Total – Banking Regulation	1,564,260
28	<i>Securities Regulation</i>	
29	General Revenues	1,009,651
30	Restricted Receipts	3,500
31	Total – Securities Regulation	1,013,151
32	<i>Insurance Regulation</i>	
33	General Revenues	3,883,238
34	Restricted Receipts	1,294,012

1	Total – Insurance Regulation	5,177,250
2	<i>Office of the Health Insurance Commissioner</i>	
3	General Revenues	507,142
4	Federal Funds	2,021,830
5	Restricted Receipts	10,500
6	Total – Office of the Health Insurance Commissioner	2,539,472
7	<i>Board of Accountancy</i> General Revenues	16,654
8	<i>Commercial Licensing, Racing & Athletics</i>	
9	General Revenues	586,948
10	Restricted Receipts	583,111
11	Total – Commercial Licensing, Racing & Athletics	1,170,059
12	<i>Boards for Design Professionals</i> General Revenues	260,635
13	Grand Total – Business Regulation	12,976,430
14	Labor and Training	
15	<i>Central Management</i>	
16	General Revenues	93,361
17	Restricted Receipts	337,854
18	Other Funds	
19	Rhode Island Capital Plan Fund	
20	Center General Building Roof	505,996
21	Center General Asset Protection	1,500,000
22	Total – Central Management	2,437,211
23	<i>Workforce Development Services</i>	
24	General Funds	1,148,769
25	Federal Funds	23,892,612
26	Restricted Receipts	9,644,795
27	Other Funds	75,000
28	Total – Workforce Development Services	34,761,176
29	<i>Workforce Regulation and Safety</i> General Revenues	2,720,916
30	<i>Income Support</i>	
31	General Revenues	4,317,409
32	Federal Funds	18,291,060
33	Restricted Receipts	
34	Restricted Receipts	2,146,562

1	Job Development Fund	20,460,000
2	Other Funds	
3	Temporary Disability Insurance Fund	198,485,516
4	Employment Security Fund	218,620,120
5	Total – Income Support	462,320,667
6	<i>Injured Workers Services</i> Restricted Receipts	8,951,372
7	<i>Labor Relations Board</i> General Revenues	388,648
8	Grand Total – Labor and Training	511,579,990
9	Department of Revenue	
10	<i>Director of Revenue</i> General Revenues	1,122,100
11	<i>Office of Revenue Analysis</i> General Revenues	564,334
12	<i>Lottery Division</i> Lottery Funds	342,306,302
13	<i>Municipal Finance</i> General Revenues	2,256,992
14	<i>Taxation</i>	
15	General Revenues	18,930,344
16	Federal Funds	1,294,330
17	Restricted Receipts	878,210
18	Other Funds	
19	Motor Fuel Tax Evasion	43,232
20	Temporary Disability Insurance	952,454
21	Total – Taxation	22,098,570
22	<i>Registry of Motor Vehicles</i>	
23	General Revenues	18,826,844
24	Federal Funds	3,818,815
25	Restricted Receipts	2,200,596
26	Total – Registry of Motor Vehicles	24,846,255
27	<i>State Aid</i>	
28	General Revenue	
29	Distressed Communities Relief Fund	10,384,458
30	Payment in Lieu of Tax Exempt Properties	40,080,409
31	Motor Vehicle Excise Tax Payments	10,000,000
32	Property Revaluation Program	633,209
33	Municipal Aid	5,000,000
34	Restricted Receipts	922,013

1	Total – State Aid	67,020,089
2	Grand Total – Revenue	460,214,642
3	Legislature	
4	General Revenues	36,429,671
5	Restricted Receipts	1,587,079
6	Grand Total – Legislature	38,016,750
7	Lieutenant Governor	
8	General Revenues	1,015,084
9	Federal Funds	74,350
10	Grand Total – Lieutenant Governor	1,089,434
11	Secretary of State	
12	<i>Administration</i> General Revenues	2,205,748
13	<i>Corporations</i> General Revenues	2,278,601
14	<i>State Archives</i>	
15	General Revenues	69,266
16	Restricted Receipts	514,752
17	Total – State Archives	584,018
18	<i>Elections & Civics</i> General Revenues	1,636,292
19	<i>State Library</i> General Revenues	521,178
20	<i>Office of Public Information</i>	
21	General Revenues	626,118
22	Receipted Receipts	15,000
23	Rhode Island Capital Plan Funds	
24	Charter Encasement	500,000
25	Total – Office of Public Information	1,141,118
26	Grand Total – Secretary of State	8,366,955
27	General Treasurer	
28	Treasury	
29	General Revenues	2,206,467
30	Federal Funds	270,861
31	Restricted Receipts	37,651
32	Other Funds	
33	Temporary Disability Insurance Fund	220,608
34	Total – Treasury	2,735,587

1	<i>State Retirement System</i>	
2	Restricted Receipts	
3	Admin Expenses – State Retirement System	9,308,412
4	Retirement – Treasury Investment Operations	1,265,045
5	Defined Contribution Administration	263,588
6	Total – State Retirement System	10,837,045
7	<i>Unclaimed Property Restricted Receipts</i>	19,712,197
8	<i>Crime Victim Compensation Program</i>	
9	General Revenues	225,638
10	Federal Funds	599,477
11	Restricted Receipts	1,131,949
12	Total – Crime Victim Compensation Program	1,957,064
13	Grand Total – General Treasurer	35,241,893
14	Board of Elections	
15	General Revenues	
16	General Revenues	2,145,127
17	Public Financing of General Elections	2,000,000
18	Grand Total – Board of Elections	4,145,127
19	Rhode Island Ethics Commission General Revenues	1,581,205
20	Office of Governor	
21	General Revenues	
22	General Revenues	4,277,562
23	Contingency Fund	250,000
24	Grand Total – Office of Governor	4,527,562
25	Commission for Human Rights	
26	General Revenues	1,193,083
27	Federal Funds	287,096
28	Grand Total – Commission for Human Rights	1,480,179
29	Public Utilities Commission	
30	Federal Funds	87,733
31	Restricted Receipts	8,372,153
32	Grand Total – Public Utilities Commission	8,459,886
33	Office of Health and Human Services	
34	<i>Central Management</i>	

1	General Revenues	28,044,154
2	Federal Funds	
3	Federal Funds	92,223,591
4	Federal Funds – Stimulus	312,000
5	Restricted Receipts	5,292,880
6	Total – Central Management	125,872,625
7	<i>Medical Assistance</i>	
8	General Revenue	
9	Managed Care	297,696,087
10	Hospitals	103,617,688
11	Nursing Facilities	81,024,113
12	Home and Community Based Care	24,069,223
13	Other Services	44,649,734
14	Pharmacy	51,770,620
15	Rhody Health	273,995,508
16	Federal Funds	
17	Managed Care	317,716,679
18	Hospitals	102,962,352
19	Nursing Facilities	81,121,400
20	Home and Community Based Care	30,197,385
21	Other Services	552,234,966
22	Pharmacy	32,003
23	Rhody Health	275,303,671
24	Special Education	19,000,000
25	Restricted Receipts	10,615,000
26	Total – Medical Assistance	2,266,006,429
27	Grand Total – Office of Health and Human Services	2,391,879,054
28	Children, Youth, and Families	
29	<i>Central Management</i>	
30	General Revenues	4,609,150
31	Federal Funds	2,269,607
32	Total – Central Management	6,878,757
33	<i>Children's Behavioral Health Services</i>	
34	General Revenues	5,895,388

1	Federal Funds	5,828,492
2	Other Funds	
3	Rhode Island Capital Plan Funds	
4	NAFI Center	21,494
5	Groden Center – Fire Towers	137,500
6	Various Repairs and Improvements to Training School	1,154,000
7	Total – Children's Behavioral Health Services	13,036,874
8	<i>Juvenile Correctional Services</i>	
9	General Revenue	23,400,611
10	Federal Funds	271,588
11	Other Funds	
12	Rhode Island Capital Plan Funds	
13	Thomas C. Slater Training School Generators	213,837
14	Thomas C. Slater Training School Maintenance Building	535,000
15	Total – Juvenile Correctional Services	24,421,036
16	<i>Child Welfare</i>	
17	General Revenues	
18	General Revenues	104,416,147
19	18 to 21 Year Olds	10,185,850
20	Federal Funds	
21	Federal Funds	45,482,485
22	18 – 21 Year Olds	2,270,152
23	Federal Funds – Stimulus	446,340
24	Restricted Receipts	2,448,750
25	Other Funds	
26	RICAP - Fire Code Upgrades	850,000
27	Total – Child Welfare	166,099,724
28	<i>Higher Education Incentive Grants</i> General Revenues	200,000
29	Grand Total – Children, Youth, and Families	210,636,391
30	Health	
31	<i>Central Management</i>	
32	General Revenues	481,489
33	Federal Funds	8,071,320
34	Restricted Receipts	4,826,651

1	Total – Central Management	13,379,460
2	<i>State Medical Examiner</i>	
3	General Revenues	1,931,511
4	Federal Funds	141,325
5	Total – State Medical Examiner	2,072,836
6	<i>Environmental and Health Services Regulation</i>	
7	General Revenues	9,251,095
8	Federal Funds	5,924,339
9	Restricted Receipts	3,628,936
10	Total – Environmental and Health Services Regulation	18,804,370
11	<i>Health Laboratories</i>	
12	General Revenues	6,130,022
13	Federal Funds	1,718,714
14	Federal Funds – Stimulus	6,500
15	Total – Health Laboratories	7,855,236
16	<i>Public Health Information</i>	
17	General Revenues	1,559,128
18	Federal Funds	2,066,331
19	Total – Public Health Information	3,625,459
20	<i>Community and Family Health and Equity</i>	
21	General Revenues	2,176,155
22	Federal Funds	40,748,562
23	Federal Funds – Stimulus	1,267,231
24	Restricted Receipts	26,137,670
25	Total – Community and Family Health and Equity	70,329,618
26	<i>Infectious Disease and Epidemiology</i>	
27	General Revenues	1,428,520
28	Federal Funds	5,150,071
29	Total – Infectious Disease and Epidemiology	6,578,591
30	Grand Total – Health	122,645,570
31	Human Services	
32	<i>Central Management</i>	
33	General Revenues	4,692,120
34	Federal Funds	3,777,064

1	Restricted Receipts	522,542
2	Total – Central Management	8,991,726
3	<i>Child Support Enforcement</i>	
4	General Revenues	2,362,840
5	Federal Funds	5,877,595
6	Total – Child Support Enforcement	8,240,435
7	<i>Individual and Family Support</i>	
8	General Revenues	24,327,801
9	Federal Funds	117,893,777
10	Federal Funds – Stimulus	10,571,598
11	Restricted Receipts	340,431
12	Other Funds	
13	Rhode Island Capital Plan Fund	
14	Blind Vending Facilities	165,000
15	Intermodal Surface Transportation Fund	4,162,981
16	Total – Individual and Family Support	157,461,588
17	<i>Veterans' Affairs</i>	
18	General Revenues	20,274,566
19	Federal Funds	7,481,344
20	Restricted Receipts	635,000
21	Total – Veterans' Affairs	28,390,910
22	<i>Health Care Eligibility</i>	
23	General Revenues	8,226,587
24	Federal Funds	11,774,391
25	Total – Health Care Eligibility	20,000,978
26	<i>Supplemental Security Income Program</i> General Revenues	18,197,356
27	<i>Rhode Island Works</i>	
28	General Revenues	
29	Child Care	9,668,635
30	Federal Funds	77,040,945
31	Total – Rhode Island Works	86,709,580
32	<i>State Funded Programs</i>	
33	General Revenues	
34	General Public Assistance	1,616,000

1	Of this appropriation, \$210,000 shall be used for hardship contingency payments.	
2	Federal Funds	300,692,138
3	Total – State Funded Programs	302,308,138
4	<i>Elderly Affairs</i>	
5	General Revenues	
6	General Revenue	6,195,226
7	RIPAE	24,484
8	Care and Safety of the Elderly	958
9	Federal Funds	12,223,967
10	Restricted Receipts	299,336
11	Total – Elderly Affairs	18,743,971
12	Grand Total – Human Services	649,044,682
13	Behavioral Health, Developmental Disabilities, and Hospitals	
14	<i>Central Management</i>	
15	General Revenues	970,823
16	Federal Funds	539,262
17	Total – Central Management	1,510,085
18	<i>Hospital and Community System Support</i>	
19	General Revenues	1,594,280
20	Restricted Receipts	934,379
21	Other Funds	
22	Rhode Island Capital Plan Fund	
23	Medical Center Rehabilitation	1,000,000
24	Community Facilities Fire Code	400,000
25	Total – Hospital and Community System Support	3,928,659
26	<i>Services for the Developmentally Disabled</i>	
27	General Revenues	111,028,105
28	Federal Funds	112,976,682
29	Restricted Receipts	1,977,450
30	Other Funds	
31	Rhode Island Capital Plan Funds	
32	DD Private Waiver	507,286
33	Regional Center Repair/Rehabilitation	400,000
34	MR Community Facilities/Access to Independence	500,000

1	Total – Services for the Developmentally Disabled	227,389,523
2	<i>Behavioral Healthcare Services</i>	
3	General Revenues	1,930,322
4	Federal Funds	14,581,527
5	Substance Abuse Prevention Task Forces	900,000
6	NAMI of RI	128,000
7	Restricted Receipts	125,000
8	Other Funds	
9	Rhode Island Capital Plan Funds	
10	MH Community Facilities Repair	400,000
11	MH Housing Development Thresholds	800,000
12	Substance Abuse Asset Production	100,000
13	Total – Behavioral Healthcare Services	18,964,849
14	<i>Hospital and Community Rehabilitative Services</i>	
15	General Revenues	51,963,343
16	Federal Funds	52,031,533
17	Restricted Receipts	6,571,834
18	Other Funds	
19	Rhode Island Capital Plan Funds	
20	Zambarano Buildings and Utilities	150,000
21	BHDDH Administrative Buildings	2,000,000
22	MR Community Facilities	950,000
23	Total - Hospital and Community Rehabilitative Services	113,666,710
24	Grand Total – Behavioral Health, Developmental Disabilities,	
25	and Hospitals	365,459,826
26	Office of the Child Advocate	
27	General Revenues	611,817
28	Federal Funds	50,000
29	Grand Total – Office of the Child Advocate	661,817
30	Commission on the Deaf and Hard of Hearing	
31	General Revenues	394,279
32	Restricted Receipts	80,000
33	Grand Total – Com on Deaf and Hard of Hearing	474,279
34	Governor's Commission on Disabilities	

1	General Revenues	358,275
2	Federal Funds	141,350
3	Restricted Receipts	9,177
4	Other Funds	
5	RICAP - Handicapped Accessibility	1,000,000
6	Grand Total – Governor's Commission on Disabilities	1,508,802
7	Office of the Mental Health Advocate General Revenues	495,010
8	Elementary and Secondary Education	
9	<i>Administration of the Comprehensive Education Strategy</i>	
10	General Revenues	20,418,574
11	Federal Funds	
12	Federal Funds	192,750,465
13	Federal Funds – Stimulus	7,727,747
14	RTTT LEA Share	6,379,521
15	Restricted Receipts	1,269,741
16	HRIC Adult Education Grants	3,500,000
17	Other Funds	
18	Rhode Island Capital Plan Funds	
19	State-Owned Cranston	400,000
20	State-Owned Warwick	950,000
21	State-Owned Woonsocket	1,844,364
22	Total – Administration of the Comprehensive Education Strategy	235,240,412
23	<i>Davies Career and Technical School</i>	
24	General Revenues	12,240,174
25	Federal Funds	
26	Federal Funds	1,319,532
27	Federal Funds – Stimulus	42,099
28	Restricted Receipts	4,050,538
29	Other Funds	
30	Rhode Island Capital Plan Funds	
31	Davies HVAC	1,237,345
32	Davies Asset Protection	194,962
33	Total – Davies Career and Technical School	19,084,650
34	<i>RI School for the Deaf</i>	

1	General Revenues	5,929,824
2	Federal Funds	221,056
3	Federal Funds – Stimulus	55,514
4	Restricted Receipts	558,248
5	Other Funds	59,000
6	Total – RI School for the Deaf	6,823,642
7	Metropolitan Career and Technical School	
8	General Revenues	10,501,360
9	Other Funds	
10	Rhode Island Capital Plan Funds	
11	MET Asset Protection	100,000
12	MET School HVAC	1,160,657
13	Total – Metropolitan Career and Technical School	11,762,017
14	<i>Education Aid</i>	
15	General Revenues	759,595,856
16	Restricted Receipts	17,575,445
17	Other Funds	
18	Permanent School Fund – Education Aid	300,000
19	Total – Education Aid	777,471,301
20	<i>Central Falls School District</i> General Revenues	39,036,247
21	<i>Housing Aid</i> General Revenues	67,949,504
22	<i>Teachers' Retirement</i> General Revenues	89,529,396
23	Grand Total – Elementary and Secondary Education	1,246,897,169
24	Public Higher Education	
25	<i>Office of Postsecondary Commissioner</i>	
26	General Revenues	4,566,270
27	Federal Funds	5,092,287
28	Total – Office of Postsecondary Commissioner	9,658,557
29	<i>University of Rhode Island</i>	
30	General Revenue	
31	General Revenues	69,292,680
32	The University of Rhode Island shall maintain tuition charges in the 2014 – 2015	
33	academic year at the same level as the 2013 – 2014 academic year. The University shall not	
34	decrease internal student financial aid in the 2014 – 2015 academic year below the level of the	

1 2013 – 2014 academic year. The President of the institution shall report, prior to the
2 commencement of the 2014-2015 academic year, to the chair of the Rhode Island Board of
3 Education that such tuition charges and student aid levels have been achieved at the start of FY
4 2015 as prescribed above.

5	Debt Service	20,903,400
6	State Crime Laboratory	1,035,888
7	Other Funds	
8	University and College Funds	612,113,492
9	Debt – Dining Services	1,110,746
10	Debt – Education and General	3,180,567
11	Debt – Health Services	136,814
12	Debt – Housing Loan Funds	10,625,414
13	Debt – Memorial Union	314,538
14	Debt – Ryan Center	2,798,531
15	Debt – Alton Jones Services	103,078
16	Debt – Parking Authority	949,029
17	Debt – Sponsored Research	94,572
18	Debt – URI Energy Conservation	2,460,718
19	Rhode Island Capital Plan Funds	
20	Asset Protection	7,520,000
21	Fire and Safety Protection	3,250,000
22	Nursing Education Center	700,000
23	Electric Substation	7,000,000
24	Total – University of Rhode Island	743,589,467

25 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
26 unencumbered balances as of June 30, 2015 relating to the University of Rhode Island are hereby
27 reappropriated to fiscal year 2016.

28 *Rhode Island College*

29 General Revenues

30	General Revenues	42,911,103
----	------------------	------------

31 Rhode Island College shall maintain tuition charges in the 2014 – 2015 academic year at
32 the same level as the 2013 – 2014 academic year. The College shall not decrease internal student
33 financial aid in the 2014 – 2015 academic year below the level of the 2013 – 2014 academic year.
34 The President of the institution shall report, prior to the commencement of the 2014-2015

1 academic year, to the chair of the Rhode Island Board of Education that such tuition charges and
2 student aid levels have been achieved at the start of FY 2015 as prescribed above.

3	Debt Service	4,450,296
4	Other Funds	
5	University and College Funds	112,190,914
6	Debt – Education and General	883,664
7	Debt – Housing	2,054,108
8	Debt – Student Center and Dining	172,600
9	Debt – Student Union	234,963
10	Debt – G.O. Debt Service	1,641,626
11	Rhode Island Capital Plan Funds	
12	Asset Protection	2,963,548
13	Infrastructure Modernization	3,871,317
14	Total – Rhode Island College	171,374,139

15 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
16 unencumbered balances as of June 30, 2015 relating to Rhode Island College are hereby
17 reappropriated to fiscal year 2016.

18 *Community College of Rhode Island*

19 General Revenues

20	General Revenues	45,882,495
----	------------------	------------

21 The Community College of Rhode Island shall maintain tuition charges in the 2014 –
22 2015 academic year at the same level as the 2013 – 2014 academic year. The College shall not
23 decrease internal student financial aid in the 2014 – 2015 academic year below the level of the
24 2013 – 2014 academic year. The President of the institution shall report, prior to the
25 commencement of the 2014-2015 academic year, to the chair of the Rhode Island Board of
26 Education that such tuition charges and student aid levels have been achieved at the start of FY
27 2015 as prescribed above.

28	Debt Service	1,912,779
29	Restricted Receipts	644,000
30	Other Funds	
31	University and College Funds	102,754,282
32	Debt – Bookstore	27,693
33	CCRI Debt Service – Energy Conservation	807,475
34	Rhode Island Capital Plan Funds	

1	Asset Protection	2,138,305
2	Knight Campus Renewal	2,000,000
3	Total – Community College of RI	156,167,029
4	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or	
5	unencumbered balances as of June 30, 2015 relating to the Community College of Rhode Island	
6	are hereby reappropriated to fiscal year 2016.	
7	Grand Total – Public Higher Education	1,080,789,192
8	RI State Council on the Arts	
9	General Revenues	
10	Operating Support	428,501
11	Grants	1,054,574
12	Federal Funds	799,348
13	Other Funds	
14	Art for Public Facilities	632,536
15	Grand Total – RI State Council on the Arts	2,914,959
16	RI Atomic Energy Commission	
17	General Revenues	913,197
18	Other Funds	
19	URI Sponsored Research	257,977
20	RICAP - RINSC Asset Protection	100,000
21	Grand Total – RI Atomic Energy Commission	1,271,174
22	RI Higher Education Assistance Authority	
23	General Revenues	
24	Authority Operations and Other Grants	147,000
25	Federal Funds	
26	Federal Funds	10,680,967
27	WaytoGoRI Portal	650,000
28	Guaranty Agency Reserve Fund	4,134,726
29	The \$2,634,726 expended from the Guaranty Agency Reserve Fund shall be used for RIHEAA	
30	need-based scholarships and grants.	
31	Other Funds	
32	Tuition Savings Program – Needs Based Grants and Work Opportunities	8,000,000
33	Tuition Savings Program – Administration	334,268
34	Grand Total – RI Higher Education Assistance Authority	23,946,961

1	RI Historical Preservation and Heritage Commission	
2	General Revenues	1,320,610
3	Federal Funds	2,183,588
4	Restricted Receipts	434,910
5	Other Funds	
6	RIDOT Project Review	70,868
7	RICAP - Eisenhower House Asset Protection	1,900,000
8	Grand Total – RI Historical Preservation and Heritage Commission	5,909,976
9	Attorney General	
10	<i>Criminal</i>	
11	General Revenues	14,475,192
12	Federal Funds	1,634,631
13	Restricted Receipts	10,332,721
14	Total – Criminal	26,442,544
15	<i>Civil</i>	
16	General Revenues	4,816,217
17	Restricted Receipts	917,187
18	Total – Civil	5,733,404
19	<i>Bureau of Criminal Identification</i> General Revenues	1,542,124
20	<i>General</i>	
21	General Revenues	2,773,613
22	Other Funds	
23	RICAP - Building Renovations and Repairs	300,000
24	Total – General	3,073,613
25	Grand Total – Attorney General	36,791,685
26	Corrections	
27	<i>Central Management</i>	
28	General Revenues	9,070,974
29	Federal Funds	117,996
30	Restricted Receipts	344,240
31	Total – Central Management	9,533,210
32	<i>Parole Board</i>	
33	General Revenues	1,275,799
34	Federal Funds	38,000

1	Total – Parole Board	1,313,799
2	<i>Custody and Security</i>	
3	General Revenues	118,747,911
4	Federal Funds	810,713
5	Total – Custody and Security	119,558,624
6	<i>Institutional Support</i>	
7	General Revenues	15,726,066
8	Other Funds	
9	Rhode Island Capital Plan Funds	
10	Asset Protection	3,750,000
11	Maximum – General Renovations	715,433
12	General Renovations Women's	850,000
13	Bernadette Guay Roof	1,203,112
14	ISC Exterior Envelope and HVAC	3,933,749
15	Minimum Security Kitchen Expansion	4,160,392
16	Medium Infrastructure	4,833,931
17	Dix Building Plumbing and Bathroom Renovations	80,821
18	Total – Institutional Support	35,253,504
19	<i>Institutional Based Rehab./Population Management</i>	
20	General Revenues	8,972,305
21	Federal Funds	619,476
22	Restricted Receipts	29,164
23	Total – Institutional Based Rehab/Population Mgt.	9,620,945
24	<i>Healthcare Services General Revenues</i>	18,916,896
25	<i>Community Corrections</i>	
26	General Revenues	15,035,529
27	Federal Funds	68,518
28	Restricted Receipts	25,475
29	Total – Community Corrections	15,129,522
30	Grand Total – Corrections	209,326,500
31	Judiciary	
32	<i>Supreme Court</i>	
33	General Revenues	
34	General Revenues	26,220,642

1	Defense of Indigents	3,542,240
2	Federal Funds	151,954
3	Restricted Receipts	2,465,781
4	Other Funds	
5	Rhode Island Capital Plan Funds	
6	Judicial HVAC	525,000
7	Judicial Complexes Asset Protection	825,000
8	Total - Supreme Court	33,730,617
9	<i>Judicial Tenure and Discipline</i> General Revenues	115,513
10	<i>Superior Court</i>	
11	General Revenues	22,144,027
12	Federal Funds	47,552
13	Restricted Receipts	302,378
14	Total – Superior Court	22,493,957
15	<i>Family Court</i>	
16	General Revenues	19,245,592
17	Federal Funds	1,709,741
18	Total – Family Court	20,955,333
19	<i>District Court</i>	
20	General Revenues	11,508,535
21	Restricted Receipts	292,802
22	Total – District Court	11,801,337
23	<i>Traffic Tribunal</i> General Revenues	8,760,119
24	<i>Workers' Compensation Court</i> Restricted Receipts	7,712,640
25	Grand Total – Judiciary	105,569,516
26	Military Staff	
27	General Revenues	1,842,096
28	Federal Funds	14,779,178
29	Restricted Receipts	442,800
30	Other Funds	
31	Rhode Island Capital Plan Fund	
32	Armory of Mounted Command Roof Replacement	300,000
33	State Armories Fire Code Compliance	10,000
34	Asset Protection	700,000

1	Logistics/Maintenance Facilities Fire Code Compliance	5,000
2	Benefit Street Arsenal Rehabilitation	375,000
3	Grand Total – Military Staff	18,454,074
4	Public Safety	
5	<i>Central Management</i>	
6	General Revenues	1,176,284
7	Federal Funds	4,096,105
8	Restricted Receipts	20,000
9	Total – Central Management	5,292,389
10	<i>E-911 Emergency Telephone System</i> General Revenues	5,428,479
11	<i>State Fire Marshal</i>	
12	General Revenues	2,746,455
13	Federal Funds	94,000
14	Restricted Receipts	498,854
15	Other Funds	
16	Rhode Island Capital Plan Funds	
17	Fire Academy	1,934,500
18	Quonset Development Corporation	57,335
19	Total – State Fire Marshal	5,331,144
20	<i>Security Services</i> General Revenues	21,751,650
21	<i>Municipal Police Training Academy</i>	
22	General Revenues	245,379
23	Federal Funds	397,400
24	Total – Municipal Police Training Academy	642,779
25	<i>State Police</i>	
26	General Revenues	63,945,787
27	Federal Funds	2,306,770
28	Restricted Receipts	12,345,000
29	Other Funds	
30	Rhode Island Capital Plan Funds	
31	Barracks and Training	4,127,659
32	Headquarters Repairs/Rehabilitation	737,800
33	Traffic Enforcement – Municipal Training	134,500
34	Lottery Commission Assistance	1,399,683

1	Airport Corporation	176,206
2	Road Construction Reimbursement	2,935,000
3	Total – State Police	88,108,405
4	Grand Total – Public Safety	126,554,846
5	Office of Public Defender	
6	General Revenues	11,130,816
7	Federal Funds	248,864
8	Grand Total – Office of Public Defender	11,379,680
9	Emergency Management	
10	General Revenues	1,959,858
11	Federal Funds	18,273,640
12	Restricted Receipts	221,729
13	Other Funds	
14	Rhode Island Capital Plan Fund	
15	Hurricane Sandy Cleanup	167,000
16	Grand Total – Emergency Management	20,622,227
17	Environmental Management	
18	<i>Office of the Director</i>	
19	General Revenues	
20	General Revenues	5,020,153
21	Permit Streamlining	33,414
22	Federal Funds	150,000
23	Restricted Receipts	2,884,372
24	Total – Office of the Director	8,087,939
25	<i>Natural Resources</i>	
26	General Revenues	19,244,615
27	Federal Funds	21,348,128
28	Restricted Receipts	4,138,036
29	Other Funds	
30	DOT Recreational Projects	1,114,278
31	Blackstone Bikepath Design	2,059,795
32	Transportation MOU	78,579
33	Rhode Island Capital Plan Funds	
34	Dam Repair	1,500,000

1	Fort Adams Rehabilitation	300,000
2	Fort Adams America's Cup	3,000,000
3	Recreational Facilities Improvements	3,500,000
4	Galilee Piers Upgrade	2,000,000
5	Newport Piers	100,000
6	World War II Facility	2,600,000
7	Blackstone Valley Bike Path	659,170
8	Rocky Point Acquisition/Renovations	3,400,000
9	Total – Natural Resources	65,042,601
10	<i>Environmental Protection</i>	
11	General Revenues	11,241,923
12	Federal Funds	10,361,483
13	Restricted Receipts	8,912,581
14	Other Funds	
15	Transportation MOU	165,000
16	Total – Environmental Protection	30,680,987
17	Grand Total – Environmental Management	103,811,527
18	Coastal Resources Management Council	
19	General Revenues	2,185,538
20	Federal Funds	1,774,143
21	Restricted Receipts	250,000
22	Rhode Island Capital Plan Funds	
23	South Coast Restoration Project	450,000
24	Shoreline Change Beach SAMP	300,000
25	Grand Total – Coastal Resources Mgmt. Council	4,959,681
26	Transportation	
27	<i>Central Management</i>	
28	Federal Funds	9,199,986
29	Other Funds	
30	Gasoline Tax	1,770,720
31	Total – Central Management	10,970,706
32	<i>Management and Budget Other Funds Gasoline Tax</i>	2,242,961
33	<i>Infrastructure Engineering - GARVEE/Motor Fuel Tax Bonds</i>	
34	Federal Funds	325,726,490

1 Of these federal funds, \$1,790,000 is appropriated to the Public Rail Corporation from
 2 CMAQ federal funds for the payment of liability insurance.

3	Federal Funds – Stimulus	17,188,279
4	Restricted Receipts	12,352,761
5	Other Funds	
6	Gasoline Tax	68,064,896
7	Land Sale Revenue	21,300,002
8	Rhode Island Capital Funds	
9	RIPTA Land and Buildings	223,529
10	Highway Project Match Plan	27,650,000
11	Total - Infrastructure Engineering – GARVEE	472,505,957

12 *Infrastructure Maintenance*

13	Other Funds	
14	Gasoline Tax	30,790,922
15	Non-Land Surplus Property	10,000
16	Outdoor Advertising	150,000
17	Rhode Island Capital Plan Funds	
18	Maintenance Facilities Improvements	500,000
19	Salt Storage Facilities	1,000,000
20	Portsmouth Facility	500,000
21	Maintenance Equipment Replacement	2,500,000
22	Train Station Maintenance and Repairs	200,000
23	Cooperative Maintenance Facility DOT/RIPTA	500,000
24	Mass Transit Preliminary Conceptual Design	250,000
25	Total – Infrastructure Maintenance	36,400,922
26	Grand Total – Transportation	522,120,546

27 **Statewide Totals**

28	General Revenues	3,445,950,836
29	Federal Funds	3,086,759,793
30	Restricted Receipts	282,305,536
31	Other Funds	1,962,443,788
32	Statewide Grand Total	8,777,459,953

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

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

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

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

23	Account	Expenditure Limit
24	State Assessed Fringe Benefit Internal Service Fund	37,123,794
25	Administration Central Utilities Internal Service Fund	14,244,902
26	State Central Mail Internal Service Fund	5,617,173
27	State Telecommunications Internal Service Fund	4,080,029
28	State Automotive Fleet Internal Service Fund	13,733,063
29	Surplus Property Internal Service Fund	2,500
30	Health Insurance Internal Service Fund	250,127,757
31	Other Post-Employment Benefits Fund	63,934,483
32	Capital Police Internal Service Fund	1,060,301
33	Corrections Central Distribution Center Internal Service Fund	6,739,558
34	Correctional Industries Internal Service Fund	7,704,793

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

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

SECTION 7. Appropriation of Temporary Disability Insurance Funds -- There is hereby appropriated pursuant to sections 28-39-5 and 28-39-8 of the Rhode Island General Laws all funds required to be disbursed for the benefit payments from the Temporary Disability Insurance Fund and Temporary Disability Insurance Reserve Fund for the fiscal year ending June 30, 2015.

SECTION 8. Appropriation of Employment Security Funds -- There is hereby appropriated pursuant to section 28-42-19 of the Rhode Island General Laws all funds required to be disbursed for benefit payments from the Employment Security Fund for the fiscal year ending June 30, 2015.

SECTION 9. Appropriation of Lottery Division Funds -- There is hereby appropriated to the Lottery Division any funds required to be disbursed by the Lottery Division for the purposes of paying commissions or transfers to the prize fund for the fiscal year ending June 30, 2015.

SECTION 10. 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 the 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, Senate Finance Committee, the House Fiscal Advisor and the

1 Senate Fiscal Advisor.

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

5 FY 2015 FTE POSITION AUTHORIZATION

6	Departments and Agencies	Full-Time Equivalent
7	Administration	710.7
8	Business Regulation	94.0
9	Labor and Training	410.0
10	Revenue	498.0
11	Legislature	298.5
12	Office of the Lieutenant Governor	8.0
13	Office of the Secretary of State	57.0
14	Office of the General Treasurer	83.0
15	Board of Elections	11.0
16	Rhode Island Ethics Commission	12.0
17	Office of the Governor	45.0
18	Commission for Human Rights	14.5
19	Public Utilities Commission	50.0
20	Office of Health and Human Services	184.0
21	Children, Youth, and Families	670.5
22	Health	491.3
23	Human Services	959.1
24	Behavioral Health, Developmental Disabilities, and Hospitals	1,422.4
25	Office of the Child Advocate	6.0
26	Commission on the Deaf and Hard of Hearing	3.0
27	Governor's Commission on Disabilities	4.0
28	Office of the Mental Health Advocate	3.7
29	Elementary and Secondary Education	154.9
30	School for the Deaf	60.0
31	Davies Career and Technical School	126.0
32	Office of Postsecondary Commissioner	12.8

33 Provided that 1.0 of the total authorization would be available only for positions that are
34 supported by third-party funds.

1	University of Rhode Island	2,456.5
2	Provided that 573.8 of the total authorization would be available only for positions that are	
3	supported by third-party funds.	
4	Rhode Island College	923.6
5	Provided that 82.0 of the total authorization would be available only for positions that are	
6	supported by third-party funds.	
7	Community College of Rhode Island	854.1
8	Provided that 94.0 of the total authorization would be available only for positions that are	
9	supported by third-party funds.	
10	Rhode Island State Council on the Arts	6.0
11	RI Atomic Energy Commission	8.6
12	Higher Education Assistance Authority	22.0
13	Historical Preservation and Heritage Commission	16.6
14	Office of the Attorney General	236.1
15	Corrections	1,419.0
16	Judicial	726.3
17	Military Staff	85.0
18	Public Safety	633.2
19	Office of the Public Defender	93.0
20	Emergency Management	32.0
21	Environmental Management	399.0
22	Coastal Resources Management Council	29.0
23	Transportation	752.6
24	Total	15,082.0

25 SECTION 11. The amounts reflected in this Article include the appropriation of Rhode
26 Island Capital Plan funds for fiscal year 2015 and supersede appropriations provided for FY 2015
27 within Section 11 of Article 1 of Chapter 144 of the P.L. of 2013.

28 The following amounts are hereby appropriated out of any money in the State's Rhode
29 Island Capital Plan Fund not otherwise appropriated to be expended during the fiscal years ending
30 June 30, 2016, June 30, 2017, June 30, 2018, and June 30, 2019. These amounts supersede
31 appropriations provided within Section 11 of Article 1 of Chapter 144 of the P.L. of 2013. For the
32 purposes and functions hereinafter mentioned, the State Controller is hereby authorized and
33 directed to draw his or her orders upon the General Treasurer for the payment of such sums and
34 such portions thereof as may be required by him or her upon receipt of properly authenticated

1	vouchers.				
2		Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
3		Ending	Ending	Ending	Ending
4	<u>Project</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
5	DOA-Big River Management Area	120,000	120,000	120,000	120,000
6	DOA-Cannon Building	150,000	150,000	300,000	300,000
7	DOA-Environmental Compliance	200,000	200,000	200,000	200,000
8	DOA-Fire Code Compliance –				
9	State Buildings	500,000	500,000	500,000	500,000
10	DOA-Old State House	800,000	800,000	0	0
11	DOA-Pastore Center Buildings				
12	Demolition	1,025,000	975,000	1,200,000	0
13	DOA-Pastore Center - Fire Code				
14	Compliance	500,000	500,000	500,000	500,000
15	DOA-Pastore Medical Center				
16	Rehab	2,300,000	650,000	250,000	50,000
17	DOA-Utilities Upgrades	1,400,000	0	0	0
18	DOA- Statehouse Renovations	3,000,000	4,000,000	2,400,000	1,000,000
19	DOA-State Office Building	600,000	2,800,000	0	0
20	DOA-Washington County				
21	Government Center	475,000	350,000	350,000	0
22	DOA-William Powers				
23	Administration Building	180,000	925,000	440,000	500,000
24	DOA-Zambarano Utilities and				
25	Infrastructure	550,000	1,000,000	750,000	250,000
26	DLT-Center General Asset				
27	Protection	1,500,000	1,200,000	1,000,000	0
28	DHS- Blind Vending Facilities	165,000	165,000	165,000	165,000
29	BHDDH-Eleanor Slater Hospital				
30	Consolidation	0	0	10,000,000	10,000,000
31	ELSEC-Davies School Asset				
32	Protection	250,000	250,000	250,000	250,000
33	ELSEC-Met School Asset Protection	100,000	100,000	100,000	0
34	ELSEC-Warwick Career and				

1	Technical	950,000	600,000	0	0
2	ELSEC-Woonsocket Career and				
3	Technical	808,088	300,000	0	0
4	Higher Ed-Asset Protection-CCRI	2,184,100	2,232,100	2,299,063	2,368,035
5	Higher Ed-Asset Protection-RIC	3,080,400	3,357,700	3,458,431	3,562,184
6	Higher Ed-Asset Protection-URI	5,482,900	7,856,000	8,030,000	8,200,000
7	Higher Ed-CCRI Knight Campus				
8	Renewal	2,000,000	5,000,000	11,000,000	0
9	Higher Ed-RIC Infrastructure				
10	Modernization	2,000,000	3,000,000	3,500,000	2,000,000
11	AG-Building Renovations and				
12	Repairs	300,000	300,000	400,000	400,000
13	DOC-Asset Protection	4,020,000	4,000,000	4,000,000	4,990,000
14	Judicial-Judicial Complexes Asset				
15	Protection	850,000	875,000	950,000	950,000
16	Judicial-Judicial Complexes HVAC	750,000	900,000	900,000	900,000
17	Military Staff-Armory of Mounted				
18	Commands	357,500	550,000	0	0
19	Military Staff-Emergency				
20	Management Building	1,500,000	0	0	0
21	Military Staff-Asset Protection	700,000	700,000	700,000	700,000
22	DEM-Dam Repair	750,000	1,000,000	1,550,000	1,500,000
23	DEM-Fort Adams Rehabilitation	125,000	0	0	0
24	DEM-Fort Adams Sailing				
25	Improvements	1,400,000	0	0	0
26	DEM-Newport Piers	137,500	137,500	0	0
27	DEM-Recreation Facilities				
28	Improvements	2,850,000	2,250,000	1,500,000	500,000
29	DOT-Highway Projects Match				
30	Plan	28,200,000	27,200,000	27,200,000	27,200,000
31	DOT-Maintenance Facilities				
32	Asset Protection	500,000	500,000	500,000	500,000
33	DOT-Salt Storage Facilities	1,000,000	1,000,000	1,000,000	1,000,000
34	SECTION 12. Reappropriation of Funding for Rhode Island Capital Plan Fund Projects.				

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

7 SECTION 13. For the Fiscal Year ending June 30, 2015, the Rhode Island Housing and
8 Mortgage Finance Corporation shall provide from its resources such sums as appropriate in
9 support of the Neighborhood Opportunities Program. The Corporation shall provide a report
10 detailing the amount of funding provided to this program, as well as information on the number
11 of units of housing provided as a result to the Director of Administration, the Chair of the
12 Housing Resources Commission, the Chair of the House Finance Committee, the Chair of the
13 Senate Finance Committee and the State Budget Officer.

14 SECTION 14. Notwithstanding any general laws to the contrary, the Office of the
15 Attorney General shall transfer \$600,000 from the lead paint settlement to the Housing Resources
16 Commission restricted receipts account.

17 SECTION 15. This article shall take effect as of July 1, 2014.

18
19
20
21
22

1 **ARTICLE 2**

2 RELATING TO STATE AID

3 SECTION 1. Sections 45-13.2-4 and 45-13.2-6 of the General Laws in Chapter 45-13.2
4 entitled "Municipal Incentive Aid" is hereby amended to read as follows:

5 **45-13.2-4. State Aid Incentive Program appropriated.** – There are hereby appropriated
6 funds for a state aid program entitled "Municipal Incentive Aid Program." For fiscal year 2014,
7 fiscal year 2015 and fiscal year 2016, the amount of five million dollars (\$5,000,000) shall be
8 appropriated, ~~and an amount of ten million dollars (\$10,000,000) will be requested for~~
9 ~~appropriation for fiscal year 2015 and for fiscal year 2016~~. Municipal Incentive Aid shall be
10 administered and managed by the division of municipal finance within the department of revenue.

11 **45-13.2-6. Distributions.** -- (a) Municipal Incentive Aid described in this chapter shall be
12 distributed to eligible municipalities on the basis of the most recent population estimate for each
13 municipality as a share of the total state population reported by the U.S. Department of
14 Commerce, Bureau of the Census as of January 1 in the year of the payment. Such payments shall
15 be made to eligible communities in March ~~2014, March 2015, and March 2016~~ of each year to the
16 extent that funds are appropriated.

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

26 (c) For fiscal ~~years~~ year 2015 ~~and 2016~~ and each fiscal year thereafter that municipal
27 incentive aid is distributed to eligible municipalities under this chapter, municipalities shall be
28 eligible to receive aid under this chapter, if: (1) the municipality has no locally-administered
29 pension; or (2) the municipality has transitioned all locally-administered pension plans into
30 MERS by June 30, 2014; or (3) the municipality had notified plan participants, beneficiaries and

1 others pursuant to chapter 45-65 and had submitted to the state's department of revenue a FIP,
2 pursuant to chapter 45-65, for every locally-administered pension plan and each submitted FIP
3 meets the guidelines of the Study Commission on Locally-Administered Pension Plans created
4 pursuant to section 45-65-8 or otherwise applicable guidelines or regulations and each FIP has
5 been approved by the plan sponsor and the local governing body; or (4) the municipality has
6 implemented the original recommended FIP or an amended FIP pursuant to chapter 45-65 within
7 one month after the close of the fiscal year and made the required funding payment (formerly
8 referred to as Annually Required Contribution, or ARC) in compliance with the municipality's
9 adopted FIP(s) and the funding guidelines established by the Pension Study Commission ~~eighteen~~
10 ~~(18) months after an actuary has certified that a locally-administered plan is in critical status for a~~
11 ~~plan year;~~ and the FIPs are approved by the plan sponsor and the local governing body; or (5)
12 there existed a locally-administered pension plan in that municipality, but either: (i) no FIP was
13 required pursuant to chapter 45-65 and either: (A) the municipality is funding one hundred
14 percent (100%) of its required funding payment; Annually Required Contribution (ARC) or (B)
15 the municipality has a funded ratio of one hundred percent (100%) or greater; or (ii) FIP is
16 required pursuant to chapter 45-65, however, the due date for the FIP submission or
17 implementation is after the March payment of this municipal incentive aid.

18 (d) ~~In any fiscal year that a municipality does not receive an appropriation under this~~
19 ~~chapter, the amount that would have been allocated to the municipality will be distributed in the~~
20 ~~month of May among the other eligible municipalities for that fiscal year, on the basis of the most~~
21 ~~recent population estimate for each municipality as a share of the total state population reported~~
22 ~~by the U.S. Department of Commerce, Bureau of the Census. For fiscal year 2014, and in any~~
23 year thereafter that a municipality is not eligible to receive a distribution under this chapter, the
24 distribution that said municipality would have received had it been eligible shall be
25 reappropriated to the immediately following fiscal year, at which time the amount reappropriated
26 shall be distributed to said municipality provided that said municipality has satisfied the
27 eligibility requirements of both the prior fiscal year and the then current fiscal year. In the event
28 that said municipality fails to satisfy the eligibility requirements for the prior and the then current
29 fiscal year by the time that eligibility to receive distributions in the next fiscal year is determined,
30 then the amount that would have been distributed to the municipality for said prior year will be
31 distributed in the month of May among the municipalities that received a distribution in the prior
32 fiscal year, with the share to be received by each municipality calculated in the same manner as
33 distributions were calculated in the prior fiscal year.

34 SECTION 2. Section 45-13-5.1 of the General Laws in Chapter 45-13 entitled "State

1 Aid" is hereby amended to read as follows:

2 **45-13-5.1. General assembly appropriations in lieu of property tax from certain**
3 **exempt private and state properties.** -- (a) In lieu of the amount of local real property tax on

4 real property owned by any private nonprofit institution of higher education, or any nonprofit
5 hospital facility, or any state owned and operated hospital, veterans' residential facility, or
6 correctional facility occupied by more than one hundred (100) residents which may have been or
7 will be exempted from taxation by applicable state law, exclusive of any facility operated by the
8 federal government, the state of Rhode Island, or any of its subdivisions, the general assembly
9 shall annually appropriate for payment to the several cities and towns in which the property lies a
10 sum equal to twenty-seven percent (27%) of all tax that would have been collected had the
11 property been taxable.

12 (b) As used in this section, "private nonprofit institution of higher education" means any
13 institution engaged primarily in education beyond the high school level, the property of which is
14 exempt from property tax under any of the subdivisions, and "nonprofit hospital facility" means
15 any nonprofit hospital licensed by the state and which is used for the purpose of general medical,
16 surgical, or psychiatric care and treatment.

17 (c) The grant payable to any municipality under the provision of this section shall be
18 equal to twenty-seven percent (27%) of the property taxes which, except for any exemption to
19 any institution of higher education or general hospital facility, would have been paid with respect
20 to that exempt real property on the assessment list in the municipality for the assessment date of
21 December 31, 1986 and with respect to such exempt real property appearing on an assessment list
22 in the municipality on succeeding assessment dates. Provided however that the grant paid for the
23 fiscal year ending June 30, 2008 shall be based upon the assessment list in the municipality as of
24 December 31, 2004.

25 (d) The state budget offices shall include the amount of the annual grant in the state
26 budget for the fiscal year commencing July 1, 1988 and each fiscal year thereafter. The amount of
27 the annual grant payable to each municipality in any year in accordance with this section shall be
28 reduced proportionately in the event that the total of the annual grants in any year exceeds the
29 amount appropriated that year for the purposes of this section.

30 ~~(e) Distribution of appropriations shall be made by the state on or before July 31 of 1988~~
31 ~~and each July 31 thereafter, and the payments may be counted as a receivable by any city or town~~
32 ~~for a fiscal year ending the preceding June 30.~~

33 (e) Distribution of appropriations shall be made by the state on July 31 in the year of
34 payment or on the date immediately following verified receipt of a municipality's assessment data

1 [for the following fiscal year's payment, whichever is later.](#)

2 (f) Any act or omission by the state with respect to this chapter shall in no way diminish
3 the duty of any town or municipality to provide public safety or other ordinary services to the
4 properties or facilities of the type listed in subsection (a).

5 (g) Provided, that payments authorized pursuant to this section shall be reduced pro rata,
6 for that period of time that the municipality suspends or reduces essential services to eligible
7 facilities. For the purposes of this section "essential services" include, but are not to be limited to,
8 police, fire and rescue.

9 SECTION 3. This article shall take effect as of July 1, 2014 and section 1 of this article
10 shall apply retroactively to July 1, 2103.

1 **ARTICLE 3**

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 [Executive Office of Health and Human Services](#)

15 [Organ Transplant Fund](#)

16 [HIV Care Grant Drug Rebates](#)

17 Department of Human Services

18 Veterans' home – Restricted account

19 Veterans' home – Resident benefits

20 Pharmaceutical Rebates Account

21 Demand Side Management Grants

22 ~~Organ transplant fund~~

23 Veteran's Cemetery Memorial Fund

24 [Donations- New Veterans' Home Construction](#)

25 Department of Health

26 Providence Water Lead Grant

27 Pandemic medications and equipment account

28 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals

29 Eleanor Slater non-Medicaid third-party payor account

30 Hospital Medicare Part D Receipts

1 RICLAS Group Home Operations
2 Commission on the Deaf and Hard of Hearing
3 Emergency and public communication access account
4 Department of Environmental Management
5 National heritage revolving fund
6 Environmental response fund II
7 Underground storage tanks registration fees
8 Rhode Island Historical Preservation and Heritage Commission
9 Historic preservation revolving loan fund
10 Historic Preservation loan fund – Interest revenue
11 Department of Public Safety
12 Forfeited property – Retained
13 Forfeitures – Federal
14 Forfeited property – Gambling
15 Donation – Polygraph and Law Enforcement Training
16 Rhode Island State Firefighter's League Training Account
17 Fire Academy Training Fees Account
18 Attorney General
19 Forfeiture of property
20 Federal forfeitures
21 Attorney General multi-state account
22 Forfeited property – Gambling
23 Department of Administration
24 Office of Management and Budget
25 Information Technology Investment Fund
26 Restore and replacement – Insurance coverage
27 Convention Center Authority rental payments
28 Investment Receipts – TANS
29 Car Rental Tax/Surcharge-Warwick Share
30 [Housing Resources Commission Restricted Account](#)
31 Legislature
32 Audit of federal assisted programs
33 Department of Children, Youth and Families
34 Children's Trust Accounts – SSI

- 1 Military Staff
- 2 RI Military Family Relief Fund
- 3 RI National Guard Counterdrug Program
- 4 Treasury
- 5 Admin. Expenses – State Retirement System
- 6 Retirement – Treasury Investment Options
- 7 Violent Crimes Compensation – Refunds
- 8 Treasury Research Fellowship
- 9 Business Regulation
- 10 Banking Division Reimbursement Account
- 11 Office of the Health Insurance Commissioner Reimbursement Account
- 12 Securities Division Reimbursement Account
- 13 Commercial Licensing and Racing and Athletics Division Reimbursement Account
- 14 Insurance Division Reimbursement Account
- 15 Historic Preservation Tax Credit Account
- 16 Judiciary
- 17 Arbitration Fund Restricted Receipt Account
- 18 Third Party Grants
- 19 Department of Elementary and Secondary Education
- 20 Statewide Student Transportation Services Account
- 21 School for the Deaf Fee for Service Account
- 22 Davies Career and Technical School Local Education Aid Account
- 23 Department of Labor and Training
- 24 Job Development Fund ~~– Title XII loans principal and interest~~
- 25 Department of Transportation
- 26 Rhode Island Highway Maintenance Account

27 SECTION 2. Section 30-24-6 of the General Laws in Chapter 30-24 entitled "Rhode
 28 Island Veterans' Home" is hereby amended to read as follows:

29 **30-24-6. Acceptance of gifts – Veterans' home restricted account.** – (a) The director of
 30 human services is hereby authorized and empowered to take and receive in the name of the state
 31 any grant, devise, gift, or bequest of real or personal property that may be made for the use and
 32 benefit of the Rhode Island veterans' home or the residents or purposes thereof. All money so
 33 received, and all money received under the provisions of §§ 30-24-9 and 30-24-10, shall be paid
 34 over to the general treasurer and shall be kept by him or her as a restricted account to be known as

1 the "veterans' home restricted account". Use of the "veterans' home restricted account" funds may
2 only be made upon prior approval of the house of representatives' finance committee and senate
3 finance committee. The director may sell and dispose of any real or personal property received
4 under this section, and any property received under § 30-24-9, and the proceeds of the sale shall
5 be paid over to the general treasurer to be made a part of the restricted account. The restricted
6 account shall be used for the improvement of social, recreational, and educational programs,
7 including the purchase of educational and recreational supplies and equipment for the welfare of
8 members and for operational expenses and capital improvements at the veterans' home and
9 veterans' cemetery, as deemed necessary by the director of human services.

10 (b) [Deleted by P.L. 1999, ch. 11, section 5.]

11 (c) Notwithstanding the provisions of subsection (a) of this section, there is hereby
12 established a restricted receipt account within the general fund of the state for the sole purpose of
13 the collection and disbursement of any grant, devise, gift, or bequest of real or personal property
14 that may be made for the use and benefit of the design, construction, and furnishing of a new
15 Rhode Island veterans home in Bristol. This account shall be known as "donations- new veterans'
16 home construction".

17 SECTION 3. Chapter 42-7.2 of the General Laws entitled "Office of Health and Human
18 Services" is hereby amended by adding thereto the following section:

19 **42-7.2-19. HIV Care Grant rebate account.** – (a) There is hereby created within the
20 executive office of health and human services a restricted receipt account to be known as the HIV
21 Care Grant rebate account to receive and expend pharmaceutical rebates on HIV treatment and
22 prevention services.

23 (b) All amounts deposited in the HIV Care Grant rebate account on or after July 1, 2014,
24 shall be exempt from the indirect cost recovery provisions of § 35-4-27.

25 SECTION 4. This article shall take effect as of January 1, 2014.

ARTICLE 4

RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS

SECTION 1. This article consists of joint resolutions that are submitted pursuant to Rhode Island General Laws § 35-18-1, et seq.

SECTION 2 Garrahy Courthouse Parking Project.

WHEREAS, given the prime geographic location of the Garrahy Courthouse surface parking lot site and its current limitations to adequately serve the Courthouse and surrounding buildings; and

WHEREAS, given the results of the Garrahy Courthouse Parking Garage Conceptual Analysis presented to a Special Legislative Commission for the Garrahy Parking Garage in January, 2014 which identifies development of the current site into a multi-level parking garage as a way to alleviate parking demand in the area and to spur economic activity; and

WHEREAS, the I-195 Redevelopment District Commission (“Commission”) has the principal responsibility for developing the surplus land from the relocation of Interstate 195 (“the Link”) to promote economic development through the best use of nearby freed-up parcels; and

WHEREAS, the Commission has indicated that adequate structured parking is essential to the development of the Link and that authorization for construction of a garage will assist it in attracting interest in parcels of land; and

WHEREAS, the State would enter into an agreement with the Convention Center Authority to develop, construct and operate a garage on the Garrahy Courthouse parking lot site; and

WHEREAS, the project costs associated with the construction of a garage is estimated at forty-five million dollars (\$45,000,000) based on industry guidelines of \$31,250 per parking space for 1,250 spaces, plus costs for build out of retail space on the first floor and costs associated with the financing. Debt service payments on the bonds are not expected to exceed seventy-eight million five hundred thousand dollars (\$78,500,000) in the aggregate based on an average interest rate of six percent (6.0%), with annual debt service payments expected to be approximately three million, nine hundred twenty-five thousand dollars (\$3,925,000) over a twenty (20) year term, now, therefore be it

RESOLVED, that the State is authorized to effectuate the development of the garage, to

1 lease or sell the surface lot adjacent to the Garrahy Courthouse to the Convention Center
2 Authority, to enter into a long-term parking lease for court employees and other state employees,
3 as appropriate, and to enter into appropriate agreements including financing arrangements that
4 would permit the development and operation of the garage by the Convention Center Authority;
5 and be it further

6 RESOLVED, that no debt shall be issued by the Convention Center Authority until such
7 time that the Commission certifies to the State and the Authority that it has entered into at least
8 three (3) purchase and sale agreements for parcels of land under its control, excluding parcels 6, 8
9 and 9; and be it further

10 RESOLVED, that the Department of Administration may advance from the Rhode Island
11 Capital Plan Fund ("Fund") an amount not to exceed five hundred thousand dollars (\$500,000)
12 for preliminary architectural and engineering work on the planned garage, the sum of which shall
13 be repaid to the Fund upon issuance of the debt by the Convention Center Authority, and be it
14 further

15 RESOLVED, that the general assembly hereby authorizes the Convention Center
16 Authority to issue debt in accordance with its authority under Chapter 42-99 of the General Laws
17 in an amount not to exceed forty-five million dollars (\$45,000,000) to finance the construction of
18 a parking garage at the current site of the Garrahy surface parking lot providing approximately
19 1,250 parking spaces and 13,800 square feet of retail space on the ground level; and further

20 RESOLVED, that this Joint Resolution shall take effect immediately upon its passage by
21 this General Assembly; and further

22 RESOLVED, that this Resolution shall apply to debt issued within five (5) years of the
23 date of passage of this Resolution.

24 SECTION 3. Rhode Island Airport Corporation.

25 WHEREAS, the Rhode Island Commerce Corporation is a public instrumentality of the
26 State of Rhode Island (the "State"), created by the General Assembly pursuant to Rhode Island
27 General Laws §§ 42-64-1 et seq. (as enacted, reenacted and amended, the "Act"); and

28 WHEREAS, the Act declares, in part, that new industrial, manufacturing, recreational,
29 and commercial facilities are required to attract and house new industries and thereby reduce the
30 hazards of unemployment; and that unaided efforts of private enterprises have not met and cannot
31 meet the needs of providing those facilities due to problems encountered in assembling suitable
32 building sites, lack of adequate public service, unavailability of private capital for development,
33 and the inability of private enterprise alone to plan, finance, and coordinate industrial,
34 recreational, and commercial development; and

1 WHEREAS, the Act further declares it to be the public policy of the state to furnish
2 proper and adequate airport facilities within the state and to encourage the integration of these
3 facilities so far as practicable; and

4 WHEREAS, in furtherance of these goals, it is the policy of the state to retain existing
5 industries and to induce, encourage and attract new industries through the acquisition,
6 construction, reconstruction and rehabilitation of industrial, manufacturing, recreational, and
7 commercial facilities, as well as transportation, residential, environmental, utility, public service,
8 institutional and civic and community facilities, and to develop sites for such facilities; and

9 WHEREAS, the Act has empowered the Rhode Island Commerce Corporation to
10 establish subsidiary corporations to exercise its powers and functions, or any of them, and,
11 pursuant to such power, the Rhode Island Commerce Corporation has established the Rhode
12 Island Airport Corporation to plan, develop, construct, finance, manage, and operate airport
13 facilities in the state; and

14 WHEREAS, the Act provides that the Rhode Island Airport Corporation shall have the
15 power to purchase, take, receive, lease or otherwise acquire, own, hold, improve, use and
16 otherwise deal in and with, real or personal property, or any interest therein, wherever situated;
17 and

18 WHEREAS, the Act also provides that the Rhode Island Airport Corporation shall have
19 the power to sell, mortgage, lease, exchange, transfer or otherwise dispose of or encumber any
20 project, (or in the case of a sale, to accept a purchase money mortgage in connection therewith) or
21 to grant options for any such purposes with respect to any real or personal property or interest
22 therein, all of the foregoing for such consideration as the Rhode Island Airport Corporation shall
23 determine. Any lease by the Rhode Island Airport Corporation to another party may be for such
24 part of the Rhode Island Airport Corporation's property, real or personal, for such period, upon
25 such terms or conditions, with or without an option on the part of the lessee to purchase any or all
26 of the leased property for such consideration, at or after the retirement of all indebtedness
27 incurred by the Rhode Island Airport Corporation on account thereof, as the Rhode Island Airport
28 Corporation shall determine; and

29 WHEREAS, the Act authorizes the Rhode Island Commerce Corporation to borrow
30 money and issue bonds for any of its corporate purposes; and

31 WHEREAS, pursuant to Rhode Island General Laws Sections 35-18-3 and 35-18-4, the
32 Rhode Island Commerce Corporation has requested the approval of the General Assembly of the
33 Rhode Island Commerce Corporation's issuance of airport revenue bonds (the "Bonds") for the
34 purpose of providing funds to the Rhode Island Airport Corporation for financing the various

1 capital projects including by way of example and not limitation runway and taxiway
2 improvements and facility developments on the premises, the provision of architectural,
3 engineering, surveying, construction management and other professional services necessary or
4 appropriate therefore, funding capitalized interest, costs of issuing the Bonds and related costs,
5 and the establishment of reserves for the project and the Bonds, including a debt service reserve
6 fund (the "Airport Project"); and

7 WHEREAS, the financing of the Airport Project will be accomplished through one or
8 more loan agreements having the Rhode Island Airport Corporation as borrower, such agreement
9 or agreements to require that the Rhode Island Airport Corporation make loan payments in an
10 amount equal to the debt service on the Bonds.

11 RESOLVED, the General Assembly hereby approves the Rhode Island Commerce
12 Corporation's issuance of the Bonds (as defined below) and notes in anticipation thereof. The
13 Bonds will be special obligations of the Rhode Island Commerce Corporation payable exclusively
14 from loan repayments under a loan agreement with the Rhode Island Airport Corporation and
15 from Bond proceeds, funds, accounts, and properties and the proceeds thereof pledged therefor,
16 and thus the Rhode Island Commerce Corporation's maximum liability will be limited to loan
17 repayments received under the loan agreement and the aggregate amount of such other funds,
18 accounts, properties, and proceeds.

19 RESOLVED, that the total amount of debt approved to be issued in the aggregate shall be
20 limited to not more than \$60,000,000 (the "Bonds"). Total debt service on the Bonds is not
21 expected to exceed approximately \$4,600,000 annually and approximately \$135,000,000 in the
22 aggregate based on anticipated level annual payments, an estimated average interest rate of 6.25%
23 and a maturity of 30 years.

24 RESOLVED, the General Assembly hereby approves the Rhode Island Airport
25 Corporation's entering into the loan agreements described above. Payments under the loan
26 agreements shall be derived exclusively from project revenues and such other proceeds, funds,
27 accounts, projects and the proceeds thereof as the Rhode Island Airport Corporation may pledge
28 therefor.

29 RESOLVED, the Bonds or the amounts due under the loan agreements shall not
30 constitute indebtedness of the State or a debt for which the full faith and credit of the State is
31 pledged or a moral obligation thereof.

32 RESOLVED, that this resolution shall apply to debt issued within two (2) years of the
33 date of passage of this resolution.

34 SECTION 4. Rhode Island Refunding Bond Authority Bonds.

1 WHEREAS, the Rhode Island Depositors Economic Protection Corporation ("DEPCO"),
2 was created by the General Assembly pursuant to the Rhode Island General Laws § 42-116-1 et
3 seq.; and

4 WHEREAS, all of the remaining outstanding DEPCO Bonds have been defeased
5 pursuant to various escrow agreements; and

6 WHEREAS, because of declines in interest rates, certain of the remaining outstanding
7 DEPCO Bonds can be called and refunded with savings accruing to the State; and

8 WHEREAS, DEPCO can no longer issue refunding bonds since it was dissolved and
9 terminated pursuant to the provisions of Rhode Island General Laws § 42-116-25; and

10 WHEREAS, the Rhode Island Refunding Bond Authority (the "Refunding Bond
11 Authority") was created by the General Assembly pursuant to Rhode Island General Laws § 35-
12 8.1-1 et seq., initially to authorize the refunding of certain State General Obligation Bonds that
13 could not otherwise be refunded without a new referendum; and

14 WHEREAS, the General Assembly desires to authorize the Refunding Bond Authority to
15 refund certain DEPCO Bonds in order to accrue the benefits of savings to the State, now,
16 therefore, be it

17 RESOLVED, the General Assembly approves the issuance of up to \$35,000,000 in
18 Bonds by the Refunding Bond Authority (the "Bonds") to refund a portion of DEPCO's remaining
19 outstanding \$138,835,000 Rhode Island Economic Protection Corporation Special Obligation
20 Refunding Bonds, 1992 Series B, and the Refunding Bond Authority is authorized to proceed
21 with the financing, provided that payment of the debt service on the Bonds shall be fully secured
22 by non-callable direct obligations of the United States of America, or non-callable obligations
23 fully guaranteed as to principal and interest by the United States of America, and

24 RESOLVED, savings accruing from the refunding shall be transferred to and shall vest in
25 the State's sinking fund established under Rhode Island General Laws § 35-8-1 et seq. and as
26 provided in Rhode Island General Laws § 42-116-25, and

27 RESOLVED, the Governor is authorized to enter into agreements with the Refunding
28 Bond Authority to effectuate the savings to the State. None of such agreements or the Bonds shall
29 constitute indebtedness of the State or a debt for which the full faith and credit of the State is
30 pledged or a moral obligation thereof, and

31 RESOLVED, that this joint resolution shall take effect immediately upon passage by the
32 general assembly.

33 SECTION 5. Section 35-8.1-8 of the General Laws in Chapter 35-8.1 entitled "Refunding
34 Bond Authority" is hereby amended to read as follows:

1 **35-8.1-8. General powers.** -- To carry out the purposes of this chapter, the authority has
2 the power to:

3 (1) Sue and be sued;

4 (2) Adopt and have an official seal and alter the seal at its pleasure;

5 (3) Make and alter bylaws, rules, and regulations for the conduct of its affairs and
6 business;

7 (4) Maintain an office at such place or places within the state as it may determine;

8 (5) Acquire, hold, use, and dispose of its revenue income, funds, and moneys;

9 (6) Acquire, purchase, hold, and use any property, real, personal or mixed, tangible or
10 intangible, or any interest therein necessary or desirable for carrying out the purposes of the
11 authority, and to mortgage, lease, or sell any of the property; and (without limitation of the
12 foregoing) to lease as lessee, any property, real, personal, or mixed, or any interest therein to
13 lease as lessor to the federal government, the state, and any municipality any project of the
14 authority, and to sell, transfer, and convey to any lessee or to any other person upon such terms
15 and conditions and for such considerations as the authority shall determine.

16 (7) Borrow money, issue its bonds, provide for and secure the payment thereof, and
17 provide for the rights of the holders thereof, and purchase, hold, and dispose of any of its bonds;

18 (8) Lend money for its purposes, invest and reinvest its funds, and, at its option, take and
19 hold property, real or personal, as security for the payment of funds so loaned and invested,
20 except that at no time will the authority take and hold property of the state as security for the
21 payment of funds so loaned;

22 (9) Accept, in furtherance of its purposes, appropriations, gifts, or grants of property,
23 funds, money, materials, labor, supplies, or services from the United States of America or the
24 state or any other state or agencies or departments thereof, or from any governmental unit or any
25 person, firm, or corporation, and to carry out the terms or provisions or make agreements with
26 respect to those appropriations, gifts, or grants, and to do any and all things necessary, useful,
27 desirable, or convenient in connection with the procurement, acceptance, or disposition of those
28 appropriations, gifts, or grants;

29 (10) Do and perform any acts and things authorized by this chapter under, through, or by
30 means of its officers or consultants or by contracts with any person, firm, or corporation;

31 (11) Make, enter into, and enforce all contracts or agreements necessary, convenient, or
32 desirable for the purposes of the authority or pertaining to any loan to the state or to the
33 performance of its duties and execution or carrying out of any of its powers under this chapter;

34 (12) Purchase any bond or interest rate insurance and establish such credit or liquidity

1 enhancement arrangements with financial institutions as the authority shall deem advisable;

2 (13) Invest any funds or moneys of the authority in the same manner as permitted for
3 investment of funds belonging to the state or held in the state treasury; and

4 (14) Do all acts and things necessary, convenient, or desirable to carry out the powers
5 expressly granted or necessarily implied in this chapter;

6 (15) Acquire by purchase, lease, or otherwise, and to construct, improve, equip, furnish,
7 maintain, repair, and operate projects, and to establish rules and regulations for the use of any
8 project;

9 (16) Rent such space in such public facilities as from time to time may not be needed by
10 any governmental entity to any person for such other purposes as the authority may determine
11 and upon such terms and in such manner as the authority may determine;

12 (17) Employ, in its discretion, planning, architectural, or engineering consultants,
13 attorneys, accountants, construction, and financial experts, superintendents, managers, and such
14 other officers, employees and agents as may be necessary in its judgment, and to fix their
15 compensation;

16 (18) Fix and revise from time to time, subject to the provisions of this chapter, and to
17 charge and collect fees, rentals, and other charges for the use of the facilities of, or for the
18 services rendered by, the authority or projects thereof, at rates to be determined by the authority,
19 for the purpose of providing for the payment of the expenses of the authority, the acquisition,
20 construction, improvement, repair, equipping, furnishing, maintenance, and operation of its
21 facilities and properties, the payment of the principal of and interest on its obligations, and to
22 fulfill the terms and provisions of any agreements made with the purchasers or holders of any
23 obligations;

24 (19) Without limitation of the foregoing, to borrow money from, to receive, and accept
25 grants for or in aid of construction or acquisition of projects authorized under this chapter from,
26 and to enter into contracts, leases, or other transactions with, any federal agency; and to receive
27 and accept from the state or any municipality, and from any other source, aid or contributions of
28 either money, property, labor, or other things of value, to be held, used, and applied only for the
29 purposes for which the grants and contributions may be made;

30 (20) Combine for financing purposes any two (2) or more projects authorized to be
31 acquired or constructed under the provisions of this chapter;

32 (21) Be a promoter, partner, member, owner, associate, or manager of any partnership,
33 condominium, or other enterprise or venture;

34 (22) Acquire in the name of the authority by purchase or otherwise, on such terms and

1 conditions and in such manner as it may deem proper, or by the exercise of the rights of
2 condemnation in the manner hereinafter provided, such public or private lands, including public
3 parks, playgrounds, or reservations, or parts thereof or rights therein, rights of way, property,
4 rights, easements, and interests as it may deem necessary for carrying out the provisions of this
5 chapter; provided, however, that all public property damaged in carrying out the powers granted
6 by this chapter shall be restored or repaired and placed in its original condition as nearly as
7 practicable.

8 (23)(i) Issue bonds and notes of the type and for those projects and for those purposes
9 specified in any Joint Resolution of the general assembly enacted by the Rhode Island house of
10 representatives and the Rhode Island senate pursuant to section 18 of title 35 of the general laws
11 entitled "Rhode Island Public Corporation Debt Management Act," which project and purposes
12 specified in such Joint Resolution shall constitute a "project" within the meaning of this chapter;
13 and

14 (ii) To enter into such agreements, to deliver such instruments, and to take such other
15 actions as it shall deem necessary or desirable to effectuate the financing of such project.

16 SECTION 6. (a) The Tobacco Settlement Financing Corporation (the "Corporation"),
17 which was established pursuant to Rhode Island general laws chapter 42-133 (as amended and
18 supplemented, the "Tobacco Settlement Financing Corporation Act"), is authorized to raise
19 additional money pursuant to the Tobacco Settlement Financing Corporation Act through the
20 issuance of its bonds and to apply net bond proceeds:

21 (i) For payment to the state of Rhode Island in an amount at least equal to twenty million
22 dollars (\$20,000,000);

23 (ii) For payment of the redemption price and/or the tender price of outstanding bonds of
24 the Corporation that are to be retired; and

25 (iii) To establish reserves to secure the bonds, and pay the costs of issuance of the bonds
26 and all other expenditures of the Corporation incident to and necessary to carry out the
27 Corporation's purposes and powers.

28 (b) To implement and effectuate the purposes of this act, the Governor, acting by and
29 through state general officers, state departments, agencies and the Corporation, is hereby
30 authorized and empowered to:

31 (1) Effectuate a transaction pursuant to the provisions of the Tobacco Settlement
32 Financing Corporation Act, which authorizes and governs the issuance of Bonds, as such term is
33 defined in the Tobacco Settlement Financing Corporation Act, for the purposes described in this
34 act;

1 (2) Cooperate with the Corporation in the amendment of existing bond documentation,
2 which actions by the Corporation are hereby authorized in order to carry out the purposes
3 described in this act, including facilitation of payment to the state of amounts in one or more
4 installments, as a current payment of the state's residual interest in and to the "state's tobacco
5 receipts", as such term is defined in the Tobacco Settlement Financing Corporation Act, including
6 disputed amounts withheld from payment to the state and subsequently released to the state;

7 (3) Distribute the proceeds of amounts payable to the state pursuant to this act, provided
8 that the allocation of funds shall be made by the general assembly pursuant to the annual
9 appropriation process; and

10 (4) Take such additional actions, or enter into such additional agreements, as may be
11 necessary or desirable to effectuate the purposes of this act.

12 (c) The Tobacco Settlement Financing Trust, a fund established pursuant to section 42-
13 133-9, shall receive all amounts payable to the state pursuant to this act.

14 SECTION 7. The Corporation shall make the following transfers from the Tobacco
15 Settlement Financing Trust:

16 (1) Five million dollars (\$5,000,000) to the state general fund;

17 (2) Five million dollars (\$5,000,000) to the municipal road and bridge revolving fund,
18 established pursuant to § 24-18-4 of the Rhode Island general laws; and

19 (3) All remaining net bond proceeds to the information technology investment fund,
20 established pursuant to § 42-11-2.5 of the Rhode Island general laws.

21 SECTION 8. Nursing Education Center for the University of Rhode Island College of
22 Nursing and the Rhode Island College School of Nursing in the South Street Power Station
23 Building (also referred to within as South Street Landing).

24 WHEREAS, the University of Rhode Island (the "University") and Rhode Island College
25 (the "College") offer undergraduate, graduate, and certificate academic programs in Nursing
26 through the University's College of Nursing and the College's School of Nursing with teaching,
27 research, and outreach that benefits students seeking exceptional education and training in the
28 nursing profession, as well as Rhode Island medical institutions and patient care settings where
29 nurses practice; and

30 WHEREAS, the Board of Governors for Higher Education supported a Nursing
31 Education Center, to be shared by the University and the College, in the Board's Capital
32 Improvement Program in FY 2010; and

33 WHEREAS, the Rhode Island General Assembly requested in June 2010 that a feasibility
34 study be performed to define the objectives of the project and to refine both the space

1 requirements, specific sites, and comparative development methods for the project, resulting in
2 the completion of the "Feasibility Study for a Rhode Island Nursing Education Center" in May
3 2011; and

4 WHEREAS, in that study, the University and the College examined both the Nursing
5 program needs to educate and train an increasing number of nurses to fulfill the future workforce
6 needs of the State and the conceptual design of a shared facility, including the availability of
7 technology rich, simulation-based instructional settings, preferably offering a "Smart Hospital"
8 configuration, for upper class undergraduate and graduate nursing education in the former
9 Jewelry District in downtown Providence, Rhode Island. This would meet those needs as an
10 alternative to two independent projects to renovate and expand existing buildings for the
11 University's College of Nursing and the College's School of Nursing, proposed by both programs
12 independently in FY 2010 on their respective main campuses in Kingston, Rhode Island and in
13 Providence, Rhode Island; and

14 WHEREAS, the location within the former Jewelry District was well supported for its
15 opportunities for collaboration and economic growth with proximity to the State's major medical
16 and hospital facilities, higher education institutions, access to multiple transportation modes, and
17 the State's and the City of Providence's desire to see development and business activity expand in
18 the area; and

19 WHEREAS, during the 2013 General Assembly Session, an opportunity emerged for the
20 realization of the Nursing Education Center in a co-tenancy with Brown University as part of a
21 private developer lease project, led by Commonwealth Ventures of Boston, Massachusetts, for
22 the former South Street Power Station Building in the core of the former Jewelry District.
23 Nonbinding resolutions were issued individually by the House and the Senate during the 2013
24 Legislative Session, encouraging and supporting the efforts of the Board of Education and the
25 Department of Administration to locate a Nursing Education Center at the South Street Power
26 Station Building in Providence; and

27 WHEREAS, the University, the College, and the Board of Education, together with the
28 Department of Administration, have worked as a collective team in the evaluation of the
29 planning, design, and structure of the developer's project, and in negotiation of the financial and
30 legal terms of the Lease Agreement; and

31 WHEREAS, the team, utilizing five hundred thousand dollars (\$500,000) in Rhode Island
32 Capital Plan Fund financing, dedicated for professional services support to the Nursing Education
33 Center in the budget for FY 2014, has been supported by legal counsel, an owners' agent project
34 manager, and specialized consultants; and

1 WHEREAS, the team and its consultants have conducted its planning, design and
2 negotiating in consultation with Brown University; and

3 WHEREAS, at a meeting duly noticed on March 11, 2014, the State Properties
4 Committee provided approval to negotiate a lease for the Nursing Education Center at the former
5 South Street Power Station Building; and

6 WHEREAS, the Department of Administration has proposed a Lease (the "Proposed
7 Lease Agreement"), with a term of fifteen (15) years, with an option to extend the lease for a
8 period not to exceed two (2) years, for approximately one hundred thirty two thousand four
9 hundred forty-nine (132,449) square feet of space on the first, second, and a portion of the third
10 floor of the planned renovated and expanded former South Street Power Station Building for the
11 Nursing Education Center. The term of the Lease Agreement is anticipated to begin on July 1,
12 2016; and

13 WHEREAS, the Proposed Lease Agreement would require the Board of Education to
14 pay:

15 (1) Base Rent for the proportionate share of the core building design, renovation and
16 construction expenses of fourteen dollars (\$14.00) per square foot, or one million eight hundred
17 fifty five thousand dollars (\$1,855,000) annually during the first five (5) years of the lease term;

18 (2) Tenant Improvement Rent for the anticipated cost of developer financing, design, and
19 construction of the Nursing Education Center space, presently estimated at eighteen dollars and
20 eighty-one cents (\$18.81) per square foot per year, or an average of two million four hundred
21 ninety one thousand dollars (\$2,491,000) annually for each year of the lease term, the exact
22 amount to be determined in accordance with a formula in the Lease Agreement; and

23 (3) Additional Rent for the proportionate share of the actual building operating,
24 maintenance, and metered utility expenses, estimated at twelve dollars and seventy-five cents
25 (\$12.75) per square foot, or one million six hundred eighty nine thousand dollars (\$1,689,000) for
26 the first year following the commencement of occupancy; and

27 WHEREAS, the Base Rent under the Proposed Lease Agreement would increase to
28 fifteen dollars and twelve cents (\$15.12) per square foot in years six (6) through ten (10), sixteen
29 dollars and thirty-three cents (\$16.33) per square foot for years eleven (11) through fifteen (15),
30 and seventeen dollars and fifteen cents (\$17.15) during the Option Period. During the Option
31 Period, the Tenant Improvement Rent would be reduced to zero dollars (\$0.00). The Operating
32 Expense Rent and metered utilities would be adjusted annually, based on a reconciliation of
33 estimated costs and actual costs; and

34 WHEREAS, the Proposed Lease Agreement provides that, during lease year six (6) and

1 after the end of lease year twelve (12), the Board of Education would have an option to purchase,
2 as a condominium unit, that portion of the building leased for the Nursing Education Center,
3 exercise of such option and the financing thereof subject to General Assembly approval; and

4 WHEREAS, the State shall be responsible for paying the Base Rent and the Tenant
5 Improvement Rent, and the Board of Education shall fairly apportion the Additional Rent
6 between the University and the College; and

7 WHEREAS, the Proposed Lease Agreement provides that no rent is payable until:

8 (1) the renovation and construction of the South Street Landing Project is completed;

9 (2) the developer has secured a certificate of occupancy for the Building, including
10 specifically the Nursing Education Center space; and

11 (3) the Nursing Education Center space is determined to be completed according to the
12 project specifications and terms of the Proposed Lease Agreement; now, therefore, be it

13 RESOLVED, that this General Assembly hereby approves the Proposed Lease
14 Agreement for the Nursing Education Center for the space in the former South Street Power
15 Station Building for a term not to exceed seventeen (17) years and at a total cost not to exceed
16 thirty four million six hundred forty-one thousand dollars (\$34,641,000) for the Base Rent; and an
17 amount not to exceed twenty-five million dollars (\$25,000,000), plus the applicable interest and
18 financing costs for the Tenant Improvement Rent; and Additional Rent for the proportionate share
19 of operating and maintenance expenses and metered utilities; and be it further

20 RESOLVED, that this Joint Resolution shall take effect upon passage by the General
21 Assembly; and be it further

22 RESOLVED, that the Secretary of State is hereby authorized and directed to transmit
23 duly certified copies of this resolution to the Governor, the Chair of the Board of Education, the
24 Director of Administration, the State Budget Officer, and the Chair of the State Properties
25 Committee.

26 SECTION 9. Public Finance Debt Management Act Authorization for Alternative Direct
27 State Financing of the Cost of the Tenant Improvements for the Nursing Education Center as an
28 Alternative and Substitution for the Developer Financing Offered as part of the Lease Agreement.

29 WHEREAS, the Department of Administration's Proposed Lease Agreement grants to the
30 Board of Education the right to finance the Tenant Improvements itself, without availing itself of
31 the provision of developer financing as contemplated in the Proposed Lease Agreement, if such
32 an alternative method is determined to be advantageous and in the best interest of Board of
33 Education and the State; and

34 WHEREAS, the exercise of the Board of Education's option to finance the Tenant

1 Improvements will thereby eliminate Tenant Improvement Rent (encompassing construction and
2 design costs) during the term of the Proposed Lease Agreement, provided that the proceeds of
3 such financing are available to the developer no earlier than the rent commencement date in the
4 Proposed Lease Agreement which is when the renovation and construction of the South Street
5 Landing Project is completed and the developer has secured a certificate of occupancy for the
6 Building, including specifically the Nursing Education Center space, and the Nursing Education
7 Center space is determined to be completed according to the project specifications and terms of
8 the Proposed Lease Agreement and no later than six (6) months thereafter; and

9 WHEREAS, the alternative Tenant Improvement project costs to be financed for the
10 Nursing Education Center are anticipated not to exceed twenty-five million dollars (\$25,000,000),
11 plus costs associated with the issuance of such financing; and

12 WHEREAS, the term of such financing would not exceed fifteen (15) years, with
13 provisions made in the structure of the financing to permit early payment of the outstanding
14 amount of such financing, if the option to purchase in the Proposed Lease Agreement is approved
15 and executed during either of the two (2) time periods when such an option is exercisable under
16 the Lease Agreement; and

17 WHEREAS, because of the use of Federal Historic Preservation Tax Credits applicable
18 to the Tenant Improvement work for the Nursing Education Center, taxable rate financing must
19 be employed at a rate not expected to exceed eight percent (8.0%); and

20 WHEREAS, the resulting annual debt service associated with the state financing of the
21 Nursing Education Center is expected not to exceed three million eight hundred three thousand
22 dollars (\$3,803,000) annually and forty eight million two hundred four thousand dollars
23 (\$48,204,000) for the duration of an up to fifteen (15) year term; now, therefore, be it

24 RESOLVED, that the General Assembly hereby approves alternative financing not to
25 exceed twenty-five million five hundred thousand dollars (\$25,500,000), including twenty-five
26 million dollars (\$25,000,000) for the estimated Tenant Improvement Project Costs and five
27 hundred thousand dollars (\$500,000) for the estimated cost of financing; and be it further

28 RESOLVED, that this Joint Resolution shall take effect immediately upon its passage by
29 the General Assembly and shall be limited to debt issued prior to January 1, 2018.

30 SECTION 10. Public Finance Debt Management Act Authorization for the
31 lease/purchase of Equipment, Fixtures and Furnishings Associated with the occupancy and
32 conduct of Nursing Education Programs by the University and the College in the Nursing
33 Education Center spaces in the South Street Landing Project.

34 WHEREAS, the University's College of Nursing and the College's Nursing School, and

1 personnel from both institutions who support networking and instructional technology have
2 worked closely with the developer's architectural team on the complement and configuration of
3 the instructional, simulation, and practice lab configuration of spaces through the schematic
4 design phase of the Nursing Education Center facilities, with the objective of achieving a
5 technology rich, realistic, high-caliber learning and training experience for nursing undergraduate
6 students, graduate students, and those practicing nurses seeking higher levels of certification and
7 training; and

8 WHEREAS, the manner in which the facilities are furnished and equipped is an
9 extremely important aspect of assuring that the completed and occupied Nursing Education
10 Center exceeds the educational and training expectations of students and faculty when it opens
11 and into the future with opportunities for expanded use by other higher education institutions,
12 hospitals, and medical institutions for medical students, pharmacy students, physician assistant
13 students, medical technician trainees, as well as nurses in a simulated "Smart Hospital" physician
14 offices, and home care settings; and

15 WHEREAS, the initial and continuing success of a teaching and learning center such as
16 this is highly dependent upon the quality and sophistication of the equipment, including
17 computerized mannequins, interactive audio/visual, realistic hospital beds with support systems,
18 and video recording systems to enable post training review and critique of experiential learning
19 experiences; fixtures; and furnishings that are acquired and deployed to outfit both the formal
20 teaching and simulation facilities, as well as the traditional classrooms, gathering, meeting and
21 faculty office spaces; and

22 WHEREAS, architects and consultants on the developer's design team focusing on the
23 Nursing Education Center have provided a detailed inventory and pricing analysis of the
24 equipment, fixtures, and furnishings, on a room-by-room basis, recommended to meet the
25 objectives of the shared Nursing Education Center; and

26 WHEREAS, the investment in technology, equipment, fixtures and furnishings is
27 projected to cost ten million fifty thousand dollars (\$10,050,000) and the intent is to secure
28 lease/purchase financing through the issuance of certificates of participation in order to spread the
29 cost of that investment over ten (10) fiscal years, at an anticipated non-taxable interest rate
30 estimated not to exceed seven percent (7.0%); and

31 WHEREAS, the resulting annual debt service associated with the state financing of the
32 technology, equipment, fixtures and furnishing is expected not to exceed one million four
33 hundred ninety-seven thousand dollars (\$1,497,000) annually and fourteen million nine hundred
34 fifty thousand dollars (\$14,950,000) for the duration of the term of financing; now, therefore, be

1 RESOLVED, that the General Assembly hereby approves lease/purchase financing not to
2 exceed ten million five hundred thousand dollars (\$10,500,000), including ten million fifty
3 thousand dollars (\$10,050,000) for the estimated cost of technology, equipment, fixtures and
4 furnishings and four hundred fifty thousand dollars (\$450,000) for the estimated cost of
5 financing; and be it further

6 RESOLVED, that this Joint Resolution shall take effect immediately upon its passage by
7 the General Assembly and shall be limited to debt issued prior to January I , 2018.

8 SECTION 11. This article shall take effect upon passage.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

ARTICLE 5

RELATING TO CAPITAL DEVELOPMENT PROGRAM

SECTION 1. **Proposition to be submitted to the people.** -- At the general election to be held on the Tuesday next after the first Monday in November 2014, there shall be submitted to the people for their approval or rejection the following proposition:

"Shall the action of the general assembly, by an act passed at the January 2014 session, authorizing the issuance of bonds, refunding bonds, and temporary notes of the state for the capital projects and in the amount with respect to each such project listed below be approved, and the issuance of bonds, refunding bonds, and temporary notes authorized in accordance with the provisions of said act?"

Project

(1) Higher Education Facilities \$125,000,000

Approval of this question will allow the State of Rhode Island to issue general obligation bonds, refunding bonds, and temporary notes in an amount not to exceed one hundred twenty-five million dollars (\$125,000,000) to construct a new College of Engineering building and undertake supporting renovations. The new building will anchor the northwest corner of the Engineering Quadrangle on the Kingston Campus and provide contemporary and state-of-the-art instructional and research facilities. As part of this project, outdated engineering buildings will be taken out of service and razed.

(2) Creative and Cultural Economy \$35,000,000

Approval of this question will authorize the State of Rhode Island to issue general obligation bonds, refunding bonds, and temporary notes in an amount not to exceed thirty-five million dollars (\$35,000,000) to fund capital preservation and renovation projects for public and nonprofit artistic, performance centers, historic sites, museums and cultural art centers located throughout the State of Rhode Island, to be allotted as follows:

(a) Cultural Arts and the Economy Grant Program \$30,000,000

Provide funds for the a new Cultural Arts and the Economy Grant program to be administered by the Rhode Island State Council on the Arts for capital preservation and renovation projects for public and nonprofit artistic, performance centers and cultural art centers located throughout the State of Rhode Island.

1	1. Trinity Repertory Company	\$4,647,750
2	For the Lederer Theater and the Pell Chafee Performance Center, both in Providence,	
3	used for performance facilities, educational instruction, production and administration, including	
4	reimbursements of advances of up to \$1,500,000 expended for ongoing fire code upgrades.	
5	2. Rhode Island Philharmonic	\$2,390,250
6	For the Carter Center for Music Education and Performance in East Providence, used for	
7	music teaching, learning, performance and administration.	
8	3. Newport Performing Arts Center	\$4,216,800
9	For the Opera House in Newport for use as a multi-cultural performing arts and	
10	educational facility.	
11	4. United Theater/Westerly Land Trust	\$2,369,440
12	For the United Theater in Westerly for use as space for performing arts, fine arts	
13	showcase, arts instruction, cinema, public television station and program administration.	
14	5. The Chorus of Westerly	\$1,054,200
15	For the George Kent Performance Hall in Westerly for music and arts performance,	
16	teaching and rehearsal space, administrative and community function space.	
17	6. The Stadium Theater Conservatory in Woonsocket	\$2,108,400
18	For set construction, costuming, rehearsal, voice, acting and dance studios and	
19	administrative spaces.	
20	7. 2nd Story Theater	\$1,054,200
21	For performance venues in Warren, including concessions studio/classroom space, set	
22	construction shop and administrative offices.	
23	8. AS220	\$2,108,400
24	For AS220's facilities in downtown Providence used for performing arts, dance studio,	
25	youth and adult education, gallery and artist live/work space.	
26	9. WaterFire Providence	\$3,162,600
27	To develop a 27,000 square foot historic warehouse in the Valley/Olneyville	
28	neighborhood into its headquarters, multi-use community arts center, visitor center, education	
29	center and arts and creative industries incubator	
30	10. Other funds to be allocated by RISCA	\$6,887,960
31	For 1:1 matching grants to be allocated by the Rhode Island State Council on the Arts to	
32	501(c)(3) nonprofit cultural organizations which lease or own their performance space, and for	
33	RISCA's expenses in administering the program. In awarding such grants RISCA shall take into	
34	account financial need, the availability or actual expenditure of matching funds for the projects,	

1 available gifts or grants for projects, the amount square footage to be improved, the geographical
2 location and characteristics of audiences benefitted.

3 (b) State Preservation Grants Program \$5,000,000

4 Provide funds to cities, towns and non-profit organizations to preserve, renovate and
5 improve public and nonprofit historic sites, museums, and cultural art centers located in historic
6 structures in the State of Rhode Island to be administered by the Rhode Island Historical
7 Preservation and Heritage Commission.

8 (3) Mass Transit Hub Infrastructure \$35,000,000

9 Approval of this question will allow the State of Rhode Island to issue general obligation
10 bonds, refunding bonds, and temporary notes in an amount not to exceed thirty-five million
11 dollars (\$35,000,000) to fund enhancements and renovations to mass transit hub infrastructure
12 throughout the State of Rhode Island to improve access to multiple intermodal sites, key
13 transportation, healthcare, and other locations.

14 (4) Clean Water, Open Space, and Healthy Communities \$53,000,000

15 Approval of this question will allow the State of Rhode Island to issue general obligation
16 bonds, refunding bonds, and temporary notes in an amount not to exceed fifty-three million
17 dollars (\$53,000,000) for environmental and recreational purposes, to be allotted as follows:

18 (a) Brownfield Remediation and Economic Development \$5,000,000

19 Provides up to eighty percent (80%) matching grants to public, private, and/or non-profit
20 entities for brownfield remediation projects.

21 (b) Flood Prevention \$3,000,000

22 To provide grants to public and/or non-profit entities for project design and construction
23 grants for repairing and/or removing dams, restoring and/or improving resiliency of vulnerable
24 coastal habitats, and restoring rivers and stream floodplains.

25 (c) Farmland Acquisition \$3,000,000

26 Provides funds to protect the state's working farms.

27 (d) Local Recreation Grants \$4,000,000

28 Provides up to eighty percent (80%) matching grant funds to municipalities to acquire,
29 develop, or rehabilitate local recreational facilities to meet the growing needs for active
30 recreational facilities.

31 (e) Roger Williams Park Zoo \$15,000,000

32 Provides funds for improvements and renovations to the Roger Williams Park Zoo.

33 (f) Roger Williams Park \$3,000,000

34 Provides funds for improvements and renovations to the Roger Williams Park.

1 (g) Clean Water Finance Agency \$20,000,000

2 Provides funds to finance water pollution abatement infrastructure projects.

3 SECTION 2. **Ballot labels and applicability of general election laws.** -- The secretary
4 of state shall prepare and deliver to the state board of elections ballot labels for each of the
5 projects provided for in section 1 hereof with the designations "approve" or "reject" provided next
6 to the description of each such project to enable voters to approve or reject each such proposition.
7 The general election laws, so far as consistent herewith, shall apply to this proposition.

8 SECTION 3. **Approval of projects by people.** -- If a majority of the people voting on
9 the proposition provided for in section 1 hereof shall vote to approve the proposition as to any
10 project provided for in section 1 hereof, said project shall be deemed to be approved by the
11 people. The authority to issue bonds, refunding bonds and temporary notes of the state shall be
12 limited to the aggregate amount for all such projects as set forth in the proposition provided for in
13 section 1 hereof which has been approved by the people.

14 SECTION 4. **Bonds for capital development program.** -- The general treasurer is
15 hereby authorized and empowered with the approval of the governor and in accordance with the
16 provisions of this act, to issue from time to time capital development bonds in serial form in the
17 name and on behalf of the state in amounts as may be specified from time to time by the governor
18 in an aggregate principal amount not to exceed the total amount for all projects approved by the
19 people and designated as "capital development loan of 2014 bonds" provided, however, that the
20 aggregate principal amount of such capital development bonds and of any temporary notes
21 outstanding at any one time issued in anticipation thereof pursuant to section 7 hereof shall not
22 exceed the total amount for all such projects as have been approved by the people. All provisions
23 in this act relating to "bonds" shall also be deemed to apply to "refunding bonds".

24 Capital development bonds issued under this act shall be in denominations of one
25 thousand dollars (\$1,000) each, or multiples thereof, and shall be payable in any coin or currency
26 of the United States which at the time of payment shall be legal tender for public and private
27 debts. These capital development bonds shall bear such date or dates, mature at specified time or
28 times, but not beyond the end of the twentieth state fiscal year following the state fiscal year in
29 which they are issued, bear interest payable semi-annually at a specified rate or different or
30 varying rates, be payable at designated time or times at specified place or places, be subject to
31 expressed terms of redemption or recall, with or without premium, be in a form, with or without
32 interest coupons attached, carry such registration, conversion, reconversion, transfer, debt
33 retirement, acceleration and other provisions as may be fixed by the general treasurer, with the
34 approval of the governor, upon each issue of such capital development bonds at the time of each

1 issue. Whenever the governor shall approve the issuance of such capital development bonds, he
2 or she shall certify approval to the secretary of state; the bonds shall be signed by the general
3 treasurer and countersigned by the manual or facsimile signature of the secretary of state and
4 shall bear the seal of the state or a facsimile thereof. The approval of the governor shall be
5 endorsed on each bond so approved with a facsimile of his or her signature.

6 **SECTION 5. Refunding bonds for 2014 capital development program.** -- The general
7 treasurer is hereby authorized and empowered, with the approval of the governor and in
8 accordance with the provisions of this act, to issue from time to time bonds to refund the 2014
9 capital development program bonds in the name and on behalf of the state, in amounts as may be
10 specified from time to time by the governor in an aggregate principal amount not to exceed the
11 total amount approved by the people, to be designated as "capital development program loan of
12 2014 refunding bonds" (hereinafter "refunding bonds").

13 The general treasurer with the approval of the governor shall fix the terms and form of
14 any refunding bonds issued under this act in the same manner as the capital development bonds
15 issued under this act, except that the refunding bonds may not mature more than twenty (20)
16 years from the date of original issue of the capital development bonds being refunded.

17 The proceeds of the refunding bonds, exclusive of any premium and accrual interest and
18 net the underwriters' cost, and cost of bond insurance, shall, upon their receipt, be paid by the
19 general treasurer immediately to the paying agent for the capital development bonds which are to
20 be called and prepaid. The paying agent shall hold the refunding bond proceeds in trust until they
21 are applied to prepay the capital development bonds. While such proceeds are held in trust, they
22 may be invested for the benefit of the state in obligations of the United States of America or the
23 State of Rhode Island.

24 If the general treasurer shall deposit with the paying agent for the capital development
25 bonds the proceeds of the refunding bonds or proceeds from other sources amounts that, when
26 invested in obligations of the United States or the State of Rhode Island, are sufficient to pay all
27 principal, interest, and premium, if any, on the capital development bonds until these bonds are
28 called for prepayment, then such capital development bonds shall not be considered debts of the
29 State of Rhode Island for any purpose from the date of deposit of such moneys with the paying
30 agent. The refunding bonds shall continue to be a debt of the state until paid.

31 The term "bond" shall include "note", and the term "refunding bonds" shall include
32 "refunding notes" when used in this act.

33 **SECTION 6. Proceeds of capital development program.** -- The general treasurer is
34 directed to deposit the proceeds from the sale of capital development bonds issued under this act,

1 exclusive of premiums and accrued interest and net the underwriters' cost, and cost of bond
2 insurance, in one or more of the depositories in which the funds of the state may be lawfully kept
3 in special accounts (hereinafter cumulatively referred to as "such capital development bond
4 fund") appropriately designated for each of the projects set forth in section 1 hereof which shall
5 have been approved by the people to be used for the purpose of paying the cost of all such
6 projects so approved.

7 All monies in the capital development bond fund shall be expended for the purposes
8 specified in the proposition provided for in section 1 hereof under the direction and supervision of
9 the director of administration (hereinafter referred to as "director"). The director or his or her
10 designee shall be vested with all power and authority necessary or incidental to the purposes of
11 this act, including but not limited to, the following authority: (a) to acquire land or other real
12 property or any interest, estate or right therein as may be necessary or advantageous to
13 accomplish the purposes of this act; (b) to direct payment for the preparation of any reports, plans
14 and specifications, and relocation expenses and other costs such as for furnishings, equipment
15 designing, inspecting and engineering, required in connection with the implementation of any
16 projects set forth in section 1 hereof; (c) to direct payment for the costs of construction,
17 rehabilitation, enlargement, provision of service utilities, and razing of facilities, and other
18 improvements to land in connection with the implementation of any projects set forth in section 1
19 hereof; and (d) to direct payment for the cost of equipment, supplies, devices, materials and labor
20 for repair, renovation or conversion of systems and structures as necessary for 2014 capital
21 development program bonds or notes hereunder from the proceeds thereof. No funds shall be
22 expended in excess of the amount of the capital development bond fund designated for each
23 project authorized in section 1 hereof. With respect to the bonds and temporary notes described in
24 section 1, the proceeds shall be used for the following purposes:

25 Question 1 relating to bonds in the amount of one hundred twenty-five million dollars
26 (\$125,000,000) to be provided to the University of Rhode Island to construct a state-of-the-art
27 College of Engineering building and for supporting renovations and demolition of outdated
28 engineering buildings at the University of Rhode Island Kingston Campus.

29 Question 2 relating to bonds in the amount of thirty-five million dollars (\$35,000,000) for
30 capital preservation and renovation projects for public and non-profit artistic, performance
31 centers, historic sites, museums and cultural arts centers to be allocated as follows:

32 (a) Cultural Arts and the Economy Grant Program \$30,000,000

33 Provide funds for the a new Cultural Arts and the Economy Grant program to be
34 administered by the Rhode Island State Council on the Arts for capital preservation and

1 renovation projects for public and nonprofit artistic, performance centers and cultural art centers
2 located throughout the State of Rhode Island.

3 1. Trinity Repertory Company \$4,647,750

4 For the Lederer Theater and the Pell Chafee Performance Center, both in Providence,
5 used for performance facilities, educational instruction, production and administration, including
6 reimbursements of advances of up to \$1,500,000 expended for ongoing fire code upgrades.

7 2. Rhode Island Philharmonic \$2,390,250

8 For the Carter Center for Music Education and Performance in East Providence, used for
9 music teaching, learning, performance and administration.

10 3. Newport Performing Arts Center \$4,216,800

11 For the Opera House in Newport for use as a multi-cultural performing arts and
12 educational facility.

13 4. United Theater/Westerly Land Trust \$2,369,440

14 For the United Theater in Westerly for use as space for performing arts, fine arts
15 showcase, arts instruction, cinema, public television station and program administration.

16 5. The Chorus of Westerly \$1,054,200

17 For the George Kent Performance Hall in Westerly for music and arts performance,
18 teaching and rehearsal space, administrative and community function space.

19 6. The Stadium Theater Conservatory in Woonsocket \$2,108,400

20 For set construction, costuming, rehearsal, voice, acting and dance studios and
21 administrative spaces.

22 7. 2nd Story Theater \$1,054,200

23 For performance venues in Warren, including concessions studio/classroom space, set
24 construction shop and administrative offices.

25 8. AS220 \$2,108,400

26 For AS220's facilities in downtown Providence used for performing arts, dance studio,
27 youth and adult education, gallery and artist live/work space.

28 9. WaterFire Providence \$3,162,600

29 To develop a 27,000 square foot historic warehouse in the Valley/Olneyville
30 neighborhood into its headquarters, multi-use community arts center, visitor center, education
31 center and arts and creative industries incubator

32 10. Other funds to be allocated by RISCA \$6,887,960

33 For 1:1 matching grants to be allocated by the Rhode Island State Council on the Arts to
34 501(c)(3) nonprofit cultural organizations which lease or own their performance space, and for

1 RISSA’s expenses in administering the program. In awarding such grants RISSA shall take into
2 account financial need, the availability or actual expenditure of matching funds for the projects,
3 available gifts or grants for projects, the amount square footage to be improved, the geographical
4 location and characteristics of audiences benefitted.

5 (c) State Preservation Grants Program \$5,000,000

6 Provide funds to cities, towns and non-profit organizations to preserve, renovate and
7 improve public and nonprofit historic sites, museums, and cultural art centers located in historic
8 structures in the State of Rhode Island to be administered by the Rhode Island Historical
9 Preservation and Heritage Commission.

10 Question 3 relating to bonds in the amount of thirty-five million dollars (\$35,000,000) to
11 be provided to the Department of Transportation to provide funding for enhancements and
12 renovations to mass transit hub infrastructure throughout the State of Rhode Island to improve
13 access to multiple intermodal sites, key transportation, healthcare, and other locations.

14 Question 4 relating to bonds in the amount of fifty-three million dollars (\$53,000,000) for
15 Clean Water, Open Space, and Healthy Communities programs to be allocated as follows:

16 (a) Brownfield Remediation for Economic Development \$5,000,000

17 Provides up to eighty percent (80%) matching grants to public, private, and/or non-profit
18 entities for brownfield remediation projects. Between 10,000 and 12,000 abandoned industrial
19 sites, referred to as “brownfields,” lie idle in towns and cities across the state, much of it in prime
20 commercial or industrial locations within the state’s urban services boundaries established by
21 Land Use 2020. Cleanup, reinvestment and re-use of these sites creates and attracts jobs, protects
22 the urban environment, removes hazards, prevents sprawl, and reduces the cost of stormwater
23 flooding.

24 (b) Flood Prevention \$3,000,000

25 Provides grants to public and/or non-profit entities for project design and construction
26 grants for repairing and/or removing dams, restoring and/or improving resiliency of vulnerable
27 coastal habitats, and restoring rivers and stream floodplains. These funds are expected to leverage
28 significant matching funds to support local programs to improve community resiliency and public
29 safety in the face of increased flooding, major storm events, and environmental degradation.

30 (c) Farmland Acquisition for Active Use \$3,000,000

31 Provides funds to protect the state’s working farms. Through the State Land Acquisition
32 Program, the Department of Environmental Management will purchase farmland in danger of
33 converting to non-agricultural use, then restrict and affordably sell or lease the land to qualified
34 farmers. Funds from sale of the land to farmers will be returned to the program account for re-use

1 in new projects. Funds provided under this section may also be used for the purchase of
2 development rights to farms by the Agricultural Preservation Commission.

3 (d) Local Recreation Grants \$4,000,000

4 Provides up to eighty percent (80%) matching grant funds to municipalities to acquire,
5 develop, or rehabilitate local recreational facilities to meet the growing needs for active
6 recreational facilities. All grant applications are evaluated and ranked by the State Recreation
7 Resources Review Committee.

8 (e) Roger Williams Park Zoo \$15,000,000

9 Provides funds to construct a new education center to meet the increased demand for
10 education programs; to renovate and convert the existing education center into a world class
11 reptile facility; for demolition of existing facilities and construction of a new tropical rainforest
12 building to house rare and endangered animals and event space; or for other improvements to the
13 Roger Williams Park Zoo.

14 (f) Roger Williams Park \$3,000,000

15 Provides funds for construction and reconstruction of roads, bridges, sidewalks and
16 walkway within Roger Williams Park.

17 (g) Capital for Clean Water \$20,000,000

18 Provides funds to be administered by the Clean Water Finance Agency to finance water
19 pollution abatement infrastructure projects. The Department of Environmental Management has
20 compiled a list of more than \$1.8 billion dollars of needed clean water infrastructure
21 improvements from municipalities and the Narragansett Bay Commission. Projects range from
22 wastewater treatment upgrades and stormwater quality improvements to combined sewer
23 overflow abatement projects.

24 **SECTION 7. Sale of bonds and notes.** -- Any bonds or notes issued under the authority
25 of this act shall be sold from time to time at not less than the principal amount thereof, in such
26 mode and on such terms and conditions as the general treasurer, with the approval of the
27 governor, shall deem to be for the best interests of the state.

28 Any premiums and accrued interest, net of the cost of bond insurance and underwriter's
29 discount, which may be received on the sale of the capital development bonds or notes shall
30 become part of the Municipal Road and Bridge Revolving Fund of the state, unless directed by
31 federal law or regulation to be used for some other purpose.

32 In the event that the amount received from the sale of the capital development bonds or
33 notes exceeds the amount necessary for the purposes stated in section 6 hereof, the surplus may
34 be used to the extent possible to retire the bonds as the same may become due, to redeem them in

1 accordance with the terms thereof or otherwise to purchase them as the general treasurer, with the
2 approval of the governor, shall deem to be for the best interests of the state.

3 Any bonds or notes issued under the provisions of this act and coupons on any capital
4 development bonds, if properly executed by the manual or facsimile signatures of officers of the
5 state in office on the date of execution shall be valid and binding according to their tenor,
6 notwithstanding that before the delivery thereof and payment therefor, any or all such officers
7 shall for any reason have ceased to hold office.

8 **SECTION 8. Bonds and notes to be tax exempt and general obligations of the state. -**

9 - All bonds and notes issued under the authority of this act shall be exempt from taxation in the
10 state and shall be general obligations of the state, and the full faith and credit of the state is hereby
11 pledged for the due payment of the principal and interest on each of such bonds and notes as the
12 same shall become due.

13 **SECTION 9. Investment of moneys in fund. --** All moneys in the capital development

14 fund not immediately required for payment pursuant to the provisions of this act may be invested
15 by the investment commission, as established by chapter 35-10, pursuant to the provisions of such
16 chapter; provided, however, that the securities in which the capital development fund is invested
17 shall remain a part of the capital development fund until exchanged for other securities; and
18 provided further, that the income from investments of the capital development fund shall become
19 a part of the general fund of the state and shall be applied to the payment of debt service charges
20 of the state, unless directed by federal law or regulation to be used for some other purpose, or to
21 the extent necessary, to rebate to the United States treasury any income from investments
22 (including gains from the disposition of investments) of proceeds of bonds or notes to the extent
23 deemed necessary to exempt (in whole or in part) the interest paid on such bonds or notes from
24 federal income taxation.

25 **SECTION 10. Appropriation. --** To the extent the debt service on these bonds is not

26 otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and
27 notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise
28 appropriated.

29 **SECTION 11. Advances from general fund. --** The general treasurer is authorized from

30 time to time with the approval of the director and the governor, in anticipation of the issue of
31 notes or bonds under the authority of this act, to advance to the capital development bond fund for
32 the purposes specified in section 6 hereof, any funds of the state not specifically held for any
33 particular purpose; provided, however, that all advances made to the capital development bond
34 fund shall be returned to the general fund from the capital development bond fund forthwith upon

1 the receipt by the capital development fund of proceeds resulting from the issue of notes or bonds
2 to the extent of such advances.

3 **SECTION 12. Federal assistance and private funds.** -- In carrying out this act, the
4 director, or his or her designee, is authorized on behalf of the state, with the approval of the
5 governor, to apply for and accept any federal assistance which may become available for the
6 purpose of this act, whether in the form of loan or grant or otherwise, to accept the provision of
7 any federal legislation therefor, to enter into, act and carry out contracts in connection therewith,
8 to act as agent for the federal government in connection therewith, or to designate a subordinate
9 so to act. Where federal assistance is made available, the project shall be carried out in
10 accordance with applicable federal law, the rules and regulations thereunder and the contract or
11 contracts providing for federal assistance, notwithstanding any contrary provisions of state law.
12 Subject to the foregoing, any federal funds received for the purposes of this act shall be deposited
13 in the capital development bond fund and expended as a part thereof. The director or his or her
14 designee may also utilize any private funds that may be made available for the purposes of this
15 act.

16 **SECTION 13. Effective Date.** -- Sections 1, 2, 3, 11, and 12 of this article shall take
17 effect upon passage. The remaining sections of this article shall take effect when and if the state
18 board of elections shall certify to the secretary of state that a majority of the qualified electors
19 voting on the propositions contained in section 1 hereof have indicated their approval of all or any
20 projects thereunder.

1 **ARTICLE 6**

2 RELATING TO RESOURCE RECOVERY CORPORATION

3 SECTION 1. Section 23-19-13.5 of the General Laws in Chapter 23-19 entitled "Rhode
4 Island Resource Recovery Corporation" is hereby amended to read as follows:

5 **23-19-13.5. Interim rates.** -- The municipal tipping fee charged by the resource recovery
6 corporation shall be as follows:

7 (1) Thirty-two dollars (\$32.00) per ton from July 1, 2011 to June 30, ~~2014~~ 2015, for any
8 municipality that recycles between zero percent (0%) and twenty-four and ninety-nine hundredths
9 percent (24.99%) of its solid waste at the Corporation's material recycling facility ("MRF") in
10 Johnston.

11 (2) Thirty-one dollars (\$31.00) per ton from July 1, 2011 to June 30, ~~2014~~ 2015, for any
12 municipality that recycles between twenty-five percent (25%) and twenty-nine and ninety-nine
13 hundredths percent (29.99%) of its solid waste at the Corporation's ("MRF") in Johnston.

14 (3) Thirty dollars (\$30.00) per ton from July 1, 2011 to June 30, ~~2014~~ 2015, for any
15 municipality that recycles between thirty percent (30%) and thirty-four and ninety-nine
16 hundredths percent (34.99%) of its solid waste at the Corporation's ("MRF") in Johnston.

17 (4) Twenty-nine dollars (\$29.00) per ton from July 1, 2011 to June 30, ~~2014~~ 2015, for
18 any municipality that recycles thirty-five percent (35%) or more of its solid waste at the
19 Corporation's ("MRF") in Johnston.

20 (5) The Corporation shall issue a rebate not later than September 1 of each year to those
21 municipalities qualifying for a year-end tipping fee adjustment according to the municipality's
22 actual recorded tonnage delivered to the MRF in Johnston, and in accordance with the provisions
23 of the municipality's current-year signed solid waste and recycling services agreement with the
24 corporation.

25 (6) The corporation shall provide a rate plan with its proposed budget to be submitted to
26 the state on or before October 1, 2014 in accordance with § 23-19-37 of the Rhode Island general
27 laws.

28 SECTION 2. This article shall take effect as of July 1, 2014.

29

1 **ARTICLE 7**

2 RELATING TO REGIONAL GREENHOUSE GAS INITIATIVE ACT

3 SECTION 1. Section 23-82-6 of the General Laws in Chapter 23-82 entitled
4 "Implementation of the Regional Greenhouse Gas Initiative Act" is hereby amended to read as
5 follows:

6 **23-82-6. Use of auction or sale proceeds.** -- (a) The proceeds from the auction or sale of
7 the allowances shall be used for the benefit of energy consumers through investment in the most
8 cost-effective available projects that can reduce long-term consumer energy demands and costs.
9 Such proceeds may be used only for the following purposes, in a proportion to be determined
10 annually by the office in consultation with the council and the board:

11 (1) Promotion of cost-effective energy efficiency and conservation in order to achieve the
12 purposes of § 39-1-27.7;

13 (2) Promotion of cost-effective renewable non-carbon emitting energy technologies in
14 Rhode Island as defined in § 39-26-5 and to achieve the purposes of chapter 39-26 entitled
15 "Renewable Energy Standard";

16 (3) Cost-effective direct rate relief for consumers;

17 (4) Direct rate relief for low-income consumers;

18 (5) Reasonable compensation to an entity selected to administer the auction or sale; and

19 (6) Reasonable costs of the department of environmental management and office of
20 energy resources in administering this program, as well as other climate change, energy
21 efficiency, and renewable program efforts of the department of environmental management and
22 office of energy resources, which shall not in any year exceed three hundred thousand dollars
23 (\$300,000) or ~~five percent (5%)~~ ten percent (10%) of the proceeds from sale or auction of the
24 allowances, whichever is ~~less~~ greater. Administrative funds not expended in any fiscal year shall
25 remain in the administrative account to be used as needed in subsequent years. The office of
26 energy resources shall have the ability to apply administrative funds not used in a fiscal year to
27 achieve the purpose of this section. The funds deposited into the administrative funds account
28 shall be exempt from the indirect cost recovery provisions of section 35-4-27.

29 (b) Any interest earned on the funds so generated must be credited to the fund. Funds not
30 spent in any fiscal year shall remain in the fund to be used for future energy efficiency and carbon

1 reduction programs.

2 (c) Annually, the office, in consultation with council and board, shall prepare a draft
3 proposal on how the proceeds from the allowances shall be allocated. The draft proposal shall be
4 designed to augment and coordinate with existing energy efficiency and renewable energy
5 programs, and shall not propose use of auction proceeds for projects already funded under other
6 programs. The proposal for allocation of proceeds in subsections 23-82-6(1), (2) and (3) shall be
7 one that best achieves the purposes of the law, namely, lowering carbon emissions and
8 minimizing costs to consumers over the long term. The office shall hold a public hearing and
9 accept public comment on the draft proposal in accordance with chapter 42-35 (the
10 "Administrative Procedure Act"). Once the proposal is final, the office shall authorize the
11 disbursement of funds in accordance with the final plan.

12 (d) The office shall prepare, in consultation with council and board, a report by April
13 15th of each year describing the implementation and operation of RGGI, the revenues collected
14 and the expenditures, including funds that were allocated to the energy efficiency and renewable
15 energy programs, and the individuals, businesses and vendors that received funding, made under
16 this section, the statewide energy efficiency and carbon reduction programs, and any
17 recommendations for changes to law relating to the state's energy conservation or carbon
18 reduction efforts. The report shall be made public and be posted electronically on the website of
19 the office of energy resources and shall also be submitted to the general assembly.

20 SECTION 2. This article shall take effect as of July 1, 2014.

1 **ARTICLE 8**

2 RELATING TO UNDERGROUND ECONOMY AND EMPLOYEE MISCLASSIFICATION
3 ACT

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

6 CHAPTER 155

7 UNDERGROUND ECONOMY AND EMPLOYEE MISCLASSIFICATION ACT

8 **42-155-1. Short Title.** -- This chapter shall be known as the "Underground Economy and
9 Employee Misclassification Act".

10 **42-155-2. Declaration of purpose.** -- The general assembly finds and declares that this
11 state's economy, its workers and its businesses are harmed by the existence of an illegal
12 underground economy in which individuals and businesses conceal their activities from
13 government licensing, regulatory and taxing authorities. The underground economy and, in
14 particular, the practice of employee misclassification:

15 (a) exploits vulnerable workers and deprives them of legal benefits and protections;

16 (b) gives unlawful businesses an unfair competitive advantage over lawful businesses by
17 illegally driving down violators' taxes, wages, and other overhead costs;

18 (c) defrauds the government of substantial tax revenues; and

19 (d) harms consumers who suffer at the hands of unlicensed businesses that fail to
20 maintain minimum levels of skills and knowledge.

21 The creation of a task force has proven to be an effective mechanism for enhancing
22 interagency cooperation, information sharing, and the prosecution of violators.

23 **42-155-3. Task Force.**-- There is hereby established a Task Force on the Underground
24 Economy and Employee Misclassification. The Task Force shall consist of the following
25 members or their designees:

26 (a) the director of labor and training or designee;

27 (b) the tax administrator or designee;

28 (c) the director of business regulation or designee;

29 (d) the head of the workforce regulation and safety division or designee;

30 (e) the attorney general or designee;

1 (f) the commissioner of the department of public safety or designee; and

2 (g) Chief Judge of the Workers' Compensation Court or designee.

3 The director of labor and training shall chair the Task Force.

4 **42-155-4. Duties and Responsibilities.** -- The Task Force shall coordinate joint efforts to
5 combat the underground economy and employee misclassification. The Task Force shall:

6 (a) Foster voluntary compliance with the law by educating business owners and
7 employees about applicable requirements;

8 (b) Conduct joint, targeted investigations and enforcement actions against violators;

9 (c) Protect the health, safety and benefit rights of workers; and

10 (d) Restore competitive equality for law-abiding businesses.

11 **42-155-5. Sharing of Information.** -- Notwithstanding any other law or regulation to the
12 contrary, the Task Force shall facilitate timely information sharing between and among Task
13 Force members, including the establishment of protocols by which participating agencies will
14 advise or refer to other agencies matters of potential investigative interest.

15 **44-155-6. Annual Report.**-- No later than March 15, 2015 and every March 15th
16 thereafter, the Task Force shall submit a report to the governor and the chairpersons of the house
17 finance committee and senate finance committee summarizing the Task Force's activities during
18 the preceding year. The report shall, without limitation:

19 (a) Describe the Task Force's efforts and accomplishments during the year;

20 (b) Identify any administrative or legal barriers impeding the more effective operation of
21 the Task Force, including any barriers to information sharing or joint action; and

22 (c) Propose appropriate administrative, legislative, or regulatory changes to strengthen
23 the Task Force's operations and enforcement efforts and reduce or eliminate any barriers to those
24 efforts.

25 SECTION 2. The article shall take effect upon passage.

ARTICLE 9

RELATING TO GOVERNMENT REFORM

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

35-6-1. Controller -- Duties in general. -- (a) Within the department of administration there shall be a controller who shall be appointed by the director of administration pursuant to chapter 4 of title 36. The controller shall be responsible for accounting and expenditure control and shall be required to:

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

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

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

(4) Preaudit all state receipts and expenditures;

(5) Prepare financial statements required by the several departments and agencies, by the governor, or by the general assembly;

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

(7) Prepare and timely file, on behalf of the state, any and all reports required by the United States, including, but not limited to, the internal revenue service, or required by any department or agency of the state, with respect to the state payroll; and

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

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,
6 including supplemental appropriations and other adjustments provided for in the Rhode Island
7 General 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,
12 capital 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) 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 (f) The controller shall implement a direct deposit payroll system for state employees.

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

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

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

1 [a personal depository agent for the employee.](#)

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

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

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

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

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

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

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

21 (2) "City or town" shall mean:

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

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

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

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

30 (4) "Coverage group" shall mean:

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

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

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

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

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

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

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

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

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

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

25 (iv) Service which, in the absence of an agreement entered into under §§ 36-7-1 – 36-7-
26 31, would constitute "employment" as defined in the federal Social Security Act. Service which
27 under the federal Social Security Act may be included in an agreement only upon certification by
28 the governor in accordance with § 218(d)(3) of the federal Social Security Act, 42 U.S.C. §
29 418(d)(3), shall be included in the term "employment" if and when the governor issues, with
30 respect to that service, a certificate to the secretary, pursuant to § 36-7-19.

31 (B) Notwithstanding any of the foregoing, if pursuant to § 141 of P.L. 92-603, 42 U.S.C.
32 § 418, the state agreement with the federal government referred to in § 36-7-3 is modified
33 appropriately at any time prior to January 1, 1974, the term "employment" with respect to any
34 coverage group specified in the modification shall, effective after the effective date specified in

1 the modification, include services in designated part-time positions but not services performed in
2 the employ of a school, college, or university by a student who is enrolled and regularly attending
3 classes at that school, college, or university.

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

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

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

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

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

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

23 (13) "Retirement board" shall mean the retirement board as provided in chapter 8 of this
24 title.

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

30 (15) "Sick pay" shall mean the amount of any payment (including any amount paid by an
31 employer for insurance or annuities, or into a fund to provide for any sick pay) made to, or on
32 behalf of, an employee or any of his or her dependents under a plan or system established by an
33 employer which makes provision for his employees generally (or for his or her employees
34 generally and their dependents) or for a class or classes of his employees (or for a class or classes

1 of his employees and their dependents), on account of sickness or accident disability.

2 (16) "State" shall mean the state of Rhode Island.

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

9 SECTION 3. Sections 37-2.3-3 and 37-2.3-4 of the General Laws in Chapter 37-2.3
10 entitled "Government Oversight and Fiscal Accountability Review Act" are hereby amended to
11 read as follows:

12 **37-2.3-3. Definitions.** -- As used in this chapter, the following terms shall have the
13 following meanings:

14 (1) "Agency" includes any executive office, department, division, board, commission, or
15 other office or officer in the executive branch of the government.

16 (2) "Person" includes an individual, institution, federal, state, or local governmental
17 entity, or any other public or private entity.

18 (3) "Private contractor employee" includes a worker directly employed by a private
19 contractor, as defined in this section, as well as an employee of a subcontractor or an independent
20 contractor that provides supplies or services to a private contractor.

21 (4) "Privatization or privatization contract" means an agreement or combination or series
22 of agreements by which a non-governmental person or entity agrees with an agency to provide
23 services expected to result in a fiscal year expenditure of at least one hundred fifty thousand
24 dollars (\$150,000) ~~(as of July 1 each year, the amount shall increase to reflect increases in the~~
25 ~~consumer price index calculated by the United States Bureau of Labor Statistics for all urban~~
26 ~~consumers nationally during the most recent twelve (12) month period for which data are~~
27 ~~available or more)~~, which would contract services which are substantially similar to and in
28 replacement of work normally performed by an employee of an agency ~~as of June 30, 2007.~~

29 "Privatization" or "privatization contract" excludes:

30 (i) Contracts resulting from an emergency procurement;

31 (ii) Contracts with a term of one hundred eighty (180) days or less on a non-recurring
32 basis;

33 (iii) Contracts to provide highly specialized or technical services not normally provided
34 by state employees;

1 (iv) Any subsequent contract which: ~~(a) renews or rebids a prior privatization contract~~
2 ~~which existed before June 30, 2007; or (b)~~ renews or rebids a privatization contract that was
3 subject to the provisions of this statute after its enactment; and

4 (v) An agreement to provide legal services or management consulting services.

5 (5) "Privatization contractor" is any vendor, contractor, consultant, subcontractor,
6 independent contractor or private business owner that contracts with a state agency to perform
7 services in accordance with the definition of a "privatization contract."

8 (6) "Services" includes, with respect to a private contractor, all aspects of the provision
9 of services provided by a private contractor pursuant to a privatization contract, or any services
10 provided by a subcontractor of a private contractor.

11 **37-2.3-4. Fiscal monitoring of privatization contracts.** -- Each private contractor shall
12 file a copy of each executed subcontract or amendment to the subcontract with the agency, which
13 shall maintain the subcontract or amendment as a public record, as defined in the access to public
14 records act.

15 (1) Audits. - Privatization contracts shall be subject to audit or review, as defined by the
16 American Institute of Certified Public Accountants, by the office of the auditor general at the
17 discretion of the auditor general. Any audit or review shall be conducted in compliance with
18 generally accepted auditing standards.

19 (2) Access. - All privatization contracts shall include a contract provision specifying
20 language that provides public access to the complete contract.

21 (3) Fiscal accountability. - As part of the budgetary process, each state agency shall
22 ~~provide an addendum to~~ include in their submitted budget request a listing of all privatization
23 contracts for the prior, current and subsequent fiscal years. ~~; the name of each contractor;~~
24 ~~subcontractor, duration of the contract provided and services provided; the total cost of each~~
25 ~~contract(s) for the prior year; and the projected number of privatization service contracts for the~~
26 ~~current and upcoming year, the total cost of each contract(s) for the prior year; the estimated costs~~
27 ~~of each contract(s) for the current and upcoming year. The addendum for each agency shall also~~
28 ~~contain a summary of contracted private contractor employees for each contract, reflected as full-~~
29 ~~time equivalent positions, their hourly wage rate, and the number of private contractor employees~~
30 ~~and consultants for the current and previous fiscal year.~~ For the prior fiscal year, the listing shall
31 include the name of each contractor; a description of the services provided; the amount expended
32 for the fiscal year; the positions employed by title, if applicable; and the hourly wage paid by
33 position, if applicable. For the current and upcoming fiscal years, the listing shall include the
34 name of each contractor, if known at the time the listing is prepared; a description of the services

1 to be provided; the amount budgeted for the contract in each fiscal year; the positions to be
2 employed by title, if known and applicable; and the hourly wage to be paid by position, if known
3 and applicable. Positions shall be reflected as full-time equivalent positions. The listings shall be
4 published annually online at the state's transparency portal or an equivalent website, available for
5 public inspection, no later than December 1 of each year.

6 SECTION 4. Section 42-90-1 of the General Laws in Chapter 42-90 entitled "Disclosure
7 of Names of State Government Consultants" is hereby amended to read as follows:

8 **42-90-1. Public disclosure required.** -- (a) All departments, commissions, boards,
9 councils, other agencies in the government of the state and public corporations shall annually
10 prepare and submit to the ~~secretary of state quarterly a~~ budget office by October 1 a list
11 containing:

12 (1) The name of any person privatization contractor, or vendor who performed legal,
13 medical, accounting, engineering, or any other professional, technical or consultant service to the
14 department, commission, board, council, agency or public corporation on a contractual basis
15 during the previous ~~quarter~~ fiscal year; and

16 (2) The amount of compensation received by each consultant during the previous ~~quarter~~
17 fiscal year.

18 (b) All departments, commissions, boards, councils, other agencies in the government of
19 the state and public corporations shall prepare and submit to the ~~secretary of state~~ budget office
20 on an annual basis by October 1 a contracting report containing:

21 (1) Digital/Electronic copies ~~Copies~~ of all contracts or agreements by which a
22 nongovernmental person or entity agrees with the department, commission, board, council,
23 agency or public corporation to provide services, valued at ~~one hundred thousand dollars~~
24 ~~(\$100,000)~~ one hundred fifty thousand dollars (\$150,000) or more, which are substantially similar
25 to and in ~~lieu of services heretofore provided, in whole or in part, by regular employees~~
26 replacement of work normally performed by an employee of the department, commission, board,
27 council, agency or public corporation; ~~and~~.

28 ~~(2) A budget analysis of each contract reported pursuant to this subsection containing the~~
29 ~~cost of each contract for the prior, current and next year; and the number of private contractor~~
30 ~~employees reflected as full-time equivalent positions with their hourly wage rate, and costs of~~
31 ~~benefits for each job classification for the current and previous year.~~

32 (c) The ~~secretary of state~~ budget office shall ~~compile, publish, and make available for~~
33 ~~public inspection all lists and contracting reports prepared in accordance with this chapter~~ post
34 electronic/digital copies of all contracts and reports online using the state's transparency portal or

1 [an equivalent website, available for public inspection, annually no later than December 1 of each](#)
2 [year.](#)

3 SECTION 5. Section 39-21.1-14 of the General Laws in Chapter 39-21.1 entitled "911
4 Emergency Telephone Number Act" is hereby amended to read as follows:

5 **39-21.1-14. Funding.** -- (a) A monthly surcharge of one dollar (\$1.00) is hereby levied
6 upon each residence and business telephone line or trunk or path and data, telephony, Internet,
7 Voice Over Internet Protocol (VoIP) wireline, line, trunk or path in the state including PBX
8 trunks and centrex equivalent trunks and each line or trunk serving, and upon each user interface
9 number or extension number or similarly identifiable line, trunk, or path to or from a digital
10 network (such as, but not exclusive of, integrated services digital network (ISDN), Flexpath or
11 comparable digital private branch exchange, or connecting to or from a customer-based or
12 dedicated telephone switch site (such as, but not exclusive of, a private branch exchange (PBX)),
13 or connecting to or from a customer-based or dedicated central office (such as, but not exclusive
14 of, a centrex system but exclusive of trunks and lines provided to wireless communication
15 companies) that can access to, connect with or interface with the Rhode Island E-911 Uniform
16 Emergency Telephone System (RI E-911). The surcharge shall be billed by each
17 telecommunication services provider at the inception of services and shall be payable to the
18 telecommunication services provider by the subscriber of the services. A monthly surcharge of
19 one dollar (\$1.00) is hereby levied effective July 1, 2002, on each wireless instrument, device or
20 means including prepaid, cellular, telephony, Internet, Voice Over Internet Protocol (VoIP),
21 satellite, computer, radio, communication, data or data only wireless lines or any other wireless
22 instrument, device or means which has access to, connects with, or activates or interfaces or any
23 combination thereof with the E 9-1-1 Uniform Emergency Telephone System. The surcharge
24 shall be in addition to the surcharge collected under section 39-1-62 and shall be billed by each
25 telecommunication services provider and shall be payable to the telecommunication services
26 provider by the subscriber. Prepaid wireless telecommunications services shall not be included in
27 this act, but shall be governed by chapter 21.2 of title 39. The E-911 Uniform Emergency
28 Telephone System shall establish, by rule or regulation an appropriate funding mechanism to
29 recover from the general body of ratepayers this surcharge.

30 (b) The amount of the surcharge shall not be subject to the tax imposed under chapter 18
31 of title 44 nor be included within the telephone common carrier's gross earnings for the purpose
32 of computing the tax under chapter 13 of title 44.

33 (c) Each telephone common carrier and each telecommunication services provider shall
34 establish a special account to which it shall deposit on a monthly basis the amounts collected as a

1 surcharge under this section.

2 (d) The money collected by each telecommunication services provider shall be
3 transferred within sixty (60) days after its inception of wireline, wireless, prepaid, cellular,
4 telephony, Voice Over Internet Protocol (VoIP), satellite, computer, Internet, or communications
5 services in this state and every month thereafter, to the division of taxation, together with the
6 accrued interest and shall be deposited in the general fund as general revenue. : provided,
7 however, that beginning July 1, 2015, ten (10) percent of such money collected shall be deposited
8 in the Information Technology Investment Fund established pursuant to § 42-11-2.5. Any money
9 not transferred in accordance with this paragraph shall be assessed interest at the rate set forth in
10 section 44-1-7 from the date the money should have been transferred.

11 (e) Every billed subscriber-user shall be liable for any surcharge imposed under this
12 section until it has been paid to the telephone common carrier or telecommunication services
13 provider. Any surcharge shall be added to and may be stated separately in the billing by the
14 telephone common carrier or telecommunication services provider and shall be collected by the
15 telephone common carrier or telecommunication services provider.

16 (f) Each telephone common carrier and telecommunication services provider shall
17 annually provide the E 9-1-1 uniform emergency telephone system division or any other agency
18 that may replace it, with a list of amounts uncollected together with the names and addresses of
19 its subscriber-users who can be determined by the telephone common carrier or
20 telecommunication services provider to have not paid the surcharge.

21 (g) Included within, but not limited to, the purposes for which the money collected may
22 be used are rent, lease, purchase, improve, construct, maintenance, repair, and utilities for the
23 equipment and site or sites occupied by the E 9-1-1 uniform emergency telephone system;
24 salaries, benefits, and other associated personnel costs; acquisition, upgrade or modification of
25 PSAP equipment to be capable of receiving E 9-1-1 information, including necessary computer
26 hardware, software, and data base provisioning, addressing, and non-recurring costs of
27 establishing emergency services; network development, operation and maintenance; data-base
28 development, operation, and maintenance; on-premise equipment maintenance and operation;
29 training emergency service personnel regarding use of E 9-1-1; educating consumers regarding
30 the operations, limitations, role and responsible use of E 9-1-1; reimbursement to telephone
31 common carriers or telecommunication services providers of rates or recurring costs associated
32 with any services, operation, administration or maintenance of E 9-1-1 services as approved by
33 the division; reimbursement to telecommunication services providers or telephone common
34 carriers of other costs associated with providing E 9-1-1 services, including the cost of the design,

1 development, and implementation of equipment or software necessary to provide E 9-1-1 service
2 information to PSAP's, as approved by the division.

3 (h) [Deleted by P.L. 2000, ch. 55, art. 28, section 1.]

4 (i) Nothing in this section shall be construed to constitute rate regulation of wireless
5 communication services carriers, nor shall this section be construed to prohibit wireless
6 communication services carriers from charging subscribers for any wireless service or feature.

7 (j) [Deleted by P.L. 2006, ch. 246, art. 4, section 1_.

8 SECTION 6. Section 42-11-2.5 of the General Laws in Chapter 42-11 entitled
9 "Department of Administration" is hereby amended to read as follows:

10 **42-11-2.5. Information technology investment fund.** -- (a) All sums from the sale of
11 any land and the buildings and improvements thereon, and other real property title to which is
12 vested in the state except as provided in subsection 37-7-15(b) shall be transferred to an
13 Information Technology Investment Fund restricted receipt account that is hereby established.
14 This fund shall consist of such sums from the sale of any land and the buildings and
15 improvements thereon, and other real property title to which is vested in the state except as
16 provided in subsection 37-7-15(b), [as well as a share of E-911 Uniform Emergency Telephone](#)
17 [System surcharge revenues collected under the provisions of § 39-21.1-14.](#) This fund may also
18 consist of such sums as the state may from time to time appropriate, as well as money received
19 from the disposal of information technology equipment, loan, interest and service charge
20 payments from benefiting state agencies, as well as interest earnings, money received from the
21 federal government, gifts, bequest, donations, or to otherwise from any public or private source.
22 Any such funds shall be exempt from the indirect cost recovery provisions of section 35-4-27.

23 (b) This fund shall be used for the purpose of acquiring information technology
24 improvements, including, but not limited to, hardware, software, consulting services, and ongoing
25 maintenance and upgrade contracts for state departments and agencies.

26 (c) The division of information technology of the Rhode Island department of
27 administration shall adopt rules and regulations consistent with the purposes of this chapter and
28 chapter 35 of title 42, in order to provide for the orderly and equitable disbursement of funds from
29 this account.

30 SECTION 7. Sections 1 through 4 shall take effect upon passage and sections 5 and 6
31 shall take effect as of July 1, 2014.

32

ARTICLE 10

RELATING TO MAKING REVISED 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.

	FY 2014	FY 2014	FY 2014
	<u>Enacted</u>	<u>Change</u>	<u>Final</u>
Administration			
<i>Central Management</i>			
General Revenues	2,111,597	229,878	2,341,475
Office of Digital Excellence	810,441	5,099	815,540
Federal Funds	194,591	(194,591)	0
Total - Central Management	3,116,629	40,386	3,157,015
<i>Legal Services</i> General Revenues	1,948,683	364,033	2,312,716
<i>Accounts and Control</i> General Revenues	3,966,422	(228,883)	3,737,539
<i>Office of Management and Budget</i>			
General Revenues	4,049,888	(233,988)	3,815,900
Restricted Receipts	481,303	(165,364)	315,939
Total – Office of Management and Budget	4,531,191	(399,352)	4,131,839
<i>Purchasing</i>			
General Revenues	2,689,542	93,779	2,783,321
Federal Funds	193,710	(115,403)	78,307
Other Funds	360,814	(45,523)	315,291
Total – Purchasing	3,244,066	(67,147)	3,176,919

1	<i>Auditing</i> General Revenues	1,344,585	(8,331)	1,336,254
2	<i>Human Resources</i>			
3	General Revenues	8,329,216	(317,831)	8,011,385
4	Federal Funds	808,123	(80,589)	727,534
5	Restricted Receipts	469,283	(36,684)	432,599
6	Other Funds	1,580,772	(49,414)	1,531,358
7	Total - Human Resources	11,187,394	(484,518)	10,702,876
8	<i>Personnel Appeal Board</i> General Revenues	75,036	0	75,036
9	<i>Facilities Management</i>			
10	General Revenues	32,198,875	(1,920,548)	30,278,327
11	Federal Funds	925,630	206,048	1,131,678
12	Restricted Receipts	616,083	(163,194)	452,889
13	Other Funds	3,696,513	(441,380)	3,255,133
14	Total – Facilities Management	37,437,101	(2,319,074)	35,118,027
15	<i>Capital Projects and Property Management</i>			
16	General Revenues	1,240,545	23,888	1,264,433
17	<i>Information Technology</i>			
18	General Revenues	19,293,222	(514,943)	18,778,279
19	Federal Funds	7,135,490	(613,302)	6,522,188
20	Restricted Receipts	5,370,582	(234,387)	5,136,195
21	Other Funds	2,182,024	611,114	2,793,138
22	Total – Information Technology	33,981,318	(751,518)	33,229,800
23	<i>Library and Information Services</i>			
24	General Revenues	1,007,465	(4,060)	1,003,405
25	Federal Funds	1,183,126	186,031	1,369,157
26	Restricted Receipts	1,694	(1,041)	653
27	Total - Library and Information Services	2,192,285	180,930	2,373,215
28	<i>Planning</i>			
29	General Revenues	4,701,094	(17,377)	4,683,717
30	Federal Funds	10,935,098	4,094,745	15,029,843
31	Other Funds			
32	Federal Highway – PL Systems Planning	5,039,312	(1,311,824)	3,727,488
33	Air Quality Modeling	0	22,875	22,875
34	Total - Planning	20,675,504	2,788,419	23,463,923

1 *General*

2 General Revenues

3 ~~Economic Development Corporation~~

4 Rhode Island Commerce Corporation 4,545,572 0 4,545,572

5 ~~EDC~~ RICC – Airport Corporation Impact Aid 1,025,000 0 1,025,000

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

16 ~~EDC~~ RICC – EPScore (Research Alliance) 1,150,000 0 1,150,000

17 Innovative Matching Grants 500,000 0 500,000

18 Miscellaneous Grants 146,049 0 146,049

19 Slater Centers of Excellence 1,000,000 0 1,000,000

20 Torts – Courts 400,000 0 400,000

21 Current Care/Health Information Exchange 450,000 0 450,000

22 I-195 Commission 501,000 674,679 1,175,679

23 RI Film and Television Office 310,747 (1,782) 308,965

24 State Employees/Teachers Retiree Health Subsidy 2,321,057 0 2,321,057

25 Resource Sharing and State Library Aid 8,773,398 0 8,773,398

26 Library Construction Aid 2,500,666 0 2,500,666

27 Federal Funds 4,345,555 0 4,345,555

28 Restricted Receipts 421,500 2,217,068 2,638,568

29 Rhode Island Capital Plan Funds

30 Statehouse Renovations 1,879,000 (256,532) 1,622,468

31 DoIT Enterprise Operations Center 250,000 106,350 356,350

32 Cranston Street Armory 1,650,000 (1,550,000) 100,000

33 Cannon Building 650,000 (46,013) 603,987

34 Zambarano Building Rehabilitation 1,530,000 63,080 1,593,080

1	Pastore Center Rehab DOA Portion	1,155,000	1,362,000	2,517,000
2	Old State House	500,000	32,000	532,000
3	State Office Building	715,000	108,936	823,936
4	Old Colony House	175,000	187,605	362,605
5	William Powers Building	2,700,000	(200,000)	2,500,000
6	Fire Code Compliance State Buildings	500,000	(500,000)	0
7	Pastore Center Fire Code Compliance	1,691,596	(1,043,051)	648,545
8	Pastore Center Utility Systems Upgrade	2,745,789	(1,645,789)	1,100,000
9	Replacement of Fueling Tanks	300,000	350,000	650,000
10	Environmental Compliance	200,000	(46,000)	154,000
11	Big River Management Area	180,000	105,811	285,811
12	Pastore Center Building Demolition	2,400,000	(1,063,123)	1,336,877
13	Washington County Government Center	612,000	(152,000)	460,000
14	Veterans Memorial Auditorium	5,298,789	246,016	5,544,805
15	Chapin Health Laboratory	1,725,000	(1,425,000)	300,000
16	Pastore Center Parking	300,000	300,884	600,884
17	Pastore Center Water Tanks	300,000	0	300,000
18	Board of Elections New Location	1,250,000	(1,250,000)	0
19	Pastore Cottages Rehabilitation	800,000	(177,672)	622,328
20	Ladd Center Building Demolition	1,500,000	(491,792)	1,008,208
21	I-195 Commission	250,000	30,789	280,789
22	RI Convention Center Authority	1,000,000	58,531	1,058,531
23	Dunkin Donuts Center	925,000	0	925,000
24	Mathias	1,600,000	(350,000)	1,250,000
25	Pastore Center Power Plant	1,600,000	164,516	1,764,516
26	Virks	1,000,000	(700,000)	300,000
27	Harrington Hall Renovations	1,000,000	180,000	1,180,000
28	Veterans Land Purchase	4,150,000	(188,000)	3,962,000
29	Provided that the cost for the land purchase shall not exceed \$70.00 per square foot.			
30	Health Laboratory Feasibility Study	0	124,393	124,393
31	Zambarano Wood Chip Boiler	0	32,838	32,838
32	Total – General	70,922,718	(4,741,258)	66,181,460
33	<i>Debt Service Payments</i>			
34	General Revenues	157,387,801	(3,476,802)	153,910,999

1 Of the general revenue appropriation for debt service, two million five hundred thousand
2 dollars (\$2,500,000) is appropriated for transfer to the Capital Reserve Fund of the ~~EDC~~ [RICC](#)
3 Job Creation Guaranty program.

4	Federal Funds	2,759,328	(91,929)	2,667,399
5	Restricted Receipts	2,131,275	(46,026)	2,085,249
6	Other Funds			
7	Transportation Debt Service	30,369,820	116,868	30,486,688
8	Investment Receipts – Bond Funds	100,000	0	100,000
9	COPS - DLT Building – TDI	278,848	(7,195)	271,653
10	Total - Debt Service Payments	193,027,072	(3,505,084)	189,521,988
11	<i>Energy Resources</i>			
12	Federal Funds	590,080	(18,915)	571,165
13	Federal Funds – Stimulus	5,150,000	560,235	5,710,235
14	Restricted Receipts	5,459,477	233,062	5,692,539
15	Total – Energy Resources	11,199,557	774,382	11,973,939
16	<i>Rhode Island Health Benefits Exchange</i> Federal Funds	28,348,926	24,079,750	52,428,676
17	<i>Construction Permitting, Approvals and Licensing</i>			
18	General Revenues	1,421,350	(4,775)	1,416,575
19	Restricted Receipts	1,408,159	(12,172)	1,395,987
20	Total – Construction Permitting, Approvals and			
21	Licensing	2,829,509	(16,947)	2,812,562
22	<i>Statewide Personnel Adjustments</i>			
23	General Revenues	(1,398,040)	3,834,452	2,436,412
24	Federal Funds	(379,988)	1,516,875	1,136,887
25	Restricted Receipts	(446,548)	676,848	230,300
26	Other Funds	(342,628)	2,031,490	1,688,862
27	Total – Personnel Savings	(2,567,204)	8,059,665	5,492,461
28	Grand Total – Administration	428,701,337	23,789,341	452,490,678
29	Business Regulation			
30	<i>Central Management</i> General Revenues	1,197,671	23,727	1,221,398
31	<i>Banking Division</i>			
32	General Revenues	1,715,225	(247,531)	1,467,694
33	Restricted Receipts	125,000	(50,000)	75,000
34	Total – Banking Division	1,840,225	(297,531)	1,542,694

1	<i>Securities Regulation</i>			
2	General Revenues	980,090	(44,942)	935,148
3	Restricted Receipts	15,000	(11,500)	3,500
4	Total - Securities Regulation	995,090	(56,442)	938,648
5	<i>Insurance Regulation</i>			
6	General Revenues	3,767,883	(59,931)	3,707,952
7	Restricted Receipts	1,345,584	(62,844)	1,282,740
8	Total - Insurance Regulation	5,113,467	(122,775)	4,990,692
9	<i>Office of the Health Insurance Commissioner</i>			
10	General Revenues	542,180	(42,005)	500,175
11	Federal Funds	1,747,589	2,210,905	3,958,494
12	Restricted Receipts	10,500	0	10,500
13	Total – Office of the Health Insurance			
14	Commissioner	2,300,269	2,168,900	4,469,169
15	<i>Board of Accountancy</i> General Revenues	81,034	(64,380)	16,654
16	<i>Commercial Licensing, Racing & Athletics</i>			
17	General Revenues	707,941	(123,246)	584,695
18	Restricted Receipts	500,329	56,287	556,616
19	Total - Commercial Licensing, Racing &			
20	Athletics	1,208,270	(66,959)	1,141,311
21	<i>Board for Design Professionals</i> General Revenues	253,854	2,360	256,214
22	Grand Total - Business Regulation	12,989,880	1,586,900	14,576,780
23	Labor and Training			
24	<i>Central Management</i>			
25	General Revenues	118,760	(27,682)	91,078
26	Restricted Receipts	342,730	244,280	587,010
27	Rhode Island Capital Plan Funds			
28	Center General Building Roof	0	751,412	751,412
29	Center General Asset Protection	702,000	(376,931)	325,069
30	Total - Central Management	1,163,490	591,079	1,754,569
31	<i>Workforce Development Services</i>			
32	General Funds	1,250,000	(500,825)	749,175
33	Federal Funds	22,942,484	6,974,518	29,917,002
34	Restricted Receipts	9,134,984	3,327,267	12,462,251

1	Other Funds	0	40,250	40,250
2	Total - Workforce Development Services	33,327,468	9,841,210	43,168,678
3	<i>Workforce Regulation and Safety</i> General Revenues	3,002,408	2,325	3,004,733
4	<i>Income Support</i>			
5	General Revenues	4,299,157	17,344	4,316,501
6	Federal Funds	17,957,752	11,059,374	29,017,126
7	Federal Funds – Stimulus – UI	54,810,000	(14,677,519)	40,132,481
8	Restricted Receipts	2,008,358	138,480	2,146,838
9	Job Development Fund	22,500,000	8,605,360	31,105,360
10	Other Funds			
11	Temporary Disability Insurance Fund	172,549,295	8,513,122	181,062,417
12	Employment Security Fund	271,329,801	(29,212,784)	242,117,017
13	Total - Income Support	545,454,363	(15,556,623)	529,897,740
14	<i>Injured Workers Services</i> Restricted Receipts	9,139,647	(198,616)	8,941,031
15	<i>Labor Relations Board</i> General Revenues	393,736	(7,204)	386,532
16	Grand Total - Labor and Training	592,481,112	(5,327,829)	587,153,283
17	Department of Revenue			
18	<i>Director of Revenue</i> General Revenues	1,222,847	(161,184)	1,061,663
19	<i>Office of Revenue Analysis</i> General Revenues	528,721	(8,284)	520,437
20	<i>Lottery Division</i>			
21	Lottery Funds	245,451,858	89,310,926	334,762,784
22	Rhode Island Capital Plan Funds			
23	Lottery Building Renovations	0	306,750	306,750
24	Total – Lottery Division	245,451,858	89,617,676	335,069,534
25	<i>Municipal Finance</i> General Revenues	2,351,173	(451,580)	1,899,593
26	<i>Taxation</i>			
27	General Revenues	18,027,851	(642,343)	17,385,508
28	Federal Funds	1,261,962	23,582	1,285,544
29	Restricted Receipts	849,626	22,433	872,059
30	Other Funds			
31	Motor Fuel Tax Evasion	43,232	0	43,232
32	Temporary Disability Insurance	916,617	29,364	945,981
33	Total – Taxation	21,099,288	(566,964)	20,532,324
34	<i>Registry of Motor Vehicles</i>			

1	General Revenues	18,895,421	(631,625)	18,263,796
2	Federal Funds	1,786,689	(1,226,042)	560,647
3	Restricted Receipts	14,763	0	14,763
4	Rhode Island Capital Plan Funds			
5	Safety & Emissions Lift Replacement	150,000	150,000	300,000
6	Total – Registry of Motor Vehicles	20,846,873	(1,707,667)	19,139,206
7	<i>State Aid</i>			
8	General Revenue			
9	Distressed Communities Relief Fund	10,384,458	0	10,384,458
10	Payment in Lieu of Tax Exempt Properties	35,080,409	0	35,080,409
11	Motor Vehicle Excise Tax Payments	10,000,000	0	10,000,000
12	Property Revaluation Program	516,615	(55,999)	460,616
13	Municipal Aid	5,000,000	0	5,000,000
14	Restricted Receipts	957,497	(48,514)	908,983
15	Total – State Aid	61,938,979	(104,513)	61,834,466
16	Grand Total – Revenue	353,439,739	86,617,484	440,057,223
17	Legislature			
18	General Revenues	36,186,933	2,467,284	38,654,217
19	Restricted Receipts	1,604,615	(36,615)	1,568,000
20	Grand Total – Legislature	37,791,548	2,430,669	40,222,217
21	Lieutenant Governor			
22	General Revenues	986,890	(40,389)	946,501
23	Federal Funds	1,108,488	485,836	1,594,324
24	Restricted Receipts	0	135,000	135,000
25	Grand Total - Lieutenant Governor	2,095,378	580,447	2,675,825
26	Secretary of State			
27	<i>Administration</i> General Revenues	2,078,542	130,070	2,208,612
28	<i>Corporations</i> General Revenues	2,152,424	104,404	2,256,828
29	<i>State Archives</i>			
30	General Revenues	131,705	(30,564)	101,141
31	Restricted Receipts	449,931	56,482	506,413
32	Total - State Archives	581,636	25,918	607,554
33	<i>Elections & Civics</i>			
34	General Revenues	1,162,821	(324,015)	838,806

1	Federal Funds	0	50,163	50,163
2	Total – Elections & Civics	1,162,821	(273,852)	888,969
3	<i>State Library General Revenues</i>	611,318	(93,230)	518,088
4	<i>Office of Public Information</i>			
5	General Revenues	361,023	133,071	494,094
6	Restricted Receipts	5,000	8,431	13,431
7	Total – Office of Public Information	366,023	141,502	507,525
8	Grand Total – Secretary of State	6,952,764	34,812	6,987,576
9	General Treasurer			
10	<i>Treasury</i>			
11	General Revenues	2,471,194	(112,024)	2,359,170
12	Federal Funds	293,099	(21,821)	271,278
13	Restricted Receipts	40,000	246	40,246
14	Other Funds			
15	Temporary Disability Insurance Fund	228,923	(18,646)	210,277
16	Total – Treasury	3,033,216	(152,245)	2,880,971
17	<i>State Retirement System</i>			
18	Restricted Receipts			
19	Admin Expenses - State Retirement System	10,256,532	(421,569)	9,834,963
20	Retirement - Treasury Investment Operations	1,162,562	(112,654)	1,049,908
21	Defined Contribution – Administration	246,971	8,918	255,889
22	Total - State Retirement System	11,666,065	(525,305)	11,140,760
23	<i>Unclaimed Property Restricted Receipts</i>	18,559,092	3,954,270	22,513,362
24	<i>Crime Victim Compensation Program</i>			
25	General Revenues	183,498	14,649	198,147
26	Federal Funds	837,323	(257,572)	579,751
27	Restricted Receipts	1,128,267	275,045	1,403,312
28	Total - Crime Victim Compensation Program	2,149,088	32,122	2,181,210
29	Grand Total – General Treasurer	35,407,461	3,308,842	38,716,303
30	Board of Elections			
31	General Revenues	1,589,361	(467)	1,588,894
32	Public Financing of General Elections	150,000	0	150,000
33	Grand Total - Board of Elections	1,739,361	(467)	1,738,894
34	Rhode Island Ethics Commission General Revenues	1,577,204	(1,264)	1,575,940

1	Office of Governor			
2	General Revenues	4,193,513	(310,867)	3,882,646
3	Contingency Fund	250,000	0	250,000
4	Grand Total – Office of Governor	4,443,513	(310,867)	4,132,646
5	Commission for Human Rights			
6	General Revenues	1,150,785	(4,719)	1,146,066
7	Federal Funds	308,638	8,729	317,367
8	Grand Total - Commission for Human Rights	1,459,423	4,010	1,463,433
9	Public Utilities Commission			
10	Federal Funds	90,574	0	90,574
11	Federal Funds – Stimulus	76,244	38,238	114,482
12	Restricted Receipts	8,253,475	60,396	8,313,871
13	Grand Total - Public Utilities Commission	8,420,293	98,634	8,518,927
14	Office of Health and Human Services			
15	<i>Central Management</i>			
16	General Revenues	27,699,190	(1,178,767)	26,520,423
17	Federal Funds	88,057,656	12,334,944	100,392,600
18	Federal Funds – Stimulus	537,780	0	537,780
19	Restricted Receipts	982,284	(15,215)	967,069
20	Total – Central Management	117,276,910	11,140,962	128,417,872
21	<i>Medical Assistance</i>			
22	General Revenues			
23	Managed Care	281,682,858	9,218,938	290,901,796
24	Hospitals	107,499,737	(6,994,958)	100,504,779
25	Of this amount, \$5,482,009 is for the outpatient upper payment limit reimbursement.			
26	Nursing Facilities	179,263,818	(40,582,218)	138,681,600
27	Home and Community Based Care	48,645,073	(8,518,673)	40,126,400
28	Other Services	44,013,672	(646,389)	43,367,283
29	Pharmacy	51,721,344	(111,818)	51,609,526
30	Rhody Health	100,701,958	54,960,885	155,662,843
31	Affordable Care Act Transition Program	2,000,000	(1,000,000)	1,000,000
32	Federal Funds			
33	Managed Care	311,563,733	7,534,471	319,098,204
34	Hospitals	111,449,104	(7,107,827)	104,341,277

1	Of this amount, \$5,570,428 is for the outpatient upper payment limit reimbursement.			
2	Nursing Facilities	182,155,169	(41,236,769)	140,918,400
3	Home and Community Based Care	49,429,970	(8,656,370)	40,773,600
4	Other Services	150,655,199	84,791,474	235,446,673
5	Pharmacy	243,742	(476,421)	(232,679)
6	Rhody Health	101,617,845	57,919,312	159,537,157
7	Special Education	19,000,000	0	19,000,000
8	Restricted Receipts	9,015,000	2,571,044	11,586,044
9	Total - Medical Assistance	1,750,658,222	101,664,681	1,852,322,903
10	Grand Total – Office of Health and			
11	Human Services	1,867,935,132	112,805,643	1,980,740,775
12	Children, Youth, and Families			
13	<i>Central Management</i>			
14	General Revenues	4,911,020	(297,451)	4,613,569
15	Federal Funds	2,155,735	107,297	2,263,032
16	Restricted Receipts	34,991	(34,991)	0
17	Total - Central Management	7,101,746	(225,145)	6,876,601
18	<i>Children's Behavioral Health Services</i>			
19	General Revenues	4,491,441	2,073,802	6,565,243
20	Federal Funds	5,572,682	1,465,666	7,038,348
21	Rhode Island Capital Plan Funds			
22	NAFI Center	280,000	114,806	394,806
23	Mt. Hope Building Facade	275,000	(275,000)	0
24	Various Repairs and Improvements to YDC	0	355,000	355,000
25	Total - Children's Behavioral Health			
26	Services	10,619,123	3,734,274	14,353,397
27	<i>Juvenile Correctional Services</i>			
28	General Revenues	26,877,697	(2,372,381)	24,505,316
29	Federal Funds	330,645	(30,031)	300,614
30	Federal Funds – Stimulus	4,270	22,109	26,379
31	Rhode Island Capital Plan Funds			
32	Thomas C. Slater Training School			
33	Maintenance Building	535,000	(535,000)	0
34	Vocational Building – RITS	0	265,770	265,770

1	Total - Juvenile Correctional Services	27,747,612	(2,649,533)	25,098,079
2	<i>Child Welfare</i>			
3	General Revenues	105,380,058	117,199	105,497,257
4	18 to 21 Year Olds	11,116,775	(296,585)	10,820,190
5	Federal Funds	46,003,996	1,660,586	47,664,582
6	18 to 21 Year Olds	2,239,970	(493,973)	1,745,997
7	Federal Funds – Stimulus	385,107	61,233	446,340
8	Restricted Receipts	2,579,179	(130,429)	2,448,750
9	Rhode Island Capital Plan Funds			
10	Fire Code Upgrades	500,000	(450,000)	50,000
11	Total - Child Welfare	168,205,085	468,031	168,673,116
12	<i>Higher Education Incentive Grants</i> General Revenues	200,000	0	200,000
13	Grand Total - Children, Youth, and Families	213,873,566	1,327,627	215,201,193
14	Health			
15	<i>Central Management</i>			
16	General Revenues	544,959	(64,650)	480,309
17	Federal Funds	8,645,598	(877,478)	7,768,120
18	Restricted Receipts	4,239,580	3,774	4,243,354
19	Total - Central Management	13,430,137	(938,354)	12,491,783
20	<i>State Medical Examiner</i>			
21	General Revenues	2,365,037	(510,236)	1,854,801
22	Federal Funds	163,940	(22,604)	141,336
23	Total - State Medical Examiner	2,528,977	(532,840)	1,996,137
24	<i>Environmental and Health Services Regulation</i>			
25	General Revenues	9,491,266	(149,084)	9,342,182
26	Federal Funds	5,856,356	539,335	6,395,691
27	Restricted Receipts	4,199,254	(610,785)	3,588,469
28	Total - Environmental and Health Services			
29	Regulation	19,546,876	(220,534)	19,326,342
30	<i>Health Laboratories</i>			
31	General Revenues	6,199,240	(132,018)	6,067,222
32	Federal Funds	1,492,480	706,450	2,198,930
33	Federal Funds – Stimulus	0	6,500	6,500
34	Total - Health Laboratories	7,691,720	580,932	8,272,652

1	<i>Public Health Information</i>			
2	General Revenues	1,524,091	13,552	1,537,643
3	Federal Funds	847,574	1,857,068	2,704,642
4	Federal Funds – Stimulus	97,959	76,067	174,026
5	Total – Public Health Information	2,469,624	1,946,687	4,416,311
6	<i>Community and Family Health and Equity</i>			
7	General Revenues	2,448,286	107,470	2,555,756
8	Federal Funds	41,420,480	(2,821,236)	38,599,244
9	Federal Funds - Stimulus	382,645	633,582	1,016,227
10	Restricted Receipts	26,194,072	(1,020,877)	25,173,195
11	Other Funds			
12	Safe and Active Commuting	35,310	93,752	129,062
13	Total – Community and Family Health			
14	and Equity	70,480,793	(3,007,309)	67,473,484
15	<i>Infectious Disease and Epidemiology</i>			
16	General Revenues	1,735,122	(113,977)	1,621,145
17	Federal Funds	3,097,510	1,793,208	4,890,718
18	Restricted Receipts	0	5,995	5,995
19	Total – Infectious Disease and Epidemiology	4,832,632	1,685,226	6,517,858
20	Grand Total – Health	120,980,759	(486,192)	120,494,567
21	Human Services			
22	<i>Central Management</i>			
23	General Revenues	5,543,121	(54,037)	5,489,084
24	Federal Funds	5,244,172	(380,637)	4,863,535
25	Restricted Receipts	414,962	107,580	522,542
26	Total - Central Management	11,202,255	(327,094)	10,875,161
27	<i>Child Support Enforcement</i>			
28	General Revenues	2,370,212	(6,365)	2,363,847
29	Federal Funds	6,095,358	(153,076)	5,942,282
30	Total – Child Support Enforcement	8,465,570	(159,441)	8,306,129
31	<i>Individual and Family Support</i>			
32	General Revenues	20,922,405	1,859,608	22,782,013
33	Federal Funds	133,591,509	(1,957,130)	131,634,379
34	Federal Funds – Stimulus	0	11,748,163	11,748,163

1	Restricted Receipts	7,352,671	(7,012,240)	340,431
2	Rhode Island Capital Plan Funds			
3	Blind Vending Facilities	165,000	18,083	183,083
4	Intermodal Surface Transportation Fund	4,165,364	567,561	4,732,925
5	Food Stamp Bonus Funding	150,000	259,338	409,338
6	Total - Individual and Family Support	166,346,949	5,483,383	171,830,332
7	<i>Veterans' Affairs</i>			
8	General Revenues	20,993,993	(1,382,658)	19,611,335
9	Federal Funds	7,678,815	996,747	8,675,562
10	Restricted Receipts	1,467,376	266,764	1,734,140
11	Total - Veterans' Affairs	30,140,184	(119,147)	30,021,037
12	<i>Health Care Eligibility</i>			
13	General Revenues	8,141,377	(307,812)	7,833,565
14	Federal Funds	11,060,155	(794,912)	10,265,243
15	Total - Health Care Eligibility	19,201,532	(1,102,724)	18,098,808
16	<i>Supplemental Security Income Program</i>			
17	General Revenues	18,234,514	164,586	18,399,100
18	<i>Rhode Island Works</i>			
19	General Revenues - Child Care	9,668,635	0	9,668,635
20	Federal Funds	80,298,745	(4,837,073)	75,461,672
21	Total – Rhode Island Works	89,967,380	(4,837,073)	85,130,307
22	<i>State Funded Programs</i>			
23	General Revenues			
24	General Public Assistance	1,906,800	(11,388)	1,895,412
25	Of this appropriation, \$210,000 shall be used for hardship contingency payments.			
26	Federal Funds	298,637,602	2,360,464	300,998,066
27	Total - State Funded Programs	300,544,402	2,349,076	302,893,478
28	<i>Elderly Affairs</i>			
29	General Revenues	5,522,367	303,972	5,826,339
30	RIPAE	174,484	(174,484)	0
31	Care and Safety of the Elderly	1,287	(329)	958
32	Federal Funds	11,761,746	243,182	12,004,928
33	Restricted Receipts	527,491	(313,839)	213,652
34	Total – Elderly Affairs	17,987,375	58,502	18,045,877

1	Grand Total - Human Services	662,090,161	1,510,068	663,600,229
2	Behavioral Health, Developmental Disabilities, and Hospitals			
3	<i>Central Management</i>			
4	General Revenues	816,045	159,398	975,443
5	Federal Funds	429,446	119,963	549,409
6	Total - Central Management	1,245,491	279,361	1,524,852
7	<i>Hospital and Community System Support</i>			
8	General Revenues	1,592,216	(12,399)	1,579,817
9	Restricted Receipts	734,152	182,570	916,722
10	Rhode Island Capital Plan Funds			
11	Medical Center Rehabilitation	925,000	(362,000)	563,000
12	Community Facilities Fire Code	325,000	75,000	400,000
13	Total - Hospital and Community System			
14	Support	3,576,368	(116,829)	3,459,539
15	<i>Services for the Developmentally Disabled</i>			
16	General Revenues	109,467,984	519,665	109,987,649
17	Federal Funds	112,094,959	815,775	112,910,734
18	Restricted Receipts	1,652,750	306,700	1,959,450
19	Rhode Island Capital Plan Funds			
20	DD Private Waiver	225,431	(40,866)	184,565
21	Regional Center Repair/Rehabilitation	400,000	(50,000)	350,000
22	MR Community Facilities/Access to Independence	500,000	(100,011)	399,989
23	Total - Services for the Developmentally			
24	Disabled	224,341,124	1,451,263	225,792,387
25	<i>Behavioral Healthcare Services</i>			
26	General Revenues	39,670,207	(294,255)	39,375,952
27	Federal Funds	53,105,582	4,107,101	57,212,683
28	Federal Funds – Stimulus	232,500	(232,500)	0
29	Restricted Receipts	125,000	0	125,000
30	Rhode Island Capital Plan Funds			
31	MH Community Facilities Repair	225,000	95,000	320,000
32	MH Housing Development-Thresholds	800,000	0	800,000
33	Substance Abuse Asset Production	125,000	(25,000)	100,000
34	Total – Behavioral Healthcare Services	94,283,289	3,650,346	97,933,635

1	<i>Hospital and Community Rehabilitative Services</i>			
2	General Revenues	50,544,930	(1,373,975)	49,170,955
3	Federal Funds	51,897,236	(2,669,009)	49,228,227
4	Restricted Receipts	4,884,970	1,665,298	6,550,268
5	Rhode Island Capital Plan Funds			
6	Zambarano Buildings and Utilities	150,000	0	150,000
7	Hospital Consolidation	3,000,000	(1,400,000)	1,600,000
8	BHDDH Administrative Buildings	3,000,000	140,000	3,140,000
9	MR Community Facilities	925,000	89,831	1,014,831
10	Total - Hospital and Community			
11	Rehabilitative Services	114,402,136	(3,547,855)	110,854,281
12	Grand Total – Behavioral Healthcare,			
13	Developmental Disabilities, and Hospitals	437,848,408	1,716,286	439,564,694
14	Office of the Child Advocate			
15	General Revenues	608,651	(33,174)	575,477
16	Federal Funds	39,997	10,003	50,000
17	Grand Total – Office of the Child Advocate	648,648	(23,171)	625,477
18	Commission on the Deaf and Hard of Hearing			
19	General Revenues	391,609	(2,342)	389,267
20	Restricted Receipts	80,000	0	80,000
21	Grand Total – Com. on Deaf and Hard of			
22	Hearing	471,609	(2,342)	469,267
23	Governor's Commission on Disabilities			
24	General Revenues	357,711	(1,359)	356,352
25	Federal Funds	129,989	26,341	156,330
26	Restricted Receipts	10,365	5,565	15,930
27	Rhode Island Capital Plan Funds			
28	Accessibility to Disability Service Providers	247,938	(247,938)	0
29	Accessibility Fire Safety Renovations	115,833	(115,833)	0
30	Accessibility to Higher Education	593,500	(593,500)	0
31	Handicapped Accessibility	0	550,000	550,000
32	Grand Total - Governor's Commission on			
33	Disabilities	1,455,336	(376,724)	1,078,612
34	Office of the Mental Health Advocate General Revenues	486,144	(2,428)	483,716

1 **Elementary and Secondary Education**

2 *Administration of the Comprehensive Education Strategy*

3	General Revenues	19,826,703	(737,487)	19,089,216
4	Federal Funds	192,856,736	5,787,982	198,644,718
5	Federal Funds – Stimulus	19,956,823	(3,015,906)	16,940,917
6	RTTT LEA Share	11,022,400	210,345	11,232,745
7	Restricted Receipts	1,400,286	(216,874)	1,183,412
8	HRIC Adult Education Grants	3,800,000	0	3,800,000
9	Rhode Island Capital Plan Funds			
10	State-Owned Cranston	872,583	0	872,583
11	State-Owned East Providence	175,000	0	175,000
12	State-Owned Warwick	500,000	35,040	535,040
13	State-Owned Woonsocket	1,575,000	(1,375,000)	200,000
14	Total – Administration of the Comprehensive			
15	Education Strategy	251,985,531	688,100	252,673,631

16 *Davies Career and Technical School*

17	General Revenues	12,792,048	0	12,792,048
18	Federal Funds	1,384,139	(16,880)	1,367,259
19	Federal Funds – Stimulus	123,877	42,137	166,014
20	Restricted Receipts	2,564,848	353,003	2,917,851
21	Rhode Island Capital Plan Funds			
22	Davies HVAC	830,271	192,265	1,022,536
23	Davies Asset Protection	95,000	1,131,038	1,226,038
24	Davies School Roof Repairs	0	330,000	330,000
25	Total - Davies Career and Technical School	17,790,183	2,031,563	19,821,746

26 *RI School for the Deaf*

27	General Revenues	6,070,194	(165,622)	5,904,572
28	Federal Funds	281,867	24,488	306,355
29	Federal Funds – Stimulus	120,812	45,732	166,544
30	Restricted Receipts	300,000	233,629	533,629
31	Other Funds	0	59,000	59,000
32	Total - RI School for the Deaf	6,772,873	197,227	6,970,100

33 *Metropolitan Career and Technical School*

34	General Revenues	11,085,049	0	11,085,049
----	------------------	------------	---	------------

1	Rhode Island Capital Plan Funds			
2	MET School East Bay	2,580,000	2,902,642	5,482,642
3	MET Asset Protection	100,000	0	100,000
4	MET School HVAC	833,333	506,010	1,339,343
5	Total – Metropolitan Career and Technical			
6	School	14,598,382	3,408,652	18,007,034
7	<i>Education Aid</i>			
8	General Revenues	724,892,567	(75,078)	724,817,489
9	Restricted Receipts	19,593,382	(1,434,382)	18,159,000
10	Permanent School Fund – Education Aid	300,000	(59,000)	241,000
11	Total – Education Aid	744,785,949	(1,568,460)	743,217,489
12	<i>Central Falls School District</i> General Revenues	38,399,591	0	38,399,591
13	<i>Housing Aid</i> General Revenues	69,949,504	(2,286,468)	67,663,036
14	<i>Teachers' Retirement</i> General Revenues	81,691,253	(1,144,667)	80,546,586
15	Grand Total - Elementary and Secondary			
16	Education	1,225,973,266	1,325,947	1,227,299,213
17	Public Higher Education			
18	<i>Office of Higher Education</i>			
19	General Revenues	4,994,523	(3,951)	4,990,572
20	Federal Funds	6,190,306	(1,158,112)	5,032,194
21	Total - Office of Higher Education	11,184,829	(1,162,063)	10,022,766
22	<i>University of Rhode Island</i>			
23	General Revenues			
24	General Revenues	64,086,076	(122,375)	63,963,701
25	The University of Rhode Island shall maintain tuition charges in the 2013 – 2014			
26	academic year at the same level as the 2012 – 2013 academic year. The University shall not			
27	decrease internal student financial aid in the 2013 – 2014 academic year below the level of the			
28	2012 – 2013 academic year. The President of the institution shall report, prior to the			
29	commencement of the 2013 – 2014 academic year, to the chair of the Rhode Island Board of			
30	Education that such tuition charges and student aid levels have been achieved at the start of FY			
31	2014 as prescribed above.			
32	Debt Service	20,585,263	(399,479)	20,185,784
33	State Crime Lab	1,027,327	(3,781)	1,023,546
34	University and College Funds			

1	University and College Funds	600,530,024	5,674,407	606,204,431
2	Debt – Dining Services	1,160,911	(45,246)	1,115,665
3	Debt – Education and General	3,304,053	(122,041)	3,182,012
4	Debt – Health Services	152,595	(16,413)	136,182
5	Debt – Housing Loan Funds	11,049,281	(362,824)	10,686,457
6	Debt – Memorial Union	301,628	3,980	305,608
7	Debt – Ryan Center	2,798,704	5,367	2,804,071
8	Debt – Alton Jones Services	115,305	157	115,462
9	Debt - Parking Authority	1,040,836	(95,810)	945,026
10	Debt – Sponsored Research	100,238	(16,201)	84,037
11	Debt – Energy Conservation	2,905,496	(501,296)	2,404,200
12	Rhode Island Capital Plan Funds			
13	Asset Protection	7,357,500	0	7,357,500
14	Fire and Safety Protection	10,100,000	0	10,100,000
15	Nursing Education Center	2,500,000	(700,000)	1,800,000
16	New Chemistry Building	0	703,810	703,810
17	Fire Arts Center Advanced Planning	0	55,231	55,231
18	Biotechnology Center	0	270,220	270,220
19	Total – University of Rhode Island	729,115,237	4,327,706	733,442,943
20	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or			
21	unencumbered balances as of June 30, 2014 relating to the University of Rhode Island are hereby			
22	reappropriated to fiscal year 2015.			
23	<i>Rhode Island College</i>			
24	General Revenues			
25	General Revenues	39,004,298	(114,389)	38,889,909
26	Rhode Island College shall maintain tuition charges in the 2013 – 2014 academic year at			
27	the same level as the 2012 – 2013 academic year. The College shall not decrease internal student			
28	financial aid in the 2013 – 2014 academic year below the level of the 2012 – 2013 academic year.			
29	The President of the institution shall report, prior to the commencement of the 2013 – 2014			
30	academic year, to the chair of the Rhode Island Board of Education that such tuition charges and			
31	student aid levels have been achieved at the start of FY 2014 as prescribed above.			
32	Debt Service	3,887,576	(333,351)	3,554,225
33	Other Funds			
34	University and College Funds	110,482,163	(279,282)	110,202,881

1	Debt – Education and General	886,640	0	886,640
2	Debt – Housing	2,050,004	0	2,050,004
3	Debt – Student Center and Dining	172,078	0	172,078
4	Debt – Student Union	234,113	0	234,113
5	Debt – G.O. Debt Service	1,638,017	0	1,638,017
6	Rhode Island Capital Plan Funds			
7	Asset Protection	2,843,250	407,491	3,250,741
8	Infrastructure Modernization	5,000,000	(1,000,000)	4,000,000
9	New Art Center Advanced Planning	0	103,162	103,162
10	Total – Rhode Island College	166,198,139	(1,216,369)	164,981,770

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

14 *Community College of Rhode Island*

15 General Revenues

16	General Revenues	44,589,076	(155,790)	44,433,286
----	------------------	------------	-----------	------------

17 The Community College of Rhode Island College shall maintain tuition charges in the
18 2013 – 2014 academic year at the same level as the 2012 – 2013 academic year. The Community
19 College shall not decrease internal student financial aid in the 2013 – 2014 academic year below
20 the level of the 2012 – 2013 academic year. The President of the institution shall report, prior to
21 the 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	1,839,656	0	1,839,656
----	--------------	-----------	---	-----------

25	Restricted Receipts	702,583	0	702,583
----	---------------------	---------	---	---------

26 Other Funds

27	University and College Funds	100,333,007	2,102,805	102,435,812
----	------------------------------	-------------	-----------	-------------

28	Debt – Bookstore	28,443	0	28,443
----	------------------	--------	---	--------

29	CCRI Debt Service – Energy Conservation	1,289,480	(483,555)	805,925
----	---	-----------	-----------	---------

30 Rhode Island Capital Plan Funds

31	Asset Protection	2,093,500	0	2,093,500
----	------------------	-----------	---	-----------

32	Knight Campus Renewal	125,000	0	125,000
----	-----------------------	---------	---	---------

33	Total – Community College of RI	151,000,745	1,463,460	152,464,205
----	---------------------------------	-------------	-----------	-------------

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

1 unencumbered balances as of June 30, 2014 relating to the Community College of Rhode Island
 2 are hereby reappropriated to fiscal year 2015.

3	Grand Total – Public Higher Education	1,057,498,950	3,412,734	1,060,911,684
4	RI State Council on the Arts			
5	General Revenues			
6	Operating Support	423,973	(18,039)	405,934
7	Grants	911,657	(7,083)	904,574
8	Federal Funds	797,329	(649)	796,680
9	Other Funds			
10	Arts for Public Facilities	632,536	0	632,536
11	Grand Total - RI State Council on the Arts	2,765,495	(25,771)	2,739,724
12	RI Atomic Energy Commission			
13	General Revenues			
14	Federal Funds	267,044	(206,320)	60,724
15	Other Funds			
16	URI Sponsored Research	257,977	0	257,977
17	Rhode Island Capital Plan Funds			
18	RINSC Asset Protection	50,000	0	50,000
19	Grand Total - RI Atomic Energy Commission	1,436,731	(211,260)	1,225,471
20	RI Higher Education Assistance Authority			
21	General Revenues			
22	Needs Based Grants and Work Opportunities	4,134,726	51,597	4,186,323
23	Authority Operations and Other Grants	147,000	0	147,000
24	Federal Funds	13,274,020	(957,506)	12,316,514
25	Other Funds			
26	Tuition Savings Program – Needs Based Grants	8,800,000	(800,000)	8,000,000
27	Tuition Savings Program – Administration	407,989	(77,907)	330,082
28	Grand Total – RI Higher Education			
29	Assistance Authority	26,763,735	(1,783,816)	24,979,919
30	RI Historical Preservation and Heritage Commission			
31	General Revenues			
32	Federal Funds	609,949	1,565,473	2,175,422
33	Restricted Receipts	454,491	3,329	457,820
34	Other Funds			

1	RIDOT – Project Review	84,999	(16,310)	68,689
2	Rhode Island Capital Plan Funds			
3	Eisenhower House Asset Protection	1,000,000	(820,000)	180,000
4	Grand Total – RI Historical Preservation			
5	and Heritage Commission	3,506,949	715,778	4,222,727
6	Attorney General			
7	<i>Criminal</i>			
8	General Revenues	14,446,868	(240,216)	14,206,652
9	Federal Funds	1,619,532	1,202,380	2,821,912
10	Restricted Receipts	4,440,620	10,880,185	15,320,805
11	Total – Criminal	20,507,020	11,842,349	32,349,369
12	<i>Civil</i>			
13	General Revenues	4,985,425	348,534	5,333,959
14	Restricted Receipts	632,970	2,900	635,870
15	Total – Civil	5,618,395	351,434	5,969,829
16	<i>Bureau of Criminal Identification</i>			
17	General Revenues	1,503,119	21,106	1,524,225
18	Federal Funds	0	7,178	7,178
19	Total – Bureau of Criminal Identification	1,503,119	28,284	1,531,403
20	<i>General</i>			
21	General Revenues	2,721,567	9,391	2,730,958
22	Rhode Island Capital Plan Funds			
23	Building Renovations and Repairs	50,000	191,805	241,805
24	Total – General	2,771,567	201,196	2,972,763
25	Grand Total - Attorney General	30,400,101	12,423,263	42,823,364
26	Corrections			
27	<i>Central Management</i>			
28	General Revenues	9,077,039	(877,921)	8,199,118
29	Federal Funds	45,094	609,684	654,778
30	Federal Funds – Stimulus	10,770	(10,770)	0
31	Total – Central Management	9,132,903	(279,007)	8,853,896
32	<i>Parole Board</i>			
33	General Revenues	1,354,433	(76,812)	1,277,621
34	Federal Funds	38,000	0	38,000

1	Total – Parole Board	1,392,433	(76,812)	1,315,621
2	<i>Custody and Security</i>			
3	General Revenues	115,418,407	2,311,770	117,730,177
4	Federal Funds	761,526	210,013	971,539
5	Total – Custody and Security	116,179,933	2,521,783	118,701,716
6	<i>Institutional Support</i>			
7	General Revenues	15,728,306	198,384	15,926,690
8	Rhode Island Capital Plan Funds			
9	Asset Protection	3,000,000	1,292,068	4,292,068
10	Maximum – General Renovations	1,100,000	778,624	1,878,624
11	General Renovations – Women’s	1,000,000	(133,143)	866,857
12	Bernadette Guay Roof	1,165,000	(1,075,000)	90,000
13	ISC Exterior Envelope and HVAC	4,000,000	(3,559,673)	440,327
14	Minimum Security Kitchen Expansion	2,485,392	(2,435,392)	50,000
15	Medium Infrastructure	4,719,359	(4,319,359)	400,000
16	Women’s Bathroom Renovations	0	116,148	116,148
17	D-Building State Match – Reintegration C	0	220,022	220,022
18	Total - Institutional Support	33,198,057	(8,917,321)	24,280,736
19	<i>Institutional Based Rehab./Population Management</i>			
20	General Revenues	9,129,775	75,133	9,204,908
21	Federal Funds	794,918	(12,853)	782,065
22	Federal Funds – Stimulus	64,394	(64,311)	83
23	Restricted Receipts	29,758	(894)	28,864
24	Total – Institutional Based Rehab/Pop/Mgt.	10,018,845	(2,925)	10,015,920
25	<i>Healthcare Services</i> General Revenues	19,639,269	(215,609)	19,423,660
26	<i>Community Corrections</i>			
27	General Revenues	15,031,969	(162,101)	14,869,868
28	Federal Funds	73,986	43,267	117,253
29	Restricted Receipts	35,132	2,157	37,289
30	Total – Community Corrections	15,141,087	(116,677)	15,024,410
31	Grand Total – Corrections	204,702,527	(7,086,568)	197,615,959
32	Judiciary			
33	<i>Supreme Court</i>			
34	General Revenues	26,221,542	(99,073)	26,122,469

1	Defense of Indigents	3,562,240	(20,000)	3,542,240
2	Federal Funds	272,163	(81,512)	190,651
3	Restricted Receipts	3,356,909	51,563	3,408,472
4	Rhode Island Capital Plan Funds			
5	Judicial HVAC	425,000	197,271	622,271
6	Judicial Complexes Asset Protection	650,000	182,719	832,719
7	Murray Judicial Complex Cell Block	440,000	290,293	730,293
8	Total - Supreme Court	34,927,854	521,261	35,449,115
9	<i>Judicial Tenure and Discipline</i> General Revenues	115,627	(573)	115,054
10	<i>Superior Court</i>			
11	General Revenues	22,294,581	(364,700)	21,929,881
12	Federal Funds	94,205	44,956	139,161
13	Restricted Receipts	306,723	(4,345)	302,378
14	Total - Superior Court	22,695,509	(324,089)	22,371,420
15	<i>Family Court</i>			
16	General Revenues	18,851,385	141,452	18,992,837
17	Federal Funds	2,257,880	(177,109)	2,080,771
18	Total - Family Court	21,109,265	(35,657)	21,073,608
19	<i>District Court</i>			
20	General Revenues	12,545,634	(423,287)	12,122,347
21	Restricted Receipts	297,822	(5,020)	292,802
22	Total - District Court	12,843,456	(428,307)	12,415,149
23	<i>Traffic Tribunal</i> General Revenues	8,090,350	490,228	8,580,578
24	<i>Workers' Compensation Court</i> Restricted Receipts	7,842,060	(7,530)	7,834,530
25	Grand Total – Judiciary	107,624,121	215,333	107,839,454
26	Military Staff			
27	<i>National Guard</i>			
28	General Revenues	1,361,037	315,776	1,676,813
29	Federal Funds	14,816,306	(322,293)	14,494,013
30	Restricted Receipts	300,000	263,000	563,000
31	Rhode Island Capital Plan Funds			
32	AMC – Roof Replacement	280,000	(140,000)	140,000
33	State Armories Fire Code Compliance	20,250	14,750	35,000
34	Federal Armories Fire Code Compliance	20,250	(16,150)	4,100

1	Asset Protection	775,000	(132,102)	642,898
2	Logistics/Maintenance Facilities Fire Code Comp.	12,500	(2,500)	10,000
3	Benefit Street Arsenal Rehabilitation	800,000	(375,000)	425,000
4	Hurricane Sandy Cleanup	1,500,000	88,702	1,588,702
5	Command Center Readiness Addition	0	168,458	168,458
6	Emergency Management Building	0	29,643	29,643
7	Burrillville Regional Training Institute	0	30,290	30,290
8	Camp Fogarty Amory Roof	0	406,367	406,367
9	Total - National Guard	19,885,343	328,941	20,214,284
10	<i>Emergency Management</i>			
11	General Revenues	2,508,946	(620,722)	1,888,224
12	Federal Funds	20,062,446	6,773,663	26,836,109
13	Restricted Receipts	700,779	(492,721)	208,058
14	Total - Emergency Management	23,272,171	5,660,220	28,932,391
15	Grand Total - Military Staff	43,157,514	5,989,161	49,146,675
16	Public Safety			
17	<i>Central Management</i>			
18	General Revenues	1,240,692	(55,255)	1,185,437
19	Federal Funds	4,032,164	682,295	4,714,459
20	Federal Funds – Stimulus	73,809	0	73,809
21	Restricted Receipts	850	19,150	20,000
22	Total – Central Management	5,347,515	646,190	5,993,705
23	<i>E-911 Emergency Telephone System</i> General Revenues	5,488,731	(44,435)	5,444,296
24	<i>State Fire Marshal</i>			
25	General Revenues	2,894,425	(168,764)	2,725,661
26	Federal Funds	0	521,668	521,668
27	Restricted Receipts	277,338	131,417	408,755
28	Rhode Island Capital Plan Funds			
29	Fire Academy	800,000	(583,500)	216,500
30	Quonset Development Corp	55,303	64	55,367
31	Total - State Fire Marshal	4,027,066	(99,115)	3,927,951
32	<i>Security Services</i> General Revenues	21,814,553	(1,018,213)	20,796,340
33	<i>Municipal Police Training Academy</i>			
34	General Revenues	293,022	(56,618)	236,404

1	Federal Funds	269,151	21,249	290,400
2	Restricted Receipts	0	60,000	60,000
3	Total - Municipal Police Training Academy	562,173	24,631	586,804
4	<i>State Police</i>			
5	General Revenues	64,630,376	(754,641)	63,875,735
6	Federal Funds	1,780,411	3,208,609	4,989,020
7	Federal Funds – Stimulus	0	155,000	155,000
8	Restricted Receipts	12,475,000	(110,000)	12,365,000
9	Rhode Island Capital Plan Funds			
10	Barracks and Training	1,409,743	(1,152,426)	257,317
11	Headquarters Repairs/Rehabilitation	500,000	(292,000)	208,000
12	Parking Area Improvements	225,000	137,967	362,967
13	HQ Expansion	210,000	227,044	437,044
14	Statewide Microwave Tower Installations	0	21,377	21,377
15	Traffic Enforcement - Municipal Training	130,150	4,350	134,500
16	Lottery Commission Assistance	1,558,727	(249,498)	1,309,229
17	Airport Corporation	240,304	(51,155)	189,149
18	Road Construction Reimbursement	3,078,000	(143,000)	2,935,000
19	Total - State Police	86,237,711	1,001,627	87,239,338
20	Grand Total – Public Safety	123,477,749	510,685	123,988,434
21	Office of Public Defender			
22	General Revenues	11,034,686	(174,275)	10,860,411
23	Federal Funds	291,996	(34,910)	257,086
24	Grand Total - Office of Public Defender	11,326,682	(209,185)	11,117,497
25	Environmental Management			
26	<i>Office of the Director</i>			
27	General Revenues	4,575,920	(95,543)	4,480,377
28	Permit Streamlining	33,414	0	33,414
29	Federal Funds	150,000	0	150,000
30	Federal Funds – Stimulus	0	355,000	355,000
31	Restricted Receipts	2,929,180	394,800	3,323,980
32	Total – Office of the Director	7,688,514	654,257	8,342,771
33	<i>Natural Resources</i>			
34	General Revenues	18,718,638	(360,012)	18,358,626

1	Federal Funds	27,119,465	(911,571)	26,207,894
2	Restricted Receipts	6,594,688	72,630	6,667,318
3	Other Funds			
4	DOT Recreational Projects	370,428	1,244,927	1,615,355
5	Blackstone Bikepath Design	2,060,087	0	2,060,087
6	Transportation MOU	78,579	0	78,579
7	Rhode Island Capital Plan Funds			
8	Dam Repair	1,300,000	0	1,300,000
9	Fort Adams Rehabilitation	500,000	(400,000)	100,000
10	Fort Adams America's Cup	3,883,558	(2,000,000)	1,883,558
11	Recreational Facilities Improvements	3,390,000	(600,000)	2,790,000
12	Galilee Piers Upgrade	2,696,307	(944,997)	1,751,310
13	Newport Piers	250,000	(200,000)	50,000
14	World War II Facility	2,600,000	(2,600,000)	0
15	Blackstone Valley Bike Path	596,000	(505,170)	90,830
16	Natural Resources Office/Visitor's Center	1,800,000	(1,523,560)	276,440
17	Rocky Point Acquisition/Renovations	2,500,000	(2,400,000)	100,000
18	Total - Natural Resources	74,457,750	(11,127,753)	63,329,997
19	<i>Environmental Protection</i>			
20	General Revenues	11,428,346	(164,643)	11,263,703
21	Federal Funds	11,122,266	(434,824)	10,687,442
22	Restricted Receipts	8,557,647	352,505	8,910,152
23	Other Funds			
24	Transportation MOU	165,000	0	165,000
25	Retrofit Heavy-Duty Diesel Vehicles	2,760,000	(2,500,000)	260,000
26	Total - Environmental Protection	34,033,259	(2,746,962)	31,286,297
27	Grand Total - Environmental			
28	Management	116,179,523	(13,220,458)	102,959,065
29	Coastal Resources Management Council			
30	General Revenues	2,174,331	(15,595)	2,158,736
31	Federal Funds	1,754,919	(91,186)	1,663,733
32	Federal Funds – Stimulus	405,674	146,548	552,222
33	Restricted Receipts	374,982	(124,982)	250,000
34	Grand Total - Coastal Resources Mgmt.			

1	Council	4,709,906	(85,215)	4,624,691
2	Transportation			
3	<i>Central Management</i>			
4	Federal Funds	11,307,723	92,264	11,399,987
5	Other Funds			
6	Gasoline Tax	1,455,983	237,729	1,693,712
7	Total – Central Management	12,763,706	329,993	13,093,699
8	<i>Management and Budget</i>			
9	Other Funds			
10	Gasoline Tax	1,549,669	616,312	2,165,981
11	Total – Management and Budget	1,549,669	616,312	2,165,981
12	<i>Infrastructure Engineering – GARVEE/Motor Fuel Tax Bonds</i>			
13	Federal Funds	293,587,942	37,317,619	330,905,561
14	Of these federal funds, \$1,790,000 is appropriated to the Public Rail Corporation from			
15	CMAQ federal funds for the payment of liability insurance.			
16	Federal Funds – Stimulus	6,865,921	5,856,068	12,721,989
17	Restricted Receipts	8,010,496	(1,141,546)	6,868,950
18	Other Funds			
19	Gasoline Tax	53,061,714	76,284	53,137,998
20	Land Sale Revenue	14,809,264	(5,709,183)	9,100,081
21	Rhode Island Capital Plan Funds			
22	RIPTA - Land and Buildings	104,000	115,261	219,261
23	Highway Project Match Plan	21,135,000	(13,398,640)	7,736,360
24	Total – Infrastructure Engineering			
25	GARVEE/Motor Fuel Tax Bonds	397,574,337	23,115,863	420,690,200
26	<i>Infrastructure Maintenance</i>			
27	Other Funds			
28	Gasoline Tax	42,251,075	1,653,457	43,904,532
29	Non-Land Surplus Property	125,000	(75,000)	50,000
30	Outdoor Advertising	175,000	150,000	325,000
31	Rhode Island Capital Plan Funds			
32	Maintenance Facilities Improvements	776,210	(285,956)	490,254
33	Salt Storage Facilities	1,500,000	(828,565)	671,435
34	Portsmouth Facility	1,835,000	(1,335,000)	500,000

1	Maintenance Equipment Replacement	1,000,000	1,000,000	2,000,000
2	Train Station Maintenance and Repairs	100,000	(2,126)	97,874
3	RIPTA - Cooperative Maintenance Facility	600,000	(600,000)	0
4	Cherry Hill/Lincoln Facility	0	481,007	481,007
5	East Providence Facility	0	150,000	150,000
6	Maintenance Facility Fire Alarms	0	17,187	17,187
7	Total – Infrastructure Maintenance	48,362,285	325,004	48,687,289
8	Grand Total – Transportation	460,249,997	24,387,172	484,637,169
9	Statewide Totals			
10	General Revenues	3,359,755,123	(7,356,564)	3,352,398,559
11	Federal Funds	2,717,673,430	210,814,247	2,928,487,677
12	Restricted Receipts	255,035,912	23,677,581	278,713,493
13	Other Funds	1,880,597,557	28,502,015	1,909,099,572
14	Statewide Grand Total	8,213,062,022	255,637,279	8,468,699,301

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

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

	FY 2014	FY 2014	FY 2014
	<u>Enacted</u>	<u>Change</u>	<u>Final</u>
<u>Account</u>			
29 State Assessed Fringe Benefit Internal Service Fund	33,644,675	2,053,134	35,697,809
30 Administration Central Utilities Internal Service Fund	20,253,728	(6,015,271)	14,238,457
31 State Central Mail Internal Service Fund	5,336,633	183,170	5,519,803
32 State Telecommunications Internal Service Fund	4,084,660	(31,222)	4,053,438
33 State Automotive Fleet Internal Service Fund	13,668,556	(263,198)	13,405,358
34 Surplus Property Internal Service Fund	2,500	0	2,500

1	Health Insurance Internal Service Fund	250,127,757	0	250,127,757
2	Other Post-Employment Benefits Fund			
3	Retired State Employees	49,727,160	(518,377)	49,208,783
4	Retired Higher Education Employees	2,536,462	0	2,536,462
5	Retired Teachers	7,531,279	0	7,531,279
6	Retired State Police	3,073,102	0	3,073,102
7	Retired Legislators	772,532	0	772,532
8	Retired Judges	931,493	0	931,493
9	Capital Police Internal Service Fund	872,233	147,688	1,019,921
10	Corrections Central Distribution Center Internal			
11	Service Fund	6,701,947	569,518	7,271,465
12	Correctional Industries Internal Service Fund	8,341,086	(750,581)	7,590,505
13	Secretary of State Record Center Internal Service Fund	869,457	(3,166)	866,291

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

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

30 FY 2014 FTE POSITION AUTHORIZATION

31	Departments and Agencies	Full-Time Equivalent
32	Administration	720.7
33	Business Regulation	94.0
34	Labor and Training	392.0 410.0

1	Revenue	492.0
2	Legislature	298.5
3	Office of the Lieutenant Governor	8.0
4	Office of the Secretary of State	57.0
5	Office of the General Treasurer	83.0
6	Board of Elections	11.0
7	Rhode Island Ethics Commission	12.0
8	Office of the Governor	45.0
9	Commission for Human Rights	14.5
10	Public Utilities Commission	49.0
11	Office of Health and Human Services	184.0
12	Children, Youth, and Families	670.5
13	Health	494.1 <u>491.1</u>
14	Human Services	959.1
15	Behavioral Health, Developmental Disabilities, and Hospitals	1,423.4 <u>1,422.4</u>
16	Office of the Child Advocate	6.0
17	Commission on the Deaf and Hard of Hearing	3.0
18	Governor's Commission on Disabilities	4.0
19	Office of the Mental Health Advocate	3.7
20	Elementary and Secondary Education	171.4
21	School for the Deaf	60.0
22	Davies Career and Technical School	126.0
23	Office of Higher Education	13.8 <u>12.8</u>
24	Provided that 1.0 of the total authorization would be available only for positions that are	
25	supported by third-party funds.	
26	University of Rhode Island	2,456.5
27	Provided that <u>593.2</u> of the total authorization would be available only for positions that	
28	are supported by third-party funds.	
29	Rhode Island College	923.6
30	Provided that 82.0 of the total authorization would be available only for positions that are	
31	supported by third-party funds.	
32	Community College of Rhode Island	854.1
33	Provided that <u>100.0</u> of the total authorization would be available only for positions that	
34	are supported by third-party funds.	

1	Rhode Island State Council on the Arts	6.0
2	RI Atomic Energy Commission	8.6
3	Higher Education Assistance Authority	23.0
4	Historical Preservation and Heritage Commission	16.6
5	Office of the Attorney General	233.1
6	Corrections	1,419.0
7	Judicial	726.3
8	Military Staff	117.0
9	Public Safety	645.2 <u>634.2</u>
10	Office of the Public Defender	93.0
11	Environmental Management	399.0
12	Coastal Resources Management Council	29.0
13	Transportation	772.6 <u>752.6</u>
14	Total	-15,118.3 <u>15,100.3</u>

15 SECTION 5. Notwithstanding any public laws to the contrary, three million, three
16 hundred twenty thousand, nine hundred seventy nine dollars (\$3,320,979) of bond premium
17 deposited into the Rhode Island Capital Plan Fund in FY 2014 shall be transferred to the
18 Municipal Road and Bridge Revolving Fund on or before June 30, 2014.

19 SECTION 6. Notwithstanding any general laws to the contrary, the Department of
20 Administration shall transfer nine hundred twenty-five thousand, four hundred nineteen dollars
21 (\$925,419) from the Restoration and Replacement – Insurance Coverage Restricted Receipt
22 account to the State General Fund on or before June 30, 2014.

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

ARTICLE 11

RELATING TO EMPLOYMENT

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

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

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

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

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

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

(5) To support the state's job training for economic development;

(6) ~~(i)~~ Beginning January 1, 2001, two hundredths of one percent (0.02%) out of the ~~twenty one hundredths of one percent (0.21%)~~ job development assessment paid pursuant to § 28-43-8.5 shall be used to support necessary core services in the unemployment insurance and employment services programs operated by the department of labor and training; and

~~(ii) Beginning January 1, 2011 and ending in tax year 2015, two hundredths of one percent (0.02%) out of the fifty one hundredths of one percent (0.51%) job development assessment paid pursuant to § 28-43-8.5 shall be used to support necessary core services in the unemployment insurance and employment services programs operated by the department of labor and training; and~~

(7) Beginning January 1, 2011 and ending in tax year ~~2015~~ 2014, three tenths of one percent (0.3%) out of the fifty-one hundredths of one percent (0.51%) job development assessment paid pursuant to § ~~28-43-8.5~~ 28-43-8.5 shall be deposited into a restricted receipt

1 account to be used solely to pay the principal and/or interest due on Title XII advances received
2 from the federal government in accordance with the provisions of Section 1201 of the Social
3 Security Act; provided, however, that if the federal Title XII loans are repaid through a state
4 revenue bond or other financing mechanism, then these funds may also be used to pay the
5 principal and/or interest that accrues on that debt. Any remaining funds in the restricted receipt
6 account, after the outstanding principal and interest due has been paid, shall be transferred to the
7 employment 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 years 2011 through 2014, each
24 employer subject to this chapter shall be required to pay a job development assessment of fifty-
25 one hundredths of one percent (0.51%) of that employer's taxable payroll, in addition to any other
26 payment which that employer is required to make under any other provision of this chapter;
27 provided, that the assessment shall not be considered as part of the individual employer's
28 contribution rate for the purpose of determining the individual employer's balancing charge
29 pursuant to section 28-43-9; provided, further, upon full repayment of any outstanding principal
30 and/or interest due on Title XII advances received from the federal government in accordance
31 with the provisions of section 1201 of the Social Security Act, including any principal and/or
32 interest that accrues on debt from a state revenue bond or other financing mechanism used to
33 repay the Title XII advances, then the job development assessment shall be reduced to twenty-one
34 hundredths of one percent (0.21%) beginning the tax quarter after the full repayment occurs. The

1 tax rate for all employers subject to the contribution provisions of chapters 42 -- 44 of this title
2 shall be reduced by twenty-one hundredths of one percent (0.21%). For tax year 2015 and
3 subsequent years, each employer subject to this chapter shall be required to pay a job
4 development assessment of ~~fifty-one hundredths of one percent (0.51%)~~ twenty-one hundredths
5 of one percent (0.21%) of that employer's taxable payroll, in addition to any other payment which
6 that employer is required to make under any other provision of this chapter; provided, that the
7 assessment shall not be considered as part of the individual employer's contribution rate for the
8 purpose of determining the individual employer's balancing charge pursuant to section 28-43-9.
9 The tax rate for all employers subject to contribution provisions of chapter 42 – 44 of this title
10 shall be reduced by twenty-one hundredths of one percent (0.21%). ~~However, upon full~~
11 ~~repayment of any outstanding principal and/or interest due on Title XII advances received from~~
12 ~~the federal government in accordance with the provisions of section 1201 of the Social Security~~
13 ~~Act, including any principal and/or interest that accrues on debt from a state revenue bond or~~
14 ~~other financing mechanism used to repay the Title XII advances, then the job development~~
15 ~~assessment shall be reduced to twenty-one hundredths of one percent (0.21%) beginning the tax~~
16 ~~quarter after the full repayment occurs.~~

17 SECTION 3. Section 28-42-18 of the General Laws in Chapter 28-42 entitled
18 "Employment Security - General Provisions" is hereby amended to read as follows:

19 **28-42-18. Establishment of fund.** -- (a) There is created the employment security fund,
20 to be administered by the director without liability on the part of the state beyond the amounts
21 paid into and earned by the fund. This fund shall consist of:

- 22 (1) All contributions paid pursuant to sections 28-43-16 -- 28-43-22;
- 23 (2) All other moneys paid into and received by the fund;
- 24 (3) Property and securities acquired by and through the use of moneys belonging to the
25 fund;
- 26 (4) Interest earned upon the money belonging to the fund; and
- 27 (5) All money credited to this state's account in the unemployment trust fund pursuant to
28 42 U.S.C. section 1103.

29 (6) Advances from the general fund, authorized by the governor and the director of
30 administration, for the purpose of repaying loans outstanding from the federal government or for
31 paying unemployment insurance benefits due to avoid borrowing from the federal government in
32 a given fiscal year. However, all such advances made to the fund shall be repaid to the general
33 fund, with interest as determined by the general treasurer, within the same fiscal year.

34 (b) All moneys in the fund shall be mingled and undivided.

1 SECTION 4. Chapter 28-12 of the General Laws entitled "Minimum Wages" is hereby
2 amended by adding thereto the following section:

3 **28-12-25. Uniformity.** – No municipality shall establish, mandate, or otherwise require
4 an employer to pay a minimum wage to its employees, other than the state or federal mandated
5 minimum wage, or to apply a state or federal minimum wage law to wages statutorily exempt
6 from a state or federal minimum wage requirement.

7 SECTION 5. This article shall take effect upon passage.

8

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

ARTICLE 12

RELATING TO REVENUES

SECTION 1. Chapter 31-3-6.1 of the General Laws entitled "Registration of Vehicles" is hereby amended by adding thereto the following section:

31-3-6.1.1. Denial of registration- Denial of transfer of registration -- Failure to file tax returns and/or pay taxes. -- (a) On or before October 31 in each year and at least quarterly thereafter, the tax administrator shall furnish the division of motor vehicles, with a list the names, addresses and social security numbers of persons who have neglected or refused to file a tax return(s) and/or to pay any tax administered by the tax administrator and that there is no administrative or appellate review pending regarding such tax matter.

(b) Thereafter, the tax administrator, at the times and in the manner mutually agreed to by the tax administrator and the administrator of the division of motor vehicles, shall furnish to the division of motor vehicles the names, addresses and social security numbers of those persons whose names appear on that list but who have subsequently filed all required returns and paid all required taxes, interest and attendant penalties in full or entered into a time payment agreement satisfactory to the tax administrator. Upon receipt of said information, said names, addresses and social security numbers of said persons shall be removed from the list.

(c) The administrator of the division of motor vehicles shall not register any motor vehicle or transfer the registration of any motor vehicle for any person whose name appears on a list provided by the tax administrator pursuant to subsection (a) above until all state taxes, interest and attendant penalties have been paid in full and the payment has been certified to the division of motor vehicles by the tax administrator.

(d) If the person thereafter files an overdue return and/or remits past taxes due or enters into a satisfactory time payment agreement with respect to any and all returns due and taxes payable, the tax administrator shall, within five (5) business days of the person's request, provide the division of motor vehicles with a certificate of good standing specified in § 5-76-5. Within five (5) business days of receiving such a certificate, the division of motor vehicles shall register or transfer the person's registration.

(e) If a person files an overdue return and/or remits past due taxes in order to register a motor vehicle or transfer the registration of a motor vehicle, said late filing and/or payment shall

1 not be an admission of a violation of any criminal tax statute regarding late filing and/or late
2 payment. The tax administrator shall not refer such person to the attorney general for prosecution
3 based solely upon said late filing and/or payment of past due taxes.

4 SECTION 2. Chapter 44-30 of the General Laws entitled "Personal Income Tax" is
5 hereby amended by adding thereto the following section:

6 **44-30-100. Lookup table to report use tax on personal income tax return. -- (a) When**
7 reporting the amount of use tax obligation on the Rhode Island personal income return, the
8 taxpayer shall list either the actual amount (from books, records, and other sources), or an amount
9 using a lookup table established by the tax administrator.

10 (b) Establishment of lookup table. (1) The tax administrator shall create the lookup table
11 with reference to a taxpayer's federal adjusted gross income (AGI) as listed on the Rhode Island
12 personal income tax return before modifications, adjustments, or other changes. To determine the
13 amount of use tax from the lookup table, the taxpayer shall multiply 0.0008 by the amount of the
14 taxpayer's federal AGI as listed on the Rhode Island personal income tax return before
15 modifications, adjustments, or other changes.

16 (2) The AGI income ranges within the lookup table shall be adjusted by the tax
17 administrator by December 31 of each calendar year by the percentage, if any, by which the
18 Consumer Price Index for All Urban Consumers (CPI-U) as of the close of the 12-month period
19 ending on August 31 of that year, exceeds the CPI-U as of the close of the 12-month period
20 ending on August 31 of the immediately preceding year. For purposes of the annual calculation,
21 the tax administrator shall be free to substitute an inflation index which is substantially similar to
22 the CPI-U.

23 (3) If a taxpayer uses the lookup table, the taxpayer shall list on the return not only the
24 result from the lookup table, but also the actual amount of each single purchase whose purchase
25 price equals or exceeds one thousand dollars (\$1,000).

26 (4) Instructions for the personal income tax form shall indicate that the use of the lookup
27 table as described in this section is, for the taxpayer, a "safe harbor" alternative to listing the
28 actual amount of the taxpayer's use tax obligation.

29 (c) When completing and filing a Rhode Island personal income tax return, the taxpayer
30 shall check a box attesting to the amount of use tax listed on the return. The tax administrator
31 shall direct computer software providers to require the taxpayer or the taxpayer's preparer to
32 proactively check the box; software providers shall not program an automatically checked
33 attestation box.

34 (d) The tax administrator shall make clear on personal income tax forms and instructions

1 that use tax is typically due on internet, mail-order, and catalog out-of-state purchases.

2 SECTION 3. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
3 adding thereto the following chapter:

4 CHAPTER 69

5 COMPLIANCE OF PUBLIC EMPLOYEES WITH STATE INCOME TAX ACT

6 **44-69-1. Short title.** -- This chapter shall be known as the "Public Employee Tax
7 Compliance Act".

8 **44-69-1. Definitions.** -- (a) "Appointing authority" means the person or group of persons
9 having the power by virtue of the constitution, a state statute, or lawfully delegated authority to
10 make appointments.

11 (b) "Employee" or "state or public employee" means an elected official, appointed officer
12 or employee of any political subdivision of this state.

13 (c) "State agency" means any office, department, board, commission or institution of the
14 executive, legislative, higher education or judicial branch of state government.

15 (d) "Political subdivision" means any office, department, board, commission or
16 institution of the executive, legislative, education, or, public safety, or judicial branch of any city,
17 town, or school district within the state.

18 **44-69-3. Administration.** -- (a) The department of administration and all political
19 subdivisions shall, not later than August 1, 2014, and August 1 of each year thereafter, provide to
20 the tax administrator a list of all public employees as of the preceding July 1 and such identifying
21 information as may be required by the tax administrator. Such list and information shall be used
22 by the tax administrator exclusively for the purpose of collection of income taxes due to the state
23 of Rhode Island.

24 (b) The tax administrator shall, not later than December 1, 2014, and December 1 of each
25 year thereafter, notify any public employee who is not in compliance with the income tax laws of
26 this state. Such notification shall include:

27 (1) A statement that the employee will be subject to mandatory garnishment of wages by
28 the state controller, unless the taxpayer is deemed by the tax administrator to be in compliance
29 with the income tax laws of this state;

30 (2) The reasons that the taxpayer is considered to be out of compliance with the income
31 tax laws of this state, including a statement of the amount of any tax, penalties and interest due, or
32 a list of the tax years for which income tax returns have not been filed, as required by law;

33 (3) An explanation of the rights of the taxpayer and the procedures which must be
34 followed by the taxpayer in order to come into compliance with the income tax laws of this state;

1 and

2 (4) Such other information as may be deemed necessary by the tax administrator.

3 (c) A public employee who has entered into and is abiding by a payment agreement, or
4 who has requested relief as an innocent spouse, which request is pending or has been granted,
5 shall be deemed to be in compliance with the state income tax laws for purposes of this section.

6 (d) If the tax administrator notifies a public employee who is not in compliance with the
7 income tax laws of this state as required in this section and such public employee does not
8 respond to such notification or fails to come into compliance with the income tax laws of this
9 state after an assessment has been made final or after the Tax Administrator determines that every
10 reasonable effort has been made to assist the public employee to come into compliance with the
11 income tax laws of this state, the tax administrator shall so notify the state controller or political
12 subdivision, which shall commence mandatory garnishment of the public employee's wages and
13 shall notify the state employee of the reason for such action. If a public employee, who has been
14 previously reported by the tax administrator to a state agency or the political subdivision as being
15 out of compliance, comes into compliance, the tax administrator shall immediately notify the
16 state controller or the political subdivision. Neither a state agency or the political subdivision nor
17 an appointing authority shall be held liable for any action with respect to a public employee
18 pursuant to the provisions of this section.

19 SECTION 4. Section 44-33-3 of the General Laws in Chapter 44-33 entitled "Property
20 Tax Relief" is hereby amended to read as follows:

21 **44-33-3. Definitions.** -- As used in this chapter:

22 (1) "Claimant" means a homeowner or renter, sixty-five (65) years of age or older,
23 and/or disabled, who has filed a claim under this chapter and was domiciled in this state for the
24 entire calendar year for which he or she files a claim for relief under this chapter. In the case of
25 claim for rent constituting property taxes accrued, the claimant shall have rented property during
26 the preceding year for which he or she files for relief under this chapter. Claimant shall not mean
27 or include any person claimed as a dependent by any taxpayer under the Internal Revenue Code
28 of the United States, 26 U.S.C. section 1 et seq. When two (2) individuals of a household are able
29 to meet the qualifications for a claimant, they may determine between themselves as to who the
30 claimant is. If they are unable to agree, the matter is referred to the tax administrator and his or
31 her decision is final. If a homestead is occupied by two (2) or more individuals, and more than
32 one individual is able to qualify as a claimant, and some or all of the qualified individuals are not
33 related, the individuals may determine among themselves as to who the claimant is. If they are
34 unable to agree, the matter is referred to the tax administrator, and his or her decision is final.

1 (2) "Disabled" means those persons who are receiving a social security disability benefit.

2 (3) "Gross rent" means rental paid in cash or its equivalent solely for the right of
3 occupancy of a homestead, exclusive of charges for any utilities, services, furniture, furnishings,
4 or personal property appliances furnished by the landlord as a part of the rental agreement. If the
5 landlord and tenant have not dealt with each other at arm's length, and the tax administrator is
6 satisfied that the gross rent charged was excessive, he or she may adjust the gross rent to a
7 reasonable amount for purposes of this chapter. "Gross rent" includes the rental of space paid to a
8 landlord for parking of a mobile home, or docking or mooring a houseboat, exclusive of any
9 charges for utilities, services, furniture, furnishings, or personal appliances furnished by the
10 landlord as a part of the rental. Twenty percent (20%) of the annual gross rental plus the space
11 rental fees paid during the year are the annual "property taxes accrued."

12 (4) "Homestead" means the dwelling, whether owned or rented, and so much of the land
13 surrounding it, not exceeding one acre, as is reasonably necessary for use of the dwelling as a
14 home, and may consist of a part of the multi-dwelling or multi-purpose building and a part of the
15 land upon which it is built ("owned" includes a vendee in possession under a land contract and
16 one or more joint tenants or tenants in common). It does not include personal property such as
17 furniture, furnishings, or appliances, but a mobile home or a houseboat may be a homestead.

18 (5) "Household" means one or more persons occupying a dwelling unit and living as a
19 single nonprofit housekeeping unit. "Household" shall not include bona fide lessees, tenants, or
20 roomers, and boarders on contract.

21 (6) "Household income" means all income received by all persons of a household in a
22 calendar year while members of the household.

23 (7) "Income" means the sum of federal adjusted gross income as defined in the Internal
24 Revenue Code of the United States, 26 U.S.C. section 1 et seq., and all non-taxable income
25 including, but not limited to, the amount of capital gains excluded from adjusted gross income,
26 alimony, support money, non-taxable strike benefits, cash public assistance and relief (not
27 including relief granted under this chapter), the gross amount of any pension or annuity
28 (including Railroad Retirement Act (see 45 U.S.C. section 231 et seq.) benefits, all payments
29 received under the federal Social Security Act, 42 U.S.C. section 301 et seq., state unemployment
30 insurance laws, and veterans' disability pensions (see 38 U.S.C. section 301 et seq.), non-taxable
31 interest received from the federal government or any of its instrumentalities, workers'
32 compensation, and the gross amount of "loss of time" insurance. It shall not include gifts from
33 nongovernmental sources, or surplus foods or other relief in kind supplied by a public or private
34 agency. For the purpose of this chapter, the calculation of "income" shall not include any

1 deductions for rental losses, business losses, capital losses, exclusion for foreign income, and any
2 losses received from pass-through entities.

3 (8) "Property taxes accrued" means property taxes (exclusive of special assessments,
4 delinquent interest, and charges for service) levied on a claimant's homestead in this state in 1977
5 or any calendar year thereafter. If a homestead is owned by two (2) or more persons or entities as
6 joint tenants or tenants in common, and one or more persons or entities are not a member of
7 claimant's household, "property taxes accrued" is that part of property taxes levied on the
8 homestead which reflects the ownership percentage of the claimant and his or her household. For
9 purposes of this subdivision, property taxes are "levied" when the tax roll is certified by the city
10 or town assessor. When a homestead is sold during the calendar year of the levy, the "property
11 taxes accrued" for the seller and buyer is the amount of the tax levy prorated to each in the
12 closing agreement pertaining to the sale of the homestead or, if not provided for in the closing
13 agreement, the tax levy is prorated between seller and buyer based upon the delivery date of the
14 deed of conveyance. When a household owns and occupies two (2) or more homesteads in the
15 same calendar year, "property taxes accrued" is the sum of the prorated taxes attributable to the
16 household for each of the homesteads. If the household owns and occupies the homestead for the
17 part of the calendar year and rents a household for part of the calendar year, it may include both
18 the proration of taxes on the homestead owned and "rent constituting property taxes accrued"
19 with respect to the months the homestead is rented, in computing the amount of the claim. All
20 prorations are made on the basis of the gross tax levy after all exemptions. If a homestead is an
21 integral part of a larger unit such as a farm, or a multi-purpose or multi-dwelling building,
22 property taxes accrued is that percentage of the total property taxes accrued as the value of the
23 homestead is of the total value. For the purposes of this subdivision, "unit" refers to the parcel of
24 property covered by a single tax statement of which the homestead is a part.

25 (9) "Rent constituting property taxes accrued" means twenty percent (20%) of the gross
26 rent actually paid in cash or its equivalent in any calendar year by a claimant and his or her
27 household solely for the right of occupancy of their Rhode Island homestead in the calendar year,
28 and which rent constitutes the basis, in the succeeding calendar year, of a claim for relief under
29 this chapter by the claimant, but shall not include any part of the rent paid for occupancy of
30 premises which are legally exempt from the payment of property taxes.

31 SECTION 5. Section 44-25-1 of the General Laws in Chapter 44-25 entitled "Real Estate
32 Conveyance Tax" is hereby amended to read as follows:

33 **44-25-1. Tax imposed -- Payment -- Burden.** -- (a) There is imposed, on each deed,
34 instrument, or writing by which any lands, tenements, or other realty sold is granted, assigned,

1 transferred, or conveyed to, or vested in, the purchaser or purchasers, or any other person or
2 persons, by his or her or their direction, when the consideration paid exceeds one hundred dollars
3 (\$100), a tax at the rate of ~~two dollars (\$2.00)~~ two dollars and thirty cents (\$2.30) for each five
4 hundred dollars (\$500) or fractional part of it which is paid for the purchase of the property
5 (inclusive of the value of any lien or encumbrance remaining at the time of sale), which tax is
6 payable at the time of making, execution, delivery, acceptance or presenting for recording of the
7 instrument. In the absence of an agreement to the contrary, the tax shall be paid by the grantor.

8 (b) In the event no consideration is actually paid for the lands, tenements, or realty, the
9 instrument of conveyance shall contain a statement to the effect that the consideration is such that
10 no documentary stamps are required.

11 (c) The tax administrator shall contribute to the distressed community relief program the
12 sum of thirty cents (\$.30) per ~~two dollars (\$2.00)~~ two dollars and thirty cents (\$2.30) of the face
13 value of the stamps to be distributed pursuant to section 45-13-12~~;~~ and to the housing resources
14 commission restricted receipts account the sum of thirty cents (\$.30) per two dollars and thirty
15 cents (\$2.30) of the face value of the stamps. Funds will be administered by the department of
16 administration, office of housing and community development, through the housing resources
17 commission. The state shall retain sixty cents (\$.60) for state use. The balance of the tax shall be
18 retained by the municipality collecting the tax. Provided, however, in fiscal years 2004 and 2005,
19 from the proceeds of this tax, the tax administrator shall deposit as general revenues the sum of
20 ninety cents (\$.90) per ~~two dollars (\$2.00)~~ two dollars and thirty cents (\$2.30) of the face value of
21 the stamps. The balance of the tax is retained by the municipality collecting the tax.

22 SECTION 6. Section 42-128-2 of the General Laws in Chapter 42-128 entitled "Rhode
23 Island Housing Resources Act of 1998" is hereby amended to read as follows:

24 **42-128-2. Rhode Island housing resources agency created.** -- There is created within
25 the executive department a housing resources agency with the following purposes, organization,
26 and powers:

27 (1) Purposes:

28 (i) To provide coherence to the housing programs of the state of Rhode Island and its
29 departments, agencies, commissions, corporations, and subdivisions.

30 (ii) To provide for the integration and coordination of the activities of the Rhode Island
31 housing and mortgage finance corporation and the Rhode Island housing resources commission.

32 (2) Coordinating committee -- Created -- Purposes and powers:

33 (i) The coordinating committee of the housing resources agency shall be comprised of
34 the chairperson of the Rhode Island housing and mortgage finance corporation, the chairperson of

1 the Rhode Island housing resources commission, the director of the department of administration,
2 or the designee of the director, and the executive director of the Rhode Island housing and
3 mortgage finance corporation. The chairperson of the Rhode Island housing resources
4 commission shall be chairperson of the coordinating committee.

5 (ii) The coordinating committee shall develop and shall implement, with the approval of
6 the Rhode Island housing and mortgage finance corporation and the Rhode Island housing
7 resources commission, a memorandum of agreement describing the fiscal and operational
8 relationship between the Rhode Island housing and mortgage finance corporation and the Rhode
9 Island housing resources commission and shall define which programs of federal assistance will
10 be applied for on behalf of the state by the Rhode Island housing and mortgage finance
11 corporation and the Rhode Island housing resources commission.

12 [\(3\) There is hereby established a restricted receipt account within the general fund of the](#)
13 [state. Funds from this account shall be used to provide for the lead hazard abatement program,](#)
14 [housing rental subsidy, and homeless prevention assistance and housing retention assistance.](#)

15 SECTION 7. Section 44-30-2.6 of the General Laws in Chapter 44-30 entitled "Personal
16 Income Tax" is hereby amended to read as follows:

17 **44-30-2.6. Rhode Island taxable income -- Rate of tax. --** (a) "Rhode Island taxable
18 income" means federal taxable income as determined under the Internal Revenue Code, 26 U.S.C.
19 section 1 et seq., not including the increase in the basic standard deduction amount for married
20 couples filing joint returns as provided in the Jobs and Growth Tax Relief Reconciliation Act of
21 2003 and the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), and as
22 modified by the modifications in section 44-30-12.

23 (b) Notwithstanding the provisions of sections 44-30-1 and 44-30-2, for tax years
24 beginning on or after January 1, 2001, a Rhode Island personal income tax is imposed upon the
25 Rhode Island taxable income of residents and nonresidents, including estates and trusts, at the rate
26 of twenty-five and one-half percent (25.5%) for tax year 2001, and twenty-five percent (25%) for
27 tax year 2002 and thereafter of the federal income tax rates, including capital gains rates and any
28 other special rates for other types of income, except as provided in section 44-30-2.7, which were
29 in effect immediately prior to enactment of the Economic Growth and Tax Relief Reconciliation
30 Act of 2001 (EGTRRA); provided, rate schedules shall be adjusted for inflation by the tax
31 administrator beginning in taxable year 2002 and thereafter in the manner prescribed for
32 adjustment by the commissioner of Internal Revenue in 26 U.S.C. section 1(f). However, for tax
33 years beginning on or after January 1, 2006, a taxpayer may elect to use the alternative flat tax
34 rate provided in section 44-30-2.10 to calculate his or her personal income tax liability.

1 (c) For tax years beginning on or after January 1, 2001, if a taxpayer has an alternative
2 minimum tax for federal tax purposes, the taxpayer shall determine if he or she has a Rhode
3 Island alternative minimum tax. The Rhode Island alternative minimum tax shall be computed by
4 multiplying the federal tentative minimum tax without allowing for the increased exemptions
5 under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (as redetermined on federal
6 form 6251 Alternative Minimum Tax-Individuals) by twenty-five and one-half percent (25.5%)
7 for tax year 2001, and twenty-five percent (25%) for tax year 2002 and thereafter, and comparing
8 the product to the Rhode Island tax as computed otherwise under this section. The excess shall be
9 the taxpayer's Rhode Island alternative minimum tax.

10 (1) For tax years beginning on or after January 1, 2005 and thereafter the exemption
11 amount for alternative minimum tax, for Rhode Island purposes, shall be adjusted for inflation by
12 the tax administrator in the manner prescribed for adjustment by the commissioner of Internal
13 Revenue in 26 U.S.C. section 1(f).

14 (2) For the period January 1, 2007 through December 31, 2007, and thereafter, Rhode
15 Island taxable income shall be determined by deducting from federal adjusted gross income as
16 defined in 26 U.S.C. section 62 as modified by the modifications in section 44-30-12 the Rhode
17 Island itemized deduction amount and the Rhode Island exemption amount as determined in this
18 section.

19 (A) Tax imposed.

20 (1) There is hereby imposed on the taxable income of married individuals filing joint
21 returns and surviving spouses a tax determined in accordance with the following table:

22 If taxable income is:	The tax is:
23 Not over \$53,150	3.75% of taxable income
24 Over \$53,150 but not over \$128,500	\$1,993.13 plus 7.00% of the excess over 25 \$53,150
26 Over \$128,500 but not over \$195,850	\$7,267.63 plus 7.75% of the excess over 27 \$128,500
28 Over \$195,850 but not over \$349,700	\$12,487.25 plus 9.00% of the excess over 29 \$195,850
30 Over \$349,700	\$26,333.75 plus 9.90% of the excess over 31 \$349,700

32 (2) There is hereby imposed on the taxable income of every head of household a tax
33 determined in accordance with the following table:

34 If taxable income is:	The tax is:
--------------------------	-------------

1	Not over \$42,650	3.75% of taxable income
2	Over \$42,650 but not over \$110,100	\$1,599.38 plus 7.00% of the excess over
3	\$42,650	
4	Over \$110,100 but not over \$178,350	\$6,320.88 plus 7.75% of the excess over
5	\$110,100	
6	Over \$178,350 but not over \$349,700	\$11,610.25 plus 9.00% of the excess over
7	\$178,350	
8	Over \$349,700	\$27,031.75 plus 9.90% of the excess over
9	\$349,700	

10 (3) There is hereby imposed on the taxable income of unmarried individuals (other than
11 surviving spouses and heads of households) a tax determined in accordance with the following
12 table:

13	If taxable income is:	The tax is:
14	Not over \$31,850	3.75% of taxable income
15	Over \$31,850 but not over \$77,100	\$1,194.38 plus 7.00% of the excess over
16	\$31,850	
17	Over \$77,100 but not over \$160,850	\$4,361.88 plus 7.75% of the excess over
18	\$77,100	
19	Over \$160,850 but not over \$349,700	\$10,852.50 plus 9.00% of the excess over
20	\$160,850	
21	Over \$349,700	\$27,849.00 plus 9.90% of the excess over
22	\$349,700	

23 (4) There is hereby imposed on the taxable income of married individuals filing separate
24 returns and bankruptcy estates a tax determined in accordance with the following table:

25	If taxable income is:	The tax is:
26	Not over \$26,575	3.75% of taxable income
27	Over \$26,575 but not over \$64,250	\$996.56 plus 7.00% of the excess over \$26,575
28	Over \$64,250 but not over \$97,925	\$3,633.81 plus 7.75% of the excess over
29	\$64,250	
30	Over \$97,925 but not over \$174,850	\$6,243.63 plus 9.00% of the excess over
31	\$97,925	
32	Over \$174,850	\$13,166.88 plus 9.90% of the excess over
33	\$174,850	

34 (5) There is hereby imposed a taxable income of an estate or trust a tax determined in

1 accordance with the following table:

2 If taxable income is:	The tax is:
3 Not over \$2,150	3.75% of taxable income
4 Over \$2,150 but not over \$5,000	\$80.63 plus 7.00% of the excess over \$2,150
5 Over \$5,000 but not over \$7,650	\$280.13 plus 7.75% of the excess over \$5,000
6 Over \$7,650 but not over \$10,450	\$485.50 plus 9.00% of the excess over \$7,650
7 Over \$10,450	\$737.50 plus 9.90% of the excess over \$10,450

8 (6) Adjustments for inflation.

9 The dollars amount contained in paragraph (A) shall be increased by an amount equal to:

10 (a) Such dollar amount contained in paragraph (A) in the year 1993, multiplied by;

11 (b) The cost-of-living adjustment determined under section (J) with a base year of 1993;

12 (c) The cost-of-living adjustment referred to in subparagraph (a) and (b) used in making

13 adjustments to the nine percent (9%) and nine and nine tenths percent (9.9%) dollar amounts shall

14 be determined under section (J) by substituting "1994" for "1993."

15 (B) Maximum capital gains rates

16 (1) In general

17 If a taxpayer has a net capital gain for tax years ending prior to January 1, 2010, the tax

18 imposed by this section for such taxable year shall not exceed the sum of:

19 (a) 2.5 % of the net capital gain as reported for federal income tax purposes under section

20 26 U.S.C. 1(h)(1)(a) and 26 U.S.C. 1(h)(1)(b).

21 (b) 5% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.

22 1(h)(1)(c).

23 (c) 6.25% of the net capital gain as reported for federal income tax purposes under 26

24 U.S.C. 1(h)(1)(d).

25 (d) 7% of the net capital gain as reported for federal income tax purposes under 26 U.S.C.

26 1(h)(1)(e).

27 (2) For tax years beginning on or after January 1, 2010 the tax imposed on net capital

28 gain shall be determined under subdivision 44-30-2.6(c)(2)(A).

29 (C) Itemized deductions.

30 (1) In general

31 For the purposes of section (2) "itemized deductions" means the amount of federal

32 itemized deductions as modified by the modifications in section 44-30-12.

33 (2) Individuals who do not itemize their deductions

34 In the case of an individual who does not elect to itemize his deductions for the taxable

1 year, they may elect to take a standard deduction.

2 (3) Basic standard deduction.

3 The Rhode Island standard deduction shall be allowed in accordance with the following
4 table:

5 Filing status	Amount
6 Single	\$5,350
7 Married filing jointly or qualifying widow(er)	\$8,900
8 Married filing separately	\$4,450
9 Head of Household	\$7,850

10 (4) Additional standard deduction for the aged and blind.

11 An additional standard deduction shall be allowed for individuals age sixty-five (65) or
12 older or blind in the amount of \$1,300 for individuals who are not married and \$1,050 for
13 individuals who are married.

14 (5) Limitation on basic standard deduction in the case of certain dependents.

15 In the case of an individual to whom a deduction under section (E) is allowable to another
16 taxpayer, the basic standard deduction applicable to such individual shall not exceed the greater
17 of:

- 18 (a) \$850;
- 19 (b) The sum of \$300 and such individual's earned income;
- 20 (c) Certain individuals not eligible for standard deduction.

21 In the case of:

- 22 (a) A married individual filing a separate return where either spouse itemizes deductions;
- 23 (b) Nonresident alien individual;
- 24 (c) An estate or trust;

25 The standard deduction shall be zero.

26 (7) Adjustments for inflation.

27 Each dollars amount contained in paragraphs (3), (4) and (5) shall be increased by an
28 amount equal to:

29 (a) Such dollar amount contained in paragraphs (3), (4) and (5) in the year 1988,
30 multiplied by

31 (b) The cost-of-living adjustment determined under section (J) with a base year of 1988.

32 (D) Overall limitation on itemized deductions

33 (1) General rule.

34 In the case of an individual whose adjusted gross income as modified by section 44-30-12

1 exceeds the applicable amount, the amount of the itemized deductions otherwise allowable for the
2 taxable year shall be reduced by the lesser of:

3 (a) Three percent (3%) of the excess of adjusted gross income as modified by section 44-
4 30-12 over the applicable amount; or

5 (b) Eighty percent (80%) of the amount of the itemized deductions otherwise allowable
6 for such taxable year.

7 (2) Applicable amount.

8 (a) In general.

9 For purposes of this section, the term "applicable amount" means \$156,400 (\$78,200 in
10 the case of a separate return by a married individual)

11 (b) Adjustments for inflation.

12 Each dollar amount contained in paragraph (a) shall be increased by an amount equal to:

13 (i) Such dollar amount contained in paragraph (a) in the year 1991, multiplied by

14 (ii) The cost-of-living adjustment determined under section (J) with a base year of 1991.

15 (3) Phase-out of Limitation.

16 (a) In general.

17 In the case of taxable year beginning after December 31, 2005, and before January 1,
18 2010, the reduction under section (1) shall be equal to the applicable fraction of the amount which
19 would be the amount of such reduction.

20 (b) Applicable fraction.

21 For purposes of paragraph (a), the applicable fraction shall be determined in accordance
22 with the following table:

23 For taxable years beginning in	24 The applicable fraction is
25 calendar year	
26 2006 and 2007	2/3
27 2008 and 2009	1/3

28 (E) Exemption amount

29 (1) In general.

30 Except as otherwise provided in this subsection, the term "exemption amount" mean
31 \$3,400.

32 (2) Exemption amount disallowed in case of certain dependents.

33 In the case of an individual with respect to whom a deduction under this section is
34 allowable to another taxpayer for the same taxable year, the exemption amount applicable to such
individual for such individual's taxable year shall be zero.

1 (3) Adjustments for inflation.

2 The dollar amount contained in paragraph (1) shall be increased by an amount equal to:

3 (a) Such dollar amount contained in paragraph (1) in the year 1989, multiplied by

4 (b) The cost-of-living adjustment determined under section (J) with a base year of 1989.

5 (4) Limitation.

6 (a) In general.

7 In the case of any taxpayer whose adjusted gross income as modified for the taxable year
8 exceeds the threshold amount shall be reduced by the applicable percentage.

9 (b) Applicable percentage.

10 In the case of any taxpayer whose adjusted gross income for the taxable year exceeds the
11 threshold amount, the exemption amount shall be reduced by two (2) percentage points for each
12 \$2,500 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year
13 exceeds the threshold amount. In the case of a married individual filing a separate return, the
14 preceding sentence shall be applied by substituting "\$1,250" for "\$2,500." In no event shall the
15 applicable percentage exceed one hundred percent (100%).

16 (c) Threshold Amount.

17 For the purposes of this paragraph, the term "threshold amount" shall be determined with
18 the following table:

19 Filing status	Amount
20 Single	\$156,400
21 Married filing jointly of qualifying widow(er)	\$234,600
22 Married filing separately	\$117,300
23 Head of Household	\$195,500

24 (d) Adjustments for inflation.

25 Each dollars amount contain in paragraph (b) shall be increased by an amount equal to:

26 (i) Such dollar amount contained in paragraph (b) in the year 1991, multiplied
27 by

28 (ii) The cost-of-living adjustment determined under section (J) with a base year
29 of 1991.

30 (5) Phase-out of Limitation.

31 (a) In general.

32 In the case of taxable years beginning after December 31, 2005, and before
33 January 1, 2010, the reduction under section 4 shall be equal to the applicable
34 fraction of the amount which would be the amount of such reduction.

1 (b) Applicable fraction.

2 For the purposes of paragraph (a), the applicable fraction shall be determined in
3 accordance with the following table:

4	For taxable years beginning in	The applicable fraction is
5	calendar year	
6	2006 and 2007	2/3
7	2008 and 2009	1/3

8 (F) Alternative minimum tax

9 (1) General rule. - There is hereby imposed (in addition to any other tax imposed by this
10 subtitle) a tax equal to the excess (if any) of:

11 (a) The tentative minimum tax for the taxable year, over

12 (b) The regular tax for the taxable year.

13 (2) The tentative minimum tax for the taxable year is the sum of:

14 (a) 6.5 percent of so much of the taxable excess as does not exceed \$175,000, plus

15 (b) 7.0 percent of so much of the taxable excess above \$175,000.

16 (3) The amount determined under the preceding sentence shall be reduced by the
17 alternative minimum tax foreign tax credit for the taxable year.

18 (4) Taxable excess. - For the purposes of this subsection the term "taxable excess" means
19 so much of the federal alternative minimum taxable income as modified by the modifications in
20 section 44-30-12 as exceeds the exemption amount.

21 (5) In the case of a married individual filing a separate return, subparagraph (2) shall be
22 applied by substituting "\$87,500" for \$175,000 each place it appears.

23 (6) Exemption amount.

24 For purposes of this section "exemption amount" means:

25	Filing status	Amount
26	Single	\$39,150
27	Married filing jointly or qualifying widow(er)	\$53,700
28	Married filing separately	\$26,850
29	Head of Household	\$39,150
30	Estate or trust	\$24,650

31 (7) Treatment of unearned income of minor children

32 (a) In general.

33 In the case of a minor child, the exemption amount for purposes of section (6) shall not
34 exceed the sum of:

1 (i) Such child's earned income, plus

2 (ii) \$6,000.

3 (8) Adjustments for inflation.

4 The dollar amount contained in paragraphs (6) and (7) shall be increased by an amount
5 equal to:

6 (a) Such dollar amount contained in paragraphs (6) and (7) in the year 2004, multiplied
7 by

8 (b) The cost-of-living adjustment determined under section (J) with a base year of 2004.

9 (9) Phase-out.

10 (a) In general.

11 The exemption amount of any taxpayer shall be reduced (but not below zero) by an
12 amount equal to twenty-five percent (25%) of the amount by which alternative minimum taxable
13 income of the taxpayer exceeds the threshold amount.

14 (b) Threshold amount.

15 For purposes of this paragraph, the term "threshold amount" shall be determined with the
16 following table:

17 Filing status	Amount
18 Single	\$123,250
19 Married filing jointly or qualifying widow(er)	\$164,350
20 Married filing separately	\$82,175
21 Head of Household	\$123,250
22 Estate or Trust	\$82,150

23 (c) Adjustments for inflation

24 Each dollar amount contained in paragraph (9) shall be increased by an amount equal to:

25 (i) Such dollar amount contained in paragraph (9) in the year 2004, multiplied by

26 (ii) The cost-of-living adjustment determined under section (J) with a base year of 2004.

27 (G) Other Rhode Island taxes

28 (1) General rule. - There is hereby imposed (in addition to any other tax imposed by this
29 subtitle) a tax equal to twenty-five percent (25%) of:

30 (a) The Federal income tax on lump-sum distributions.

31 (b) The Federal income tax on parents' election to report child's interest and dividends.

32 (c) The recapture of Federal tax credits that were previously claimed on Rhode Island
33 return.

34 (H) Tax for children under 18 with investment income

1 (1) General rule. - There is hereby imposed a tax equal to twenty-five percent (25%) of:

2 (a) The Federal tax for children under the age of 18 with investment income. (I)

3 Averaging of farm income

4 (1) General rule. - At the election of an individual engaged in a farming business or
5 fishing business, the tax imposed in section 2 shall be equal to twenty-five percent (25%) of:

6 (a) The Federal averaging of farm income as determined in IRC section 1301.

7 (J) Cost-of-living adjustment

8 (1) In general.

9 The cost-of-living adjustment for any calendar year is the percentage (if any) by which:

10 (a) The CPI for the preceding calendar year exceeds

11 (b) The CPI for the base year.

12 (2) CPI for any calendar year.

13 For purposes of paragraph (1), the CPI for any calendar year is the average of the
14 Consumer Price Index as of the close of the twelve (12) month period ending on August 31 of
15 such calendar year.

16 (3) Consumer Price Index

17 For purposes of paragraph (2), the term "consumer price index" means the last consumer
18 price index for all urban consumers published by the department of labor. For purposes of the
19 preceding sentence, the revision of the consumer price index which is most consistent with the
20 consumer price index for calendar year 1986 shall be used.

21 (4) Rounding.

22 (a) In general.

23 If any increase determined under paragraph (1) is not a multiple of \$50, such increase
24 shall be rounded to the next lowest multiple of \$50.

25 (b) In the case of a married individual filing a separate return, subparagraph (a) shall be
26 applied by substituting "\$25" for \$50 each place it appears.

27 (K) Credits against tax. - For tax years beginning on or after January 1, 2001, a taxpayer
28 entitled to any of the following federal credits enacted prior to January 1, 1996 shall be entitled to
29 a credit against the Rhode Island tax imposed under this section:

30 (1) [Deleted by P.L. 2007, ch. 73, art. 7, section 5].

31 (2) Child and dependent care credit;

32 (3) General business credits;

33 (4) Credit for elderly or the disabled;

34 (5) Credit for prior year minimum tax;

1 (6) Mortgage interest credit;

2 (7) Empowerment zone employment credit;

3 (8) Qualified electric vehicle credit.

4 (L) Credit against tax for adoption. - For tax years beginning on or after January 1, 2006,
5 a taxpayer entitled to the federal adoption credit shall be entitled to a credit against the Rhode
6 Island tax imposed under this section if the adopted child was under the care, custody, or
7 supervision of the Rhode Island department of children, youth and families prior to the adoption.

8 (M) The credit shall be twenty-five percent (25%) of the aforementioned federal credits
9 provided there shall be no deduction based on any federal credits enacted after January 1, 1996,
10 including the rate reduction credit provided by the federal Economic Growth and Tax
11 Reconciliation Act of 2001 (EGTRRA). In no event shall the tax imposed under this section be
12 reduced to less than zero. A taxpayer required to recapture any of the above credits for federal tax
13 purposes shall determine the Rhode Island amount to be recaptured in the same manner as
14 prescribed in this subsection.

15 (N) Rhode Island earned income credit

16 (1) In general.

17 A taxpayer entitled to a federal earned income credit shall be allowed a Rhode Island
18 earned income credit equal to ~~twenty-five percent (25%)~~ ten percent (10%) of the federal earned
19 income credit. Such credit shall not exceed the amount of the Rhode Island income tax.

20 (2) Refundable portion.

21 In the event the Rhode Island earned income credit allowed under section (J) exceeds the
22 amount of Rhode Island income tax, a refundable earned income credit shall be allowed.

23 (a) For purposes of paragraph (2) refundable earned income credit means ~~fifteen percent~~
24 ~~(15%)~~ one hundred percent (100%) of the amount by which the Rhode Island earned income
25 credit exceeds the Rhode Island income tax.

26 (O) The tax administrator shall recalculate and submit necessary revisions to paragraphs
27 (A) through (J) to the general assembly no later than February 1, 2010 and every three (3) years
28 thereafter for inclusion in the statute.

29 (3) For the period January 1, 2011 through December 31, 2011, and thereafter, "Rhode
30 Island taxable income" means federal adjusted gross income as determined under the Internal
31 Revenue Code, 26 U.S.C. 1 et seq., and as modified for Rhode Island purposes pursuant to
32 section 44-30-12 less the amount of Rhode Island Basic Standard Deduction allowed pursuant to
33 subparagraph 44-30-2.6(c)(3)(B), and less the amount of personal exemption allowed pursuant of
34 subparagraph 44-30-2.6(c)(3)(C).

1 (A) Tax imposed.

2 (I) There is hereby imposed on the taxable income of married individuals filing joint
3 returns, qualifying widow(er), every head of household, unmarried individuals, married
4 individuals filing separate returns and bankruptcy estates, a tax determined in accordance with the
5 following table:

6	Over	But not over	Pay + Excess	on the amount over
7	\$ 0 -	\$ 55,000	\$ 0 + 3.75%	\$ 0
8	55,000 - 125,000		2,063 + 4.75%	55,000
9	125,000 -		5,388 + 5.99%	125,000

10 (II) There is hereby imposed on the taxable income of an estate or trust a tax determined
11 in accordance with the following table:

12	Over	But not over	Pay + % on Excess	on the amount over
13	\$ 0 -	\$ 2,230	\$ 0 + 3.75%	\$ 0
14	2,230 -	7,022	84 + 4.75%	2,230
15	7,022 -		312 + 5.99%	7,022

16 (B) Deductions: (I) Rhode Island Basic Standard Deduction. Only the Rhode Island
17 standard deduction shall be allowed in accordance with the following table:

18	Filing status:	Amount
19	Single	\$7,500
20	Married filing jointly or qualifying widow(er)	\$15,000
21	Married filing separately	\$7,500
22	Head of Household	\$11,250

23 (II) Nonresident alien individuals, estates and trusts are not eligible for standard
24 deductions.

25 (III) In the case of any taxpayer whose adjusted gross income, as modified for Rhode
26 Island purposes pursuant to section 44-30-12, for the taxable year exceeds one hundred seventy-
27 five thousand dollars (\$175,000), the standard deduction amount shall be reduced by the
28 applicable percentage. The term "applicable percentage" means twenty (20) percentage points for
29 each five thousand dollars (\$5,000) (or fraction thereof) by which the taxpayer's adjusted gross
30 income for the taxable year exceeds one hundred seventy-five thousand dollars (\$175,000).

31 (C) Exemption Amount:

32 (I) The term "exemption amount" means three thousand five hundred dollars (\$3,500)
33 multiplied by the number of exemptions allowed for the taxable year for federal income tax
34 purposes.

1 (II) Exemption amount disallowed in case of certain dependents. In the case of an
2 individual with respect to whom a deduction under this section is allowable to another taxpayer
3 for the same taxable year, the exemption amount applicable to such individual for such
4 individual's taxable year shall be zero.

5 (D) In the case of any taxpayer whose adjusted gross income, as modified for Rhode
6 Island purposes pursuant to section 33-30-12, for the taxable year exceeds one hundred seventy-
7 five thousand dollars (\$175,000), the exemption amount shall be reduced by the applicable
8 percentage. The term "applicable percentage" means twenty (20) percentage points for each five
9 thousand dollars (\$5,000) (or fraction thereof) by which the taxpayer's adjusted gross income for
10 the taxable year exceeds one hundred seventy-five thousand dollars (\$175,000).

11 (E) Adjustment for inflation. - The dollar amount contained in subparagraphs 44-30-
12 2.6(c)(3)(A), 44-30-2.6(c)(3)(B) and 44-30-2.6(c)(3)(C) shall be increased annually by an amount
13 equal to:

14 (I) Such dollar amount contained in subparagraphs 44-30-2.6(c)(3)(A), 44-30-
15 2.6(c)(3)(B) and 44-30-2.6(c)(3)(C) adjusted for inflation using a base tax year of 2000,
16 multiplied by;

17 (II) The cost-of-living adjustment with a base year of 2000.

18 (III) For the purposes of this section the cost-of-living adjustment for any calendar year is
19 the percentage (if any) by which the consumer price index for the preceding calendar year
20 exceeds the consumer price index for the base year. The consumer price index for any calendar
21 year is the average of the consumer price index as of the close of the twelve (12) month period
22 ending on August 31, of such calendar year.

23 (IV) For the purpose of this section the term "consumer price index" means the last
24 consumer price index for all urban consumers published by the department of labor. For the
25 purpose of this section the revision of the consumer price index which is most consistent with the
26 consumer price index for calendar year 1986 shall be used.

27 (V) If any increase determined under this section is not a multiple of fifty dollars
28 (\$50.00), such increase shall be rounded to the next lower multiple of fifty dollars (\$50.00). In the
29 case of a married individual filing separate return, if any increase determined under this section is
30 not a multiple of twenty-five dollars (\$25.00), such increase shall be rounded to the next lower
31 multiple of twenty-five dollars (\$25.00).

32 (E) Credits against tax.

33 (I) Notwithstanding any other provisions of Rhode Island Law, for tax years beginning on
34 or after January 1, 2011, the only credits allowed against a tax imposed under this chapter shall be

1 as follows:

2 (a) Rhode Island Earned Income Credit: Credit shall be allowed for earned income credit
3 pursuant to subparagraph 44-30-2.6(c)(2)(N).

4 (b) Property Tax Relief Credit: Credit shall be allowed for property tax relief as provided
5 in section 44-33-1 et seq.

6 (c) Lead Paint Credit: Credit shall be allowed for residential lead abatement income tax
7 credit as provided in section 44-30.3-1 et seq.

8 (d) Credit for income taxes of other states. - Credit shall be allowed for income tax paid
9 to other states pursuant to section 44-30-74.

10 (e) Historic Structures Tax Credit: Credit shall be allowed for historic structures tax
11 credit as provided in section 44-33.2-1 et seq.

12 (f) Motion Picture Productions Tax Credit: Credit shall be allowed for motion picture
13 production tax credit as provided in section 44-31.2-1 et seq.

14 (g) Child and Dependent Care: Credit shall be allowed for twenty-five percent (25%) of
15 the federal child and dependent care credit allowable for the taxable year for federal purposes;
16 provided, however, such credit shall not exceed the Rhode Island tax liability.

17 (h) Tax credits for contributions to Scholarship Organizations: Credit shall be allowed for
18 contributions to scholarship organizations as provided in section 44-62 et seq.

19 (i) Credit for tax withheld. - Wages upon which tax is required to be withheld shall be
20 taxable as if no withholding were required, but any amount of Rhode Island personal income tax
21 actually deducted and withheld in any calendar year shall be deemed to have been paid to the tax
22 administrator on behalf of the person from whom withheld, and the person shall be credited with
23 having paid that amount of tax for the taxable year beginning in that calendar year. For a taxable
24 year of less than twelve (12) months, the credit shall be made under regulations of the tax
25 administrator.

26 (2) Except as provided in section 1 above, no other state and federal tax credit shall be
27 available to the taxpayers in computing tax liability under this chapter.

28 SECTION 8. Chapter 44-19 of the General Laws entitled "Sales and Use Taxes -
29 Enforcement and Collection" is hereby amended by adding thereto the following section:

30 **44-19-42. Sales suppression devices -- Definitions and applicability.** -- [\(a\) As used in](#)
31 [this section:](#)

32 [\(1\) Automated sales suppression device," also known as a "zapper," means a software](#)
33 [program, carried on a memory stick or removable compact disc, accessed through an Internet](#)
34 [link, or accessed through any other means, that falsifies transaction data, transaction reports, or](#)

1 any other electronic records of electronic cash registers and other point-of-sale systems.

2 (2) "Electronic cash register" means a device that keeps a register or supporting
3 documents through the means of an electronic device or computer system designed to record
4 transaction data for the purpose of computing, compiling, or processing retail sales transaction
5 data in any manner.

6 (3)"Phantom-ware" means a hidden programming option, whether preinstalled or
7 installed at a later time, embedded in the operating system of an electronic cash register or
8 hardwired into the electronic cash register that:

- 9 (i) Can be used to create a virtual second till; or
- 10 (ii) May eliminate or manipulate transaction records.

11 (4) "Transaction data" includes items purchased by a customer, the price for each item. A
12 taxability determination for each item, a segregated tax amount for each of the taxed items, the
13 amount of cash or credit tendered, the net amount returned to the customer in change, the date
14 and time of the purchase, the name, address, and identification number of the vendor, and the
15 receipt or invoice number of the transaction.

16 (5)"Transaction reports" means a report documenting, but not limited to, the sales, taxes
17 collected, media totals, and discount voids at an electronic cash register that is printed on cash
18 register tape at the end of a day or shift, or a report documenting every action at an electronic
19 cash register that is stored electronically.

20 (b) A person shall not knowingly sell, purchase, install, transfer or possess an automated
21 sales suppression device or phantom-ware.

22 (c) Any person who violates subdivision (b) of this section shall be guilty of a felony and,
23 upon conviction, shall be subject to a fine not exceeding fifty-thousand dollars (\$50,000) or
24 imprisonment not exceeding five (5) years, or both.

25 (d) In addition, a person who violates subdivision (b) of this section shall be liable to the
26 state for:

27 (1) All taxes, interest, and penalties due as the result of the person's use of an automated
28 sales suppression device or phantom-ware; and

29 (2) All profits associated with the person's sale of an automated sales suppression device
30 or phantom-ware.

31 (e) An automated sales suppression device or phantom-ware and any device containing
32 such device or software shall be deemed contraband and shall be subject to seizure by the tax
33 administrator or by a law enforcement officer when directed to do so by the tax administrator.

34 (f) Safe harbor. A person shall not be subject to prosecution under Rhode Island general

1 laws § 44-19-4 2, if by October 1, 20 14, the person:

2 (1) Notifies the division of taxation of the person's possession of an automated sales
3 suppression device;

4 (2) Provides any information requested by the division of taxation, including transaction
5 records, software specifications, encryption keys, passwords, and other data; and

6 (3) Corrects any underreported sales tax records and fully pays the division of taxation
7 any amounts previously owed.

8 (g) This section shall not be construed to limit the person's civil or criminal liability under
9 any other provision of law.

10 SECTION 9. Section 44-18-30 of the General Laws in Chapter 44-18 entitled "Sales and
11 Use Taxes - Liability and Computation" is hereby amended to read as follows:

12 **44-18-30. Gross receipts exempt from sales and use taxes.** -- There are exempted from
13 the taxes imposed by this chapter the following gross receipts:

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

18 (2) Newspapers.

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

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

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

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

31 (4) Containers.

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

33 (A) Non-returnable containers, including boxes, paper bags, and wrapping materials
34 which are biodegradable and all bags and wrapping materials utilized in the medical and healing

1 arts, when sold without the contents to persons who place the contents in the container and sell
2 the contents with the container.

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

5 (C) Returnable containers when sold with the contents in connection with a retail sale of
6 the contents or when resold for refilling.

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

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

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

31 (iii) The contractor shall not charge any sales or use tax to any exempt agency,
32 institution, or organization but shall in that instance provide his or her suppliers with certificates
33 in the form as determined by the division of taxation showing the reason for exemption; and the
34 contractor's records must substantiate the claim for exemption by showing the disposition of all

1 property so purchased. If any property is then used for a nonexempt purpose, the contractor must
2 pay the tax on the property used.

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

6 (7) Purchase for manufacturing purposes.

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

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

16 (iii) "Consumed" includes mere obsolescence.

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

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

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

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

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

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

5 (i) Sold by a seller whose primary NAICS classification is manufacturing in sector 311,
6 except sub-sector 3118 (bakeries);

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

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

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

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

14 (i) "Drugs" as defined in section 44-18-7.1(h)(i), sold on prescriptions, medical oxygen,
15 and insulin whether or not sold on prescription. For purposes of this exemption drugs shall not
16 include over-the-counter drugs and grooming and hygiene products as defined in section 44-18-
17 7.1(h)(iii).

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

24 (11) Prosthetic devices and mobility enhancing equipment. - From the sale and from the
25 storage, use, or other consumption in this state, of prosthetic devices as defined in section 44-18-
26 7.1(t), sold on prescription, including but not limited to, artificial limbs, dentures, spectacles and
27 eyeglasses, and artificial eyes; artificial hearing devices and hearing aids, whether or not sold on
28 prescription and mobility enhancing equipment as defined in section 44-18-7.1(p) including
29 wheelchairs, crutches and canes.

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

33 (13) Motor vehicles sold to nonresidents.

34 (i) From the sale, subsequent to June 30, 1958, of a motor vehicle to a bona fide

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

14 (ii) The tax administrator, in addition to the provisions of sections 44-19-27 and 44-19-
15 28, may require any licensed motor vehicle dealer to keep records of sales to bona fide
16 nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption
17 provided in this subdivision, including the affidavit of a licensed motor vehicle dealer that the
18 purchaser of the motor vehicle was the holder of, and had in his or her possession a valid out of
19 state motor vehicle registration or a valid out of state driver's license.

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

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

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

1 extent that that portion has as its primary purpose the control of the pollution or contamination of
2 the waters or air of this state. As used in this subdivision, "facility" means any land, facility,
3 device, building, machinery, or equipment.

4 (16) Camps. - From the rental charged for living quarters, or sleeping or housekeeping
5 accommodations at camps or retreat houses operated by religious, charitable, educational, or
6 other organizations and associations mentioned in subdivision (5), or by privately owned and
7 operated summer camps for children.

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

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

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

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

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

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

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

5 (20) Heating fuels. - From the sale and from the storage, use, or other consumption in
6 this state of every type of fuel used in the heating of homes and residential premises.

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

9 (22) Manufacturing machinery and equipment.

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

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

30 (iii) Machinery and equipment and related items used in connection with the actual
31 manufacture, conversion, or processing of any computer software or any tangible personal
32 property which is not to be sold and which would be exempt under subdivision (7) or this
33 subdivision if purchased from a vendor or machinery and equipment and related items used
34 during any manufacturing, converting or processing function is exempt under this subdivision

1 even if that operation, function, or purpose is not an integral or essential part of a continuous
2 production flow or manufacturing process;

3 (iv) Where a portion of a group of portable or mobile machinery is used in connection
4 with the actual manufacture, conversion, or processing of computer software or tangible personal
5 property to be sold, as previously defined, that portion, if otherwise qualifying, is exempt under
6 this subdivision even though the machinery in that group is used interchangeably and not
7 otherwise identifiable as to use.

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

16 (24) Precious metal bullion.

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

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

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

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

31 (26) Commercial fishing vessels. - From the sale and from the storage, use, or other
32 consumption in this state of vessels and other water craft which are in excess of five (5) net tons
33 and which are used exclusively for "commercial fishing", as defined in this subdivision, and from
34 the repair, alteration, or conversion of those vessels and other watercraft, and from the sale of

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

20 (27) Clothing and footwear. - From the sales of articles of clothing, including footwear,
21 intended to be worn or carried on or about the human body for sales prior to October 1, 2012.
22 Effective October 1, 2012, the exemption will apply to the sales of articles of clothing, including
23 footwear, intended to be worn or carried on or about the human body up to two hundred and fifty
24 dollars (\$250) of the sales price per item. For the purposes of this section, "clothing or footwear"
25 does not include clothing accessories or equipment or special clothing or footwear primarily
26 designed for athletic activity or protective use as these terms are defined in section 44-18-7.1(f).
27 In recognition of the work being performed by the Streamlined Sales and Use Tax Governing
28 Board, upon passage of any federal law which authorizes states to require remote sellers to collect
29 and remit sales and use taxes, this unlimited exemption will apply as it did prior to October 1,
30 2012. The unlimited exemption on sales of clothing and footwear shall take effect on the date that
31 the state requires remote sellers to collect and remit sales and use taxes.

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

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

5 (30) Boats.

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

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

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

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

1 levels. Level I shall be based on proof of annual gross sales from commercial farming of at least
2 twenty-five hundred dollars (\$2,500) and shall be valid for purchases subject to the exemption
3 provided in this subdivision except for motor vehicles with an excise tax value of five thousand
4 dollars (\$5,000) or greater; Level II shall be based on proof of annual gross sales from
5 commercial farming of at least ten thousand dollars (\$10,000) or greater and shall be valid for
6 purchases subject to the exemption provided in this subdivision including motor vehicles with an
7 excise tax value of five thousand dollars (\$5,000) or greater. For the initial issuance of the
8 exemptions, proof of the requisite amount of annual gross sales from commercial farming shall be
9 required for the prior year; for any renewal of an exemption granted in accordance with this
10 subdivision at either Level I or Level II, proof of gross annual sales from commercial farming at
11 the requisite amount shall be required for each of the prior two (2) years. Certificates of
12 exemption issued or renewed after July 1, 2002, shall clearly indicate the level of the exemption
13 and be valid for four (4) years after the date of issue. This exemption applies even if the same
14 equipment is used for ancillary uses, or is temporarily used for a non-farming or a non-
15 agricultural purpose, but shall not apply to motor vehicles acquired after July 1, 2002, unless the
16 vehicle is a farm vehicle as defined pursuant to section 31-1-8 and is eligible for registration
17 displaying farm plates as provided for in section 31-3-31.

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

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

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

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

32 (37) Tangible personal property and supplies used in on-site hazardous waste recycling,
33 reuse, or treatment. - From the sale, storage, use, or other consumption in this state of tangible
34 personal property or supplies used or consumed in the operation of equipment, the exclusive

1 function of which is the recycling, reuse, or recovery of materials (other than precious metals, as
2 defined in subdivision (24)(ii) of this section) from the treatment of "hazardous wastes", as
3 defined in section 23-19.1-4, where the "hazardous wastes" are generated in Rhode Island solely
4 by the same taxpayer and where the personal property is located at, in, or adjacent to a generating
5 facility of the taxpayer in Rhode Island. The taxpayer shall procure an order from the director of
6 the department of environmental management certifying that the equipment and/or supplies as
7 used, or consumed, qualify for the exemption under this subdivision. If any information relating
8 to secret processes or methods of manufacture, production, or treatment is disclosed to the
9 department of environmental management only to procure an order, and is a "trade secret" as
10 defined in section 28-21-10(b), it is not open to public inspection or publicly disclosed unless
11 disclosure is required under chapter 21 of title 28 or chapter 24.4 of title 23.

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

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

21 (40) Transportation charges. - From the sale or hiring of motor carriers as defined in
22 section 39-12-2(1) to haul goods, when the contract or hiring cost is charged by a motor freight
23 tariff filed with the Rhode Island public utilities commission on the number of miles driven or by
24 the number of hours spent on the job.

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

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

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

3 (44) Farm structure construction materials. - Lumber, hardware and other materials used
4 in the new construction of farm structures, including production facilities such as, but not limited
5 to, farrowing sheds, free stall and stanchion barns, milking parlors, silos, poultry barns, laying
6 houses, fruit and vegetable storages, rooting cellars, propagation rooms, greenhouses, packing
7 rooms, machinery storage, seasonal farm worker housing, certified farm markets, bunker and
8 trench silos, feed storage sheds, and any other structures used in connection with commercial
9 farming.

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

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

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

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

32 (49) Banks and Regulated investment companies interstate toll-free calls. -
33 Notwithstanding the provisions of this chapter, the tax imposed by this chapter does not apply to
34 the furnishing of interstate and international, toll-free terminating telecommunication service that

1 is used directly and exclusively by or for the benefit of an eligible company as defined in this
2 subdivision; provided, that an eligible company employs on average during the calendar year no
3 less than five hundred (500) "full-time equivalent employees", as that term is defined in section
4 42-64.5-2. For purposes of this section, an "eligible company" means a "regulated investment
5 company" as that term is defined in the Internal Revenue Code of 1986, 26 U.S.C. section 1 et
6 seq., or a corporation to the extent the service is provided, directly or indirectly, to or on behalf of
7 a regulated investment company, an employee benefit plan, a retirement plan or a pension plan or
8 a state chartered bank.

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

12 (51) Manufacturing business reconstruction materials.

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

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

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

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

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

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

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

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

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

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

32 (iv) "Non-motorized recreational vehicle" means any portable dwelling designed and
33 constructed to be used as a temporary dwelling for travel, camping, recreational, and vacation use
34 which is eligible to be registered for highway use, including, but not limited to, "pick-up coaches"

1 or "pick-up campers," "travel trailers," and "tent trailers" as those terms are defined in chapter 1
2 of title 31.

3 (55) Sprinkler and fire alarm systems in existing buildings. - From the sale in this state of
4 sprinkler and fire alarm systems, emergency lighting and alarm systems, and from the sale of the
5 materials necessary and attendant to the installation of those systems, that are required in
6 buildings and occupancies existing therein in July 2003, in order to comply with any additional
7 requirements for such buildings arising directly from the enactment of the Comprehensive Fire
8 Safety Act of 2003, and that are not required by any other provision of law or ordinance or
9 regulation adopted pursuant to that Act. The exemption provided in this subdivision shall expire
10 on December 31, 2008.

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

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

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

34 (59) Dietary Supplements. - From the sale and from the storage, use or other

1 consumption of dietary supplements as defined in section 44-18-7.1(l)(v), sold on prescriptions.

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

4 (61) Agricultural products for human consumption. - From the sale and from the storage,
5 use or other consumption of livestock and poultry of the kinds of products of which ordinarily
6 constitute food for human consumption and of livestock of the kind the products of which
7 ordinarily constitute fibers for human use.

8 (62) Diesel emission control technology. - From the sale and use of diesel retrofit
9 technology that is required by section 31-47.3-4 of the general laws.

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

12 (64) Alcoholic beverages. - From the sale and storage, use, or other consumption in this
13 state by a Class A licensee of alcoholic beverages, as defined in section 44-18-7.1, excluding beer
14 and malt beverages from December 1, 2013 through ~~March 31, 2015~~ [June 30, 2015](#); provided,
15 further, notwithstanding section 6-13-1 or any other general or public law to the contrary,
16 alcoholic beverages, as defined in section 44-18-7.1, shall not be subject to minimum markup
17 from December 1, 2013 through ~~March 31, 2015~~ [June 30, 2015](#).

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

20 **3-10-1. Manufacturing tax rates -- Exemption of religious uses.** -- (a) There shall be
21 assessed and levied by the tax administrator on all beverages manufactured, rectified, blended, or
22 reduced for sale in this state a tax of ~~three dollars and thirty cents (\$3.30)~~ [three dollars \(\\$3.00\)](#) on
23 every thirty-one (31) gallons, and a tax at a like rate for any other quantity or fractional part. On
24 any beverage manufactured, rectified, blended, or reduced for sale in this state consisting in
25 whole or in part of wine, whiskey, rum, gin, brandy spirits, ethyl alcohol, or other strong liquors
26 (as distinguished from beer or other brewery products) the tax to be assessed and levied is as
27 follows:

28 (1) Still wines (whether fortified or not), ~~one dollar and forty cents (\$1.40)~~ [sixty cents](#)
29 [\(\\$.60\)](#) per gallon;

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

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

33 (4) Whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in whole
34 or in part of alcohol which is the product of distillation, ~~five dollars and forty cents (\$5.40)~~ [three](#)

1 [dollars and seventy-five cents \(\\$3.75\)](#) per gallon, except that whiskey, rum, gin, brandy spirits,
2 cordials, and other beverages consisting in whole or in part of alcohol which is the product of
3 distillation but which contains alcohol measuring thirty (30) proof or less, one dollar and ten cents
4 (\$1.10) per gallon;

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

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

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

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

16 SECTION 11. Section 16 of Article 9 of Chapter 144 of the 2013 Public Laws entitled
17 "AN ACT RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF THE
18 STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2014" is hereby amended to read to as
19 follows:

20 SECTION 16. Section 1 of this article shall take effect on January 1, 2014, and shall
21 apply to all assets placed in service on or after January 1, 2014. Section 2 of this article shall take
22 effect upon passage and shall apply to tax years beginning on or after January 1, 2014. Section 4
23 of this article shall take effect July 1, 2013. Section 8 of this article shall take effect on July 1,
24 2013 and shall expire on ~~March 31, 2015~~ [June 30, 2015](#). Section 15 of this article shall take effect
25 on December 1, 2013. The remainder of this article shall take effect upon passage.

26 SECTION 12. Section 44-22-1.1 of the General Laws in Chapter 44-22 entitled "Estate
27 and Transfer Taxes - Liability and Computation" is hereby amended to read as follows:

28 **44-22-1.1. Tax on net estate of decedent.** -- (a) (1) For decedents whose death occurs on
29 or after January 1, 1992, but prior to January 1, 2002, a tax is imposed upon the transfer of the net
30 estate of every resident or nonresident decedent as a tax upon the right to transfer. The tax is a
31 sum equal to the maximum credit for state death taxes allowed by 26 U.S.C. section 2011.

32 (2) For decedents whose death occurs on or after January 1, 2002, but prior to January 1,
33 2010 a tax is imposed upon the transfer of the net estate of every resident or nonresident decedent
34 as a tax upon the right to transfer. The tax is a sum equal to the maximum credit for state death

1 taxes allowed by 26 U.S.C. section 2011 as it was in effect as of January 1, 2001; provided,
2 however, that the tax shall be imposed only if the net taxable estate shall exceed six hundred
3 seventy-five thousand dollars (\$675,000). Any scheduled increase in the unified credit provided
4 in 26 U.S.C. section 2010 in effect on January 1, 2001, or thereafter, shall not apply.

5 (3) For decedents whose death occurs on or after January 1, 2010, and prior to January 1,
6 2015 a tax is imposed upon the transfer of the net estate of every resident or nonresident decedent
7 as a tax upon the right to transfer. The tax is a sum equal to the maximum credit for state death
8 taxes allowed by 26 U.S.C. section 2011 as it was in effect as of January 1, 2001; provided,
9 however, that the tax shall be imposed only if the net taxable estate shall exceed eight hundred
10 and fifty thousand dollars (\$850,000); provided, further, beginning on January 1, 2011 and each
11 January 1 thereafter, until January 1, 2015, said amount shall be adjusted by the percentage of
12 increase in the Consumer Price Index for all Urban Consumers (CPI-U) as published by the
13 United States Department of Labor Statistics determined as of September 30 of the prior calendar
14 year; said adjustment shall be compounded annually and shall be rounded up to the nearest five
15 dollar (\$5.00) increment. Any scheduled increase in the unified credit provided in 26 U.S.C.
16 section 2010 in effect on January 1, 2003, or thereafter, shall not apply.

17 (4) For decedents whose death occurs on or after January 1, 2015, a tax is imposed upon
18 the transfer of the net estate of every resident or nonresident decedent as a tax upon the right to
19 transfer. The tax is a sum equal to the maximum credit for state death taxes allowed by 26 U.S.C.
20 Section 2011, as it was in effect as of January 1, 2001; provided, however, that a Rhode Island
21 credit shall be allowed against any tax so determined in the amount of sixty-four thousand four
22 hundred (\$64,400). Any scheduled increase in the unified credit provided in 26 U.S.C. Section
23 2010 in effect on January 1, 2003, or thereafter, shall not apply; provided, further, beginning on
24 January 1, 2016 and each January 1 thereafter, said Rhode Island credit amount under this section
25 shall be adjusted by the percentage of increase in the Consumer Price Index for all Urban
26 Consumers (CPI-U) as published by the United States Department of Labor Statistics determined
27 as of September 30 of the prior calendar year; said adjustment shall be compounded annually and
28 shall be rounded up to the nearest five dollar (\$5.00) increment.

29 (b) If the decedent's estate contains property having a tax situs not within the state, then
30 the tax determined by this section is reduced to an amount determined by multiplying the tax by a
31 fraction whose numerator is the gross estate excluding all property having a tax situs not within
32 the state at the decedent's death and whose denominator is the gross estate. In determining the
33 fraction, no deductions are considered and the gross estate is not reduced by a mortgage or other
34 indebtedness for which the decedent's estate is not liable.

1 (c) (1) The terms "gross taxable estate", "federal gross estate" or "net taxable estate" used
2 in this chapter or chapter 23 of this title has the same meaning as when used in a comparable
3 context in the laws of the United States, unless a different meaning is clearly required by the
4 provisions of this chapter or chapter 23 of this title. Any reference in this chapter or chapter 23 of
5 this title to the Internal Revenue Code or other laws of the United States means the Internal
6 Revenue Code of 1954, 26 U.S.C. section 1 et seq.

7 (2) For decedents whose death occurs on or after January 1, 2002, the terms "gross
8 taxable estate" "federal gross estate" or "net taxable estate" used in this chapter or chapter 23 of
9 this title has the same meaning as when used in a comparable context in the laws of the United
10 States, unless a different meaning is clearly required by the provisions of this chapter or chapter
11 23 of this title. Any reference in this chapter or chapter 23 of this title to the Internal Revenue
12 Code or other laws of the United States means the Internal Revenue Code of 1954, 26 U.S.C.
13 section 1 et seq., as they were in effect as of January 1, 2001, unless otherwise provided.

14 (d) All values are as finally determined for federal estate tax purposes.

15 (e) Property has a tax situs within the state of Rhode Island:

16 (1) If it is real estate or tangible personal property and has actual situs within the state of
17 Rhode Island; or

18 (2) If it is intangible personal property and the decedent was a resident.

19 SECTION 13. Sections 42-64.5-3 and 42-64.5-4 of the General Laws in Chapter 42-64.5
20 entitled "Jobs Development Act" are hereby amended to read as follows:

21 **42-64.5-3. Tax rate reduction.** -- The rate of tax payable by an eligible company and
22 each of its eligible subsidiaries for any taxable year ending on or after July 1, 1995, on its net
23 income pursuant to the applicable income tax provisions of the general laws, including the
24 provisions of sections 44-11-2(a), 44-14-3(a), 44-14-4 and 44-17-1, or on its gross earnings
25 pursuant to section 44-13-4(4), shall be reduced by the amount specified in section 42-64.5-4; this
26 rate reduction shall be applied annually once to those eligible companies which are permitted by
27 law to file a consolidated state tax return [or as part of a combined group](#) and in the case of eligible
28 companies not ~~permitted~~ [required](#) by law to file [as part of a combined group](#) ~~consolidated-state~~
29 ~~tax returns~~, then the rate reduction shall be applied annually to each eligible company and its
30 eligible subsidiaries; provided, however, except as provided in section 42-64.5-7, should any
31 eligible company fail to maintain in any taxable year after 1997 or, if applicable, the third taxable
32 year following the base employment period election set forth in section 42-64.5-5, the number of
33 units of new employment it reported for its 1997 tax year or, if applicable, the third taxable year
34 following the base employment period election set forth in section 42-64.5-5; the rate reduction

1 provided for in this chapter shall expire permanently.

2 **42-64.5-4. Reduction rate schedule.** -- (a) (i) The amount of the rate reduction specified
3 in section 42-64.5-3 for any eligible company that is not a telecommunications company for each
4 taxable year ending on or after July 1, 1995, shall be based upon the aggregate amount of new
5 employment of the eligible company and its eligible subsidiaries for each taxable year, and shall
6 be determined by multiplying the numerical equivalent of one-quarter of one percent (.25%) by
7 the number of units of new employment for each taxable year through the taxable year ending in
8 1997 or, if applicable, the third taxable year following the base employment period election set
9 forth in section 42-64.5-5; and for each taxable year thereafter, the number of units of new
10 employment reported for the taxable year 1997 or, if applicable, the third taxable year following
11 the base employment period election set forth in section 42-64.5-5; provided, however, the
12 amount of each rate reduction shall in no event be greater than six percent (6%).

13 (ii) For the tax years beginning on or after January 1, 2015, the amount of the rate
14 reduction specified in § 42-64.5-3 for any eligible company required to file and pay taxes
15 pursuant to § 44-11-2, shall be based upon the aggregate amount of new employment of the
16 eligible company and its eligible subsidiaries for each taxable year, and shall be determined by
17 multiplying the numerical equivalent of two tenths of one percent (.20%) by the number of units
18 of new employment for each taxable year through the taxable year ending in 1997 or, if
19 applicable, the third taxable year following the base employment period election set forth in § 42-
20 64.5-5; and for each taxable year thereafter, the number of units of new employment reported for
21 the taxable year 1997 or, if applicable, the third taxable year following the base employment
22 period election set forth in § 42-64.5-5; provided, however, the amount of each rate reduction
23 shall in no event be greater than four percent (4.0%).

24 (b) The amount of the rate reduction specified in section 42-64.5-3 for any eligible
25 company that is a telecommunications company shall be based upon the aggregate amount of new
26 employment of the eligible company and its eligible subsidiaries for each taxable year and shall
27 be determined in the same manner as set forth in subsection (a) of this section, except that it shall
28 be determined by multiplying the numerical equivalent of one-hundredth of one percent (.01%)
29 by the number of units of new employment and the amount of each rate reduction shall in no
30 event be greater than one percent (1%).

31 (c) Notwithstanding any of the provisions of this chapter, where an eligible
32 telecommunications company has one or more affiliated entities that is an eligible company, the
33 eligible company entitled to a rate reduction may assign its rate reduction, to be determined in the
34 manner as provided in subsection (b) of this section, to the eligible telecommunications company.

1 An entity that assigns the rate reduction shall not be eligible for the rate reduction.

2 SECTION 14. Sections 42-64.14-10 and 42-64.14-11 of the General Laws in Chapter 42-
3 64.14 entitled "The I-195 Redevelopment Act of 2011" are hereby amended to read as follows:

4 **42-64.14-10. Life sciences tax rate reduction.** -- The rate of tax payable by an eligible
5 life sciences company and each of its eligible subsidiaries for any taxable year beginning on or
6 after January 1, 2011, on its net income pursuant to the provisions of subsection 44-11-2(a), shall
7 be reduced by the amount specified in section 42-64.14-11; this rate reduction shall be applied
8 annually once to those eligible life sciences companies which are permitted by law to file a
9 consolidated state tax return or as part of a combined group and in the case of eligible companies
10 not ~~permitted~~ required by law to file consolidated state tax returns or as part of a combined group,
11 then the rate reduction shall be applied annually to each eligible life sciences company and its
12 eligible subsidiaries; provided, however, should any eligible life sciences company fail to
13 maintain in any taxable year after 2014 or, if applicable, the third taxable year following the base
14 employment period election set forth in section 42-64.14-12, the number of units of new
15 employment it reported for its 2014 tax year or, if applicable, the third taxable year following the
16 base employment period election set forth in section 42-64.14-12, the rate reduction provided for
17 in this chapter shall expire permanently.

18 **42-64.14-11. Reduction rate schedule.** -- (a) The amount of the rate reduction specified
19 in section 42-64.14-10 for any eligible life sciences company for each taxable year beginning on
20 or after January 1, 2012, shall be based upon the aggregate amount of new employment of the
21 eligible life sciences company and its eligible subsidiaries for each taxable year, and shall be
22 determined by multiplying the numerical equivalent of one-quarter of one percent (.25%) by the
23 number of units of new employment for each taxable year through the taxable year ending in
24 2014 or, if applicable, the third taxable year following the base employment period election set
25 forth in section 42-64.14-12; and for each taxable year thereafter, the number of units of new
26 employment reported for the taxable year 2014 or, if applicable, the third taxable year following
27 the base employment period election set forth in section 42-64.14-12; ~~provided, however, the~~
28 ~~amount of each rate reduction shall in no event be lower than three percent (3%).~~ provided,
29 however, the amount of each rate reduction shall in no event be greater than six percent (6%).

30 (b) For tax years beginning on or after January 1, 2015, the amount of the rate reduction
31 specified in § 42-64.14-10 for any eligible company required to file and pay taxes pursuant to §
32 44-11-2, shall be based upon the aggregate amount of new employment of the eligible company
33 and its eligible subsidiaries for each taxable year, and shall be determined by multiplying the
34 numerical equivalent of two tenths of one percent (.20%) by the number of units of new

1 [employment for each taxable year through the taxable year ending in 1997 or, if applicable, the](#)
2 [third taxable year following the base employment period election set forth in § 42-64.14-12; and](#)
3 [for each taxable year thereafter, the number of units of new employment reported for the taxable](#)
4 [year 1997 or, if applicable, the third taxable year following the base employment period election](#)
5 [set forth in § 42-64.14-12; provided, however, the amount of each rate reduction shall in no event](#)
6 [be greater than four percent \(4.0%\).](#)

7 SECTION 15. Sections 44-11-1, 44-11-2 and 44-11-4 of the General Laws in Chapter 44-
8 11 entitled "Business Corporation Tax" are hereby amended to read as follows:

9 **44-11-1. Definitions.** -- For the purpose of this chapter:

10 (1) (a) "Captive REIT" means a corporation, trust or association:

11 (i) That is considered a real estate investment trust for the taxable year under section 856
12 of the Internal Revenue Code;

13 (ii) That is not regularly traded on an established securities market; and

14 (iii) More than fifty percent (50%) of the voting power or value of the beneficial interests
15 or shares of which at any time during the last half of the taxable year, is owned or controlled,
16 directly or indirectly, by a single entity that is subject to the provisions of Subchapter C of
17 Chapter 1 of the Internal Revenue Code; and

18 (b) "Captive REIT" does not include:

19 (i) A corporation, trust or association more than fifty percent (50%) of the voting power
20 or value of the beneficial interests or shares of which, at any time during which the corporation,
21 trust or association satisfies item (1)(iii) of this subsection, is owned or controlled, directly or
22 indirectly, by:

23 (A) A real estate investment trust other than a real estate investment trust described in
24 item (i) of this subsection; or

25 (B) A person exempt from taxation under section 501(a) of the Internal Revenue Code;
26 or

27 (C) A listed Australian Property Trust; and

28 (ii) Subject to regulations that the tax administrator adopts, a real estate investment trust
29 that is intended to become regularly traded on an established securities market and that satisfies
30 the requirements of section 865(A)(5) and (6) of the Internal Revenue Code by reason of section
31 856(h)(2) of the Internal Revenue Code; and

32 (c) For purposes of this section, the constructive ownership rules prescribed under
33 section 318(a) of the Internal Revenue Code, as modified by section 856(d)(5) of the Internal
34 Revenue Code, shall apply in determining the ownership of stock, assets or net profits of any

1 person.

2 (2) "Combined group" means a group of two or more corporations in which more than
3 fifty percent (50%) of the voting stock of each member corporation is directly or indirectly owned
4 by a common owner or owners, either corporate or non-corporate, or by one or more of the
5 member corporations, and that are engaged in a unitary business.

6 (3) "Common ownership: means more than fifty percent (50%) of the voting control of
7 each member of the group is directly or indirectly owned by a common owner or owners, either
8 corporate or non-corporate, whether or not owner or owners are members of the combined group.

9 .

10 ~~(3)~~(4) "Corporation" means every corporation, joint-stock company, or association,
11 wherever incorporated, a real estate investment trust, a regulated investment company, a personal
12 holding company registered under the Federal Investment Company Act of 1940, 15 U.S.C.
13 section 80a-1 et seq., and also a trustee or trustees conducting a business where interest or
14 ownership is evidenced by certificates or other written instruments, deriving any income from
15 sources within this state or engaging in any activities or transactions within this state for the
16 purpose of profit or gain, whether or not an office or place of business is maintained in this state,
17 or whether or not the income, activities, or transactions are connected with intrastate, interstate, or
18 foreign commerce, except:

19 (i) State banks, mutual savings banks, federal savings banks, trust companies, national
20 banking associations, building and loan associations, credit unions, and loan and investment
21 companies;

22 (ii) Public service corporations included in chapter 13 of this title, except as otherwise
23 provided in section 44-13-2.2;

24 (iii) Insurance and surety companies;

25 (iv) Corporations specified in section 7-6-4, incorporated hospitals, schools, colleges,
26 and other institutions of learning not organized for business purposes and not doing business for
27 profit and no part of the net earnings of which inures to the benefit of any private stockholder or
28 individual, whether incorporated under any general law of this state or by any special act of the
29 general assembly of this state;

30 (v) Fraternal beneficiary societies as set forth in section 27-25-1;

31 (vi) Any corporation expressly exempt from taxation by charter;

32 (vii) Corporations which together with all corporations under direct or indirect common
33 ownership that satisfies the other requirements of this paragraph employ not less than five (5)
34 full-time equivalent employees in the state; which maintain an office in the state; and activities

1 within the state which are confined to the maintenance and management of their intangible
2 investments or of the intangible investments of corporations or business trusts registered as
3 investment companies under the Investment Company Act of 1940, 15 U.S.C. section 80a-1 et
4 seq., and the collection and distribution of the income from those investments or from tangible
5 property physically located outside the state. For purposes of this paragraph, "intangible
6 investments" includes, without limitation, investments in stocks, bonds, notes, and other debt
7 obligations, including debt obligations of affiliated corporations, patents, patent applications,
8 trademarks, trade names, copyrights, and similar types of intangible assets.

9 ~~(3)~~(5) "Fiscal year" means an accounting period of twelve (12) months ending on the last
10 day of any month other than December.

11 (6) "Member" means a corporation included in a unitary business.

12 ~~(4)~~(7) "Place of business" means a regular place of business, which, in turn, means any
13 bona fide office, other than a statutory office, factory, warehouse, or other space which is
14 regularly used by the taxpayer in carrying on its business. Where, as a regular course of business,
15 property of the taxpayer is stored by it in a public warehouse until it is shipped to customers, the
16 warehouse is considered a regular place of business of the taxpayer and, where as a regular course
17 of business, raw material or partially furnished goods of a taxpayer are delivered to an
18 independent contractor to be converted, processed, finished, or improved and the finished goods
19 remain in the possession of the independent contractor until shipped to customers, the plant of the
20 independent contractor is considered a regular place of business of the taxpayer. The mere
21 consignment of goods by the taxpayer to an independent factor outside this state for sale at the
22 consignee's discretion does not constitute the taxpayer as having a regular place of business
23 outside this state.

24 (8) Tax haven" means a jurisdiction that, during the tax year in question has no or
25 nominal effective tax on the relevant income and;

26 (i) has laws or practices that prevent effective exchange of information for tax purposes
27 with other governments on taxpayers benefiting from the tax regime;

28 (ii) Has a tax regime which lacks transparency. A tax regime lacks transparency if the
29 details of legislative, legal or administrative provisions are not open and apparent or are not
30 consistently applied among similarly situated taxpayers, or if the information needed by tax
31 authorities to determine a taxpayer's correct tax liability, such as accounting records and
32 underlying documentation is not adequately available;

33 (iii) Facilitates the establishment of foreign-owned entities without the need for a local
34 substantive presence or prohibits these entities from having any commercial impact on the local

1 economy:

2 (iv) explicitly or implicitly excluded the jurisdictions resident taxpayers from taking
3 advantage of the tax regime benefits or prohibits enterprisers that benefit from the regime from
4 operating in the jurisdiction's domestic market; or

5 (v) Has created a tax regime which is favorable for tax avoidance, based upon an overall
6 assessment of relevant factors, including whether the jurisdiction has a significant untaxed
7 offshore financial/other services sector relative to its overall economy.

8 ~~(5)~~(9) "Taxable year" means the calendar year or the fiscal year ending during the
9 calendar year upon the basis of which the net income is computed under this chapter. "Taxable
10 year" means, in the case of a return made for a fractional part of a year under the provisions of
11 this chapter or under regulations prescribed by the tax administrator, the period for which the
12 return is made.

13 ~~(6)~~(10) "Taxpayer" means and includes any corporation subject to the provisions of this
14 chapter.

15 (11) "Unitary business" means the activities of a group of two (2) or more corporations
16 under common ownership that are sufficiently interdependent, integrated or interrelated through
17 their activities so as to provide mutual benefit and produce a significant sharing or exchange of
18 value among them or a significant flow of value between the separate parts. The term unitary
19 business shall be construed to the broadest extent permitted under the United States Constitution.

20 (12) "United States" means the fifty (50) states of the United States, the District of
21 Columbia, the United States' territories and possessions.

22 **44-11-2. Imposition of tax.** -- (a) Each corporation shall annually pay to the state a tax
23 equal to nine percent (9%) of net income, as defined in section 44-11-11, qualified in section 44-
24 11-12, and apportioned to this state as provided in sections 44-11-13 -- 44-11-15, for the taxable
25 year. For tax years beginning on or after January 1, 2015, each corporation shall annually pay to
26 the state a tax equal to seven percent (7.0%) of net income, as defined in § 44-11-13 – 44-11-15,
27 for the taxable year.

28 (b) A corporation shall pay the amount of any tax as computed in accordance with
29 subsection (a) of this section after deducting from "net income," as used in this section, fifty
30 percent (50%) of the excess of capital gains over capital losses realized during the taxable year, if
31 for the taxable year:

32 (1) The corporation is engaged in buying, selling, dealing in, or holding securities on its
33 own behalf and not as a broker, underwriter, or distributor;

34 (2) Its gross receipts derived from these activities during the taxable year amounted to at

1 least ninety percent (90%) of its total gross receipts derived from all of its activities during the
2 year. "Gross receipts" means all receipts, whether in the form of money, credits, or other valuable
3 consideration, received during the taxable year in connection with the conduct of the taxpayer's
4 activities.

5 (c) A corporation shall not pay the amount of the tax computed on the basis of its net
6 income under subsection (a) of this section, but shall annually pay to the state a tax equal to ten
7 cents (\$.10) for each one hundred dollars (\$100) of gross income for the taxable year or a tax of
8 one hundred dollars (\$100), whichever tax shall be the greater, if for the taxable year the
9 corporation is either a "personal holding company" registered under the federal Investment
10 Company Act of 1940, 15 U.S.C. section 80a-1 et seq., "regulated investment company", or a
11 "real estate investment trust" as defined in the federal income tax law applicable to the taxable
12 year. "Gross income" means gross income as defined in the federal income tax law applicable to
13 the taxable year, plus:

14 (1) Any interest not included in the federal gross income; minus

15 (2) Interest on obligations of the United States or its possessions, and other interest
16 exempt from taxation by this state; and minus

17 (3) Fifty percent (50%) of the excess of capital gains over capital losses realized during
18 the taxable year.

19 (d) (1) A small business corporation having an election in effect under subchapter S, 26
20 U.S.C. section 1361 et seq., shall not be subject to the Rhode Island income tax on corporations,
21 except that the corporation shall be subject to the provisions of subsection (a), to the extent of the
22 income that is subjected to federal tax under subchapter S. [Effective for tax years beginning on or
23 after January 1, 2015, a small business corporation having an election in effect under subchapter
24 S, 26 U.S.C. § 1261 et seq., shall be subject to the minimum tax under § 44-11-2\(e\).](#)

25 (2) The shareholders of the corporation who are residents of Rhode Island shall include
26 in their income their proportionate share of the corporation's federal taxable income.

27 (3) [Deleted by P.L. 2004, ch. 595, art. 29, section 1.]

28 (4) [Deleted by P.L. 2004, ch. 595, art. 29, section 1.]

29 (e) Minimum tax. - The tax imposed upon any corporation under this section, [including a
30 small business corporation having an election in effect under subchapter S, 26 U.S.C. § 1361 et
31 seq.](#) shall not be less than five hundred dollars (\$500).

32 **44-11-4. Returns of affiliated groups of corporations.** - [For tax years beginning before
33 January 1, 2015, An an](#) affiliated group of corporations may file a consolidated return for the
34 taxable year in lieu of separate returns; provided, that all the corporations which constitute the

1 affiliated group at any time during the period for which the return is made and which are subject
2 to taxation under this chapter shall consent to the making of the consolidated return. The tax
3 administrator may prescribe rules and regulations as he or she may deem necessary in order that
4 the tax liability of any affiliated group of corporations making a consolidated return and of each
5 corporation in the group, liable to taxation under this chapter, both during and after the period of
6 affiliation, may be determined, computed, assessed, collected, and adjusted in a manner as clearly
7 to reflect the net income and the corporate excess and to prevent avoidance of tax liability.

8 SECTION 16. Chapter 44-11 of the General Laws entitled "Business Corporation Tax" is
9 hereby amended by adding thereto the following section:

10 **44-11-4.1. Combined reporting.** -- (a) For tax years beginning on or after January 1,
11 2015, each C corporation which is part of an unitary business with one or more other 19
12 corporations must file a return, in a manner prescribed by the tax administrator, for the combined
13 20 group containing the combined income, determined under this section, of the combined group.

14 (b) An affiliated group of C corporations, as defined in section 1504 of the Internal
15 Revenue Code, may elect to be treated as a combined group with respect to the combined
16 reporting requirement imposed by § 44-11-4.1 (a) for the taxable year in lieu of an unitary
17 business group. The election shall be upon the condition that all C corporations which at any time
18 during the taxable year have been members of the affiliated group consent to be included in such
19 group. The filing of a consolidated return for the combined group shall be considered as such
20 consent. Such election may not be revoked in less than five (5) years unless approved by the tax
21 administrator.

22 (c) The use of a combined report does not disregard the separate identities of the taxpayer
23 members of the combined group. Each taxpayer member is responsible for tax based on its
24 taxable income or loss apportioned to this state.

25 (d) Members of a combined group shall exclude as a member and disregard the income
26 and apportionment factors of any corporation not incorporated in the United States (a "non US
27 corporation") if the sales factors outside the United States is eighty percent (80%) or more. If a
28 non US corporation is includible as a member in the combined group, to the extent that such non
29 US corporation's income is subject to the provisions of a federal income tax treaty, such income is
30 not includible in the combined group net income. Such member shall also not include in the
31 combined report any expenses or apportionment factors attributable to income that is subject to
32 the provisions of a federal income tax treaty. For purposes of this chapter, "federal income tax
33 treaty" means a comprehensive income tax treaty between the United States and a foreign
34 jurisdiction, other than a foreign jurisdiction which is defined as a tax haven; provided, however,

1 that if the tax administrator determines that a combined group member non US corporation is
2 organized in a tax haven that has a federal income treaty with the United States, its income
3 subject to a federal income tax treaty, and any expenses or apportionment factors attributable to
4 such income, shall not be included in the combined group net income or combined report if: (i)
5 the transactions conducted between such non US corporation and other members of the combined
6 group are done on an arm's length basis and not with the principal purpose to avoid the payment
7 of taxes due under this chapter; or (ii) the member establishes that the inclusion of such net
8 income in combined group net income is unreasonable.

9 (e) Net Operating Losses. A tracing protocol shall apply to net operating losses created
10 before January 1, 2015. Such net operating losses shall be allowed to offset only the income of the
11 corporation that created the net operating loss; the net operating loss cannot be shared with other
12 members of the combined group. No deduction is allowable for a net operating loss sustained
13 during any taxable year in which a taxpayer was not subject to Rhode Island business corporation
14 tax. For net operating losses created in tax years beginning on or after January 1, 2015 such loss
15 allowed shall be the same as the net operating loss deduction allowed under section 172 of the
16 internal revenue code for the combined group, except that:

17 (1) Any net operating loss included in determining the deduction shall be adjusted to
18 reflect the inclusions and exclusions from entire net income required by §44-11-11 (a) and § 44-
19 11-11.1;

20 (2) The deduction shall not include any net operating loss sustained during any taxable
21 year in which the member was not subject to the tax imposed by this chapter; and

22 (3) The deduction shall not exceed the deduction for the taxable year allowable under
23 section 172 of the internal revenue code; provided, that the deduction for a taxable year may not
24 be carried back to any other taxable year for Rhode Island purposes but shall only be allowable
25 on a carry forward basis for the five (5) succeeding taxable years.

26 (f) Tax Credits and Tax Rate Reduction.

27 (1) A tracing protocol shall apply to Rhode Island tax credits earned before tax years
28 beginning on or before January 1, 2015. Such Rhode Island tax credits shall be allowed to offset
29 only the tax liability of the corporation that earned the credits; the Rhode Island tax credits cannot
30 be shared with other members of the combined group. Rhode Island tax credits earned in tax
31 years beginning on or after January 1, 2015, may be applied to other members of the group.

32 (2) The tax rate reductions authorized under § 42-64.5 (Jobs Development Act) and § 42-
33 2 64.14 (1-195 Redevelopment Act of 2011) shall be allowed against the net income of the entire
34 combined group.

1 (g) The tax administrator shall prescribe and amend, from time to time, rules and
2 regulations as he or she may deem necessary in order that the tax liability of any group of
3 corporations filing as a combined group and each corporation in the combined group, liable to
4 taxation under this chapter, may be determined, computed, assessed, collected, and adjusted in a
5 manner as to clearly reflect the combined income of the combined group and the individual
6 income of each member of the combined group. Such rules and regulations, shall include but are
7 not be limited to, issues such as the inclusion or exclusion of a corporation in the combined
8 group, the characterization and sourcing of each member's income, and whether certain common
9 activities constitute the conduct of a unitary business.

10 (h) The tax administrator shall on or before March 15, 2018, based upon the actual tax
11 filings of companies under this act for a two year period, submit a report to the chairperson of the
12 house finance committee and the senate finance committee and the house fiscal advisor and the
13 senate fiscal advisor analyzing the policy and fiscal ramifications of the changes enacted to
14 business corporations tax statutes, as enacted in budget article 12 of the Fiscal Year 2015
15 appropriations act. The report shall include but not be limited to the impact upon categories of
16 business, size of business and similar information as contained in Rhode Island General Laws 44-
17 11-45, which required the original report.

18 SECTION 17. Sections 44-11-11 and 44-11-14 of the General Laws in Chapter 44-11
19 entitled "Business Corporation Tax" are hereby amended to read as follows:

20 **44-11-11. "Net income" defined.** -- (a) (1) "Net income" means, for any taxable year
21 and for any corporate taxpayer, the taxable income of the taxpayer for that taxable year under the
22 laws of the United States, plus:

- 23 (i) Any interest not included in the taxable income;
- 24 (ii) Any specific exemptions;
- 25 ~~(iii) For a captive REIT, an amount equal to the amount of the dividends paid deduction~~
26 ~~allowed under the Internal Revenue Code for the taxable year;~~
- 27 ~~(iv)~~(iii) The tax imposed by this chapter; and minus
- 28 ~~(v) Any deductions required to be added back to net income under the provisions of~~
29 ~~paragraph (f) of this section, and minus~~
- 30 ~~(vi)~~(iv) Interest on obligations of the United States or its possessions, and other interest
31 exempt from taxation by this state; and
- 32 ~~(vii)~~(v) The federal net operating loss deduction.

33 (2) All binding federal elections made by or on behalf of the taxpayer applicable either
34 directly or indirectly to the determination of taxable income shall be binding on the taxpayer

1 except where this chapter or its attendant regulations specifically modify or provide otherwise.
2 Rhode Island taxable income shall not include the "gross-up of dividends" required by the federal
3 Internal Revenue Code to be taken into taxable income in connection with the taxpayer's election
4 of the foreign tax credit.

5 (b) A net operating loss deduction shall be allowed which shall be the same as the net
6 operating loss deduction allowed under 26 U.S.C. section 172, except that:

7 (1) Any net operating loss included in determining the deduction shall be adjusted to
8 reflect the inclusions and exclusions from entire net income required by subsection (a) of this
9 section and section 44-11-11.1;

10 (2) The deduction shall not include any net operating loss sustained during any taxable
11 year in which the taxpayer was not subject to the tax imposed by this chapter; and

12 (3) The deduction shall not exceed the deduction for the taxable year allowable under 26
13 U.S.C. section 172; provided, that the deduction for a taxable year may not be carried back to any
14 other taxable year for Rhode Island purposes but shall only be allowable on a carry forward basis
15 for the five (5) succeeding taxable years.

16 (c) "Domestic international sales corporations" (referred to as DISCs), for the purposes
17 of this chapter, will be treated as they are under federal income tax law and shall not pay the
18 amount of the tax computed under section 44-11-2(a). Any income to shareholders of DISCs is to
19 be treated in the same manner as it is treated under federal income tax law as it exists on
20 December 31, 1984.

21 (d) A corporation which qualifies as a "foreign sales corporation" (FSC) under the
22 provisions of subchapter N, 26 U.S.C. section 861 et seq., and which has in effect for the entire
23 taxable year a valid election under federal law to be treated as a FSC, shall not pay the amount of
24 the tax computed under section 44-11-2(a). Any income to shareholders of FSCs is to be treated
25 in the same manner as it is treated under federal income tax law as it exists on January 1, 1985.

26 ~~(e) As used in this section:~~

27 ~~(1) "Affiliated group" has the same meaning as in section 1504 of the Internal Revenue~~
28 ~~Code.~~

29 ~~(2) "Intangible expenses and costs" includes: (A) expenses, losses and costs for, related~~
30 ~~to, or in connection directly or indirectly with the direct or indirect acquisition, use, maintenance~~
31 ~~or management, ownership, sale, exchange, or any other disposition of intangible property to the~~
32 ~~extent such amounts are allowed as deductions or costs in determining taxable income before~~
33 ~~operating loss deduction and special deductions for the taxable year under the Internal Revenue~~
34 ~~Code; (B) losses related to or incurred in connection directly or indirectly with factoring~~

1 ~~transactions or discounting transactions; (C) royalty, patent, technical and copyright fees; (D)~~
2 ~~licensing fees; and (E) other similar expenses and costs.~~

3 ~~(3) "Intangible property" means patents, patent applications, trade names, trademarks,~~
4 ~~service marks, copyrights and similar types of intangible assets.~~

5 ~~(4) "Interest expenses and costs" means amounts directly or indirectly allowed as~~
6 ~~deductions under section 163 of the Internal Revenue Code for purposes of determining taxable~~
7 ~~income under the Internal Revenue Code to the extent such expenses and costs are directly or~~
8 ~~indirectly for, related to, or in connection with the direct or indirect acquisition, maintenance,~~
9 ~~management, ownership, sale, exchange or disposition of intangible property.~~

10 ~~(5) "Related member" means a person that, with respect to the taxpayer during all or any~~
11 ~~portion of the taxable year, is a related entity, as defined in this subsection, a component member~~
12 ~~as defined in section 1563(b) of the Internal Revenue Code, or is a person to or from whom there~~
13 ~~is attribution of stock ownership in accordance with section 1563(e) of the Internal Revenue~~
14 ~~Code.~~

15 ~~(6) "Related entity" means: (A) a stockholder who is an individual, or a member of the~~
16 ~~stockholder's family enumerated in section 318 of the Internal Revenue Code, if the stockholder~~
17 ~~and the members of the stockholder's family own directly, indirectly, beneficially or~~
18 ~~constructively, in the aggregate, at least fifty percent (50%) of the value of the taxpayer's~~
19 ~~outstanding stock; (B) a stockholder, or a stockholder's partnership, limited liability company,~~
20 ~~estate, trust or corporation, if the stockholder and the stockholder's partnership, limited liability~~
21 ~~companies, estates, trusts and corporations own directly, indirectly, beneficially or constructively,~~
22 ~~in the aggregate, at least fifty percent (50%) of the value of the taxpayer's outstanding stock; or~~
23 ~~(C) a corporation, or a party related to the corporation in a manner that would require an~~
24 ~~attribution of stock from the corporation to the party or from the party to the corporation under~~
25 ~~the attribution rules of section 318 of the Internal Revenue Code, if the taxpayer owns, directly,~~
26 ~~indirectly, beneficially or constructively, at least fifty percent (50%) of the value of the~~
27 ~~corporation's outstanding stock. The attribution rules on section 318 of the Internal Revenue Code~~
28 ~~shall apply for purposes of determining whether the ownership requirements of this subdivision~~
29 ~~have been met.~~

30 ~~(f) For purposes of computing its net income under this section, a corporation shall add~~
31 ~~back otherwise deductible interest expenses and costs and intangible expenses and costs directly~~
32 ~~or indirectly paid, accrued or incurred to, or in connection directly or indirectly with one or more~~
33 ~~direct or indirect transactions with, one or more related members.~~

34 ~~(1) The adjustments required in subsection (f) of this section shall not apply if the~~

1 ~~corporation establishes by clear and convincing evidence that the adjustments are unreasonable,~~
2 ~~as determined by the tax administrator or the corporation and the tax administrator agree in~~
3 ~~writing to the application or use of an alternative method of apportionment under section 44-11-~~
4 ~~15. Nothing in this subsection shall be construed to the limit or negate the tax administrator's~~
5 ~~authority to otherwise enter into agreements and compromises otherwise allowed by law.~~

6 ~~(2) The adjustments required in subsection (f) of this section shall not apply to such~~
7 ~~portion of interest expenses and costs and intangible expenses and costs that the corporation can~~
8 ~~establish by the preponderance of the evidence meets both of the following: (A) the related~~
9 ~~member during the same income year directly or indirectly paid, accrued or incurred such portion~~
10 ~~to a person who is not a related member; and (B) the transaction giving rise to the interest~~
11 ~~expenses and costs or the intangible expenses and costs between the corporation and the related~~
12 ~~member did not have as a significant purpose the avoidance of any portion of the tax due under~~
13 ~~chapter 44-11.~~

14 ~~(3) The adjustments required in subsection (f) shall not apply if the corporation~~
15 ~~establishes by clear and convincing evidence, as determined by the tax administrator, that: (i) a~~
16 ~~principal purpose of the transaction giving rise to the payment of interest was not to avoid~~
17 ~~payment of taxes due under this chapter; (ii) the interest is paid pursuant to a contract that reflects~~
18 ~~an arm's length rate of interest and terms; and (iii) (A) the related member was subject to tax on~~
19 ~~its net income in this state or another state or possession of the United States or a foreign nation;~~
20 ~~(B) a measure of said tax included the interest received from the taxpayer; and (C) the effective~~
21 ~~rate of tax applied to the interest received by the related member is no less than the effective rate~~
22 ~~of tax applied to the taxpayer under this chapter minus 3 percentage points.~~

23 ~~(4) Partial Adjustments.—The add back required in subsection (f) shall not be required in~~
24 ~~part if a portion of the add back would be unreasonable. A portion of the add back will be~~
25 ~~considered unreasonable to the extent that the taxpayer establishes to the tax administrator by~~
26 ~~clear and convincing evidence that interest or intangible expense was paid, accrued or incurred to~~
27 ~~a related member that is taxed on the corresponding income by a state, U.S. possession or foreign~~
28 ~~jurisdiction. An adjustment to the add back will be allowed based on a factor determined by the~~
29 ~~apportioned tax rate of the related member in the other jurisdiction compared to the apportioned~~
30 ~~tax rate of the taxpayer in this state. A taxpayer that seeks to claim this adjustment must file a~~
31 ~~schedule that sets forth the information required by the tax administrator.~~

32 ~~(g) Nothing in this section shall require a corporation to add to its net income more than~~
33 ~~once any amount of interest expenses and costs or intangible expenses and costs that the~~
34 ~~corporation pays, accrues or incurs to a related member described in subsection (b) of this~~

1 ~~section.~~

2 ~~(h) Any taxpayer required to make an adjustment required in subsection (f) for tax years~~
3 ~~beginning on or after January 1, 2008, is additionally required to report to the tax administrator,~~
4 ~~on forms required by him, the amount of any adjustments that would have been required if the~~
5 ~~law applied to tax years beginning on or after January 1, 2007.~~

6 ~~(i) Nothing in this section shall be construed to limit or negate the tax administrator~~
7 ~~authority to make adjustments under section 44-11-15.~~

8 **44-11-14. Allocation of income from business partially within state.** -- (a) In the case
9 of a taxpayer deriving its income from sources both within and outside of this state or engaging in
10 any activities or transactions both within and outside of this state for the purpose of profit or gain,
11 its net income shall be apportioned to this state by means of an allocation fraction to be computed
12 as a simple arithmetical mean of three (3) fractions:

13 (1) The first of these fractions shall represent that part held or owned within this state of
14 the average net book value of the total tangible property (real estate and tangible personal
15 property) held or owned by the taxpayer during the taxable year, without deduction on account of
16 any encumbrance thereon;

17 (2) The second fraction shall represent that part of the taxpayer's total receipts from sales
18 or other sources during the taxable year which is attributable to the taxpayer's activities or
19 transactions within this state during the taxable year; meaning and including within that part, as
20 being thus attributable, receipts from:

21 (i) Gross sales of its tangible personal property (inventory sold in the ordinary course of
22 business) where:

- 23 (A) Shipments are made to points within this state; or
- 24 (B) Shipments are made from an office, store, warehouse, factory or other place of
25 storage in this state and the taxpayer is not taxable in the state of the purchase.

26 (ii) Gross income from services performed within the state;

27 (iii) Gross income from rentals from property situated within the state;

28 (iv) Net income from the sale of real and personal property, other than inventory sold in
29 the ordinary course of business as described in paragraph (i) of this subdivision, or other capital
30 assets located in the state;

31 (v) Net income from the sale or other disposition of securities or financial obligations;
32 and

33 (vi) Gross income from all other receipts within the state;

34 (3) The third fraction shall represent that part of the total wages, salaries, and other

1 compensation to officers, employees, and agents paid or incurred by the taxpayer during the
2 taxable year which is attributable to services performed in connection with the taxpayer's
3 activities or transactions within this state during the taxable year.

4 (b) For tax years beginning on or after January 1, 2015, all taxpayers organized under
5 subchapter C of the Internal Revenue Code deriving income from sources both within and outside
6 of this state, or engaging in any activities or transactions both within and outside of this state for
7 the purpose of profit or gain, its net income shall be apportioned to this state by means of an
8 allocation fraction to be computed as a simple arithmetical of the following factors:

9 (1) The factor shall represent that part of the taxpayer's total receipts from sales or other
10 sources during the taxable year which is attributable to the taxpayer's activities or transactions
11 within this state during the taxable year; meaning and including within that part, as being thus
12 attributable, receipts from:

13 (i) Gross sales of its tangible personal property (inventory sold in the ordinary course of
14 business) where:

15 (A) Shipments are made to points within this state; or

16 (B) Shipments are made from an office, store, warehouse, factory or other place of
17 storage in this state and the taxpayer is not taxable in the state of the purchase.

18 (ii) Gross income from the performance of services where the recipient of the service
19 receives all of the benefit of the service in this state. If the recipient of the service receives some
20 of the benefit of the service in this state, gross income which shall be included in the numerator of
21 the apportionment factor in proportion to the extent the recipient receives benefit of the service in
22 this state;

23 (iii) Gross income from rentals from property situated within the state;

24 (iv) Net income from the sale of real and personal property, other than inventory sold in
25 the ordinary course of business as described in subsection (b)(1)(i) of this section, or other capital
26 assets located in the state;

27 (v) Net income from the sale or other disposition of securities or financial obligations;

28 and

29 (vi) Gross income from all other receipts within the state.

30 (vii) Except as otherwise provided under this section, each unitary business group
31 member shall include all receipts in this state without regard to whether the member has nexus in
32 this state. Receipts between members included in a unitary business group must be eliminated in
33 calculating the receipts factor.

34 ~~(b)~~(c) Notwithstanding any of the provisions of this section, revenue and expenses

1 subject to the gross earnings tax pursuant to chapter 13 of this title shall not be included in the
2 calculation described in this section.

3 SECTION 18. Section 44-11-45 of the General Laws in Chapter 44-11 entitled "Business
4 Corporation Tax" is hereby repealed.

5 ~~**44-11-45. Combined reporting study.**~~ -- (a) For the purpose of this section:

6 ~~(1) "Common ownership" means more than fifty percent (50%) of the voting control of~~
7 ~~each member of the group is directly or indirectly owned by a common owner or owners, either~~
8 ~~corporate or non corporate, whether or not owner or owners are members of the combined group.~~

9 ~~(2) "Member" means a corporation included in a unitary business.~~

10 ~~(3) "Unitary business" means the activities of a group of two (2) or more corporations~~
11 ~~under common ownership that are sufficiently interdependent, integrated or interrelated through~~
12 ~~their activities so as to provide mutual benefit and produce a significant sharing or exchange of~~
13 ~~value among them or a significant flow of value between the separate parts. The term unitary~~
14 ~~business shall be construed to the broadest extent permitted under the United States Constitution.~~

15 ~~(4) "United States" means the fifty (50) states of the United States, the District of~~
16 ~~Columbia, the United States' territories and possessions.~~

17 ~~(b) Combined reporting.~~

18 ~~(1) As part of its tax return for a taxable year beginning after December 31, 2010 but~~
19 ~~before January 1, 2013, each corporation which is part of an unitary business must file a report, in~~
20 ~~a manner prescribed by the tax administrator, for the combined group containing the combined~~
21 ~~net income of the combined group. The use of a combined report does not disregard the separate~~
22 ~~identities of the members of the combined group. The report shall include, at minimum, for each~~
23 ~~taxable year the following:~~

24 ~~(i) The difference in tax owed as a result of filing a combined report compared to the tax~~
25 ~~owed under the current filing requirements;~~

26 ~~(ii) The difference in tax owed as a result of using the single sales factor apportionment~~
27 ~~method under this paragraph as compared to the tax owed using the current three (3) factor~~
28 ~~apportionment method under section 44-11-14;~~

29 ~~(iii) Volume of sales in the state and worldwide; and~~

30 ~~(iv) Taxable income in the state and worldwide.~~

31 ~~(2) The combined reporting requirement required pursuant to this section shall not~~
32 ~~include any persons that engage in activities enumerated in sections 44-13-4, 44-14-3, 44-14-4 or~~
33 ~~44-17-1, whether within or outside this state. Neither the income or loss nor the apportionment~~
34 ~~factors of such a person shall be included, directly or indirectly, in the combined report.~~

1 ~~(3) Members of a combined group shall exclude as a member and disregard the income~~
2 ~~and apportionment factors of any corporation incorporated in a foreign jurisdiction (a "foreign~~
3 ~~corporation") if the average of its property, payroll and sales factors outside the United States is~~
4 ~~eighty percent (80%) or more. If a foreign corporation is includible as a member in the combined~~
5 ~~group, to the extent that such foreign corporation's income is subject to the provisions of a federal~~
6 ~~income tax treaty, such income is not includible in the combined group net income. Such member~~
7 ~~shall also not include in the combined report any expenses or apportionment factors attributable~~
8 ~~to income that is subject to the provisions of a federal income tax treaty. For purposes of this~~
9 ~~chapter, "federal income tax treaty" means a comprehensive income tax treaty between the United~~
10 ~~States and a foreign jurisdiction, other than a foreign jurisdiction which the organization for~~
11 ~~economic co-operation and development has determined has not committed to the internationally~~
12 ~~agreed tax standard, or has committed to the international agreed tax standard but has not yet~~
13 ~~substantially implemented that standard, as identified in the then current organization for~~
14 ~~economic co-operation and development progress report.~~

15 ~~(c) Any corporation which is required to file a report under this section which fails to file~~
16 ~~a timely report or which files a false report shall be assessed a penalty not to exceed ten thousand~~
17 ~~dollars (\$10,000). The penalty may be waived for good cause shown for failure to timely file.~~

18 ~~(d) The tax administrator shall on or before March 15, 2014, based on the information~~
19 ~~provided in income tax returns and the data submitted under this section, submit a report to the~~
20 ~~chairpersons of the house finance committee and senate finance committee, and the house fiscal~~
21 ~~advisor and the senate fiscal advisor analyzing the policy and fiscal ramifications of changing the~~
22 ~~business corporation tax statute to a combined method of reporting.~~

23 SECTION 19. Section 44-26-2.1 of the General Laws in Chapter 44-26 entitled
24 "Declaration of Estimated Tax by Corporations" is hereby amended to read as follows:

25 **44-26-2.1. Declaration -- Due date -- Payment -- Interest.** -- (a) Notwithstanding any
26 general or specific statute to the contrary, every corporation having a taxable year ending
27 December 31, 1990, or thereafter, shall file a declaration of its estimated tax for the taxable year
28 ending December 31, 1990, or thereafter, if its estimated tax can reasonably be expected to
29 exceed five hundred dollars (\$500). The declaration, sworn to by the officer of the corporation
30 who is required to sign its return under any of the chapters and section mentioned in section 44-
31 26-1 shall contain the pertinent information and be in the form that the tax administrator may
32 prescribe. The entire amount of the estimated tax shall constitute the amount of the advance
33 required to be paid. (b) (1) Except as provided in subdivision (2) of this subsection, the
34 declaration of estimated tax required of corporations by subsection (a) of this section shall be

1 filed as follows:

2 If the requirements of subsection (a) are first met: The declaration shall be filed on
3 or before:
4 before the first day of the of the third month of
5 the taxable year the fifteenth day of the third
6 month of the taxable year;
7 after the first day of the third month and before the fifteenth day of the sixth
8 the first day of the sixth month of the taxable year..... month of the taxable year.

9 (2) The declaration of estimated tax required of corporations subject to section 27-3-38
10 relating to surplus line brokers premium tax or under any special act or acts in lieu of the
11 provisions of that section or in amendment of or in addition to that section shall be filed as
12 follows:

13 If the requirements of subsection (a) are first met: The declaration shall be filed on
14 or before:
15 Before the first day of the fourth month of the thirtieth day of the fourth month
16 of the taxable year
17 After the first day of the fourth month and
18 before the first day of the sixth month of the
19 taxable year the thirtieth day of the sixth
20 month of the taxable year
21 After the first day of the sixth month and before the thirtieth day of the tenth
22 the first day of the tenth month of the taxable year month of the taxable year
23 After the first day of the tenth month and before
24 the first day of the twelfth month of the taxable the thirty-first day of the twelfth
25 year month of the taxable year

26 (c) An amendment of a declaration may be filed in any interval between installment dates
27 prescribed for the taxable year, but only one amendment may be filed in each interval.

28 (d) The tax administrator may grant a reasonable extension of time, not to exceed thirty
29 (30) days, for filing a declaration.

30 (e) (1) The amount of the advance based on the estimated tax declared under subsection
31 (a) of this section by corporations described in subdivision (b)(1) of this section shall be paid as
32 follows:

33 (i) If the declaration is filed on or before the fifteenth (15th) day of the third (3rd) month
34 of the taxable year, the advance shall be paid in two (2) installments. The first installment in the

1 amount of forty percent (40%) of the estimated tax shall be paid at the time of the filing of the
2 declaration. The second and last installment in the amount of sixty percent (60%) of the estimated
3 tax shall be paid on or before the fifteenth (15th) day of the sixth (6th) month of the taxable year.

4 (ii) If the declaration is filed after the fifteenth (15th) day of the third (3rd) month of the
5 taxable year and is not required by subsection (b) of this section to be filed on or before the
6 fifteenth (15th) day of the third (3rd) month of the taxable year, but is required to be filed on or
7 before the fifteenth (15th) day of the sixth (6th) month, the advance shall be paid in full at the
8 time of filing.

9 (2) The amount of the advance based in the estimated tax declared under subsection (a) of
10 this section by corporations listed in subdivision (b)(2) of this section shall be paid as follows:

11 (i) If the declaration is filed on or before the thirtieth (30th) day of the fourth (4th) month
12 of the taxable year, the advance shall be paid in four (4) equal installments. The first installment
13 shall be paid on or before the thirtieth (30th) day of the fourth (4th) month of the taxable year,
14 and the second (2nd), third (3rd), and fourth (4th) installments shall be paid on or before the
15 thirtieth (30th) day of the sixth (6th) month, the thirtieth (30th) day of the tenth (10th) month, and
16 the thirty-first (31st) day of the twelfth (12th) month of the taxable year, respectively.

17 (ii) If the declaration is filed before the thirtieth (30th) day of the sixth (6th) month of the
18 taxable year, the advance shall be paid in three (3) equal installments. The first installment shall
19 be paid on or before the thirtieth (30th) day of the sixth (6th) month of the taxable year and the
20 second (2nd) and third (3rd) installments shall be paid on or before the thirtieth (30th) day of the
21 tenth (10th) month and the thirty-first (31st) day of the twelfth (12th) month of the taxable year
22 respectively.

23 (iii) If the declaration is filed on or before the thirtieth (30th) day of the tenth (10th)
24 month of the taxable year, the advance shall be paid in two (2) equal installments. The first
25 installment shall be paid on or before the thirtieth (30th) day of the tenth (10th) month of the
26 taxable year and the second installment shall be paid on or before the thirty-first (31st) day of the
27 twelfth (12th) month of the taxable year.

28 (iv) If the declaration is filed after the time prescribed in subdivision (b)(2) of this
29 section, including cases in which an extension of time for filing the declaration has been granted,
30 there shall be paid at the time of the filing all installments of the advance which would have been
31 payable on or before that time if the declaration had been filed within the time prescribed in
32 subdivision (b)(2) of this section.

33 (f) If the declaration is filed after the time prescribed in subsection (b) of this section
34 including cases in which an extension of time for filing the declaration has been granted,

1 paragraph (e)(1)(ii) of this section does not apply, and there shall be paid at the time of the filing
2 all installments of the advance which would have been payable on or before that time if the
3 declaration had been filed within the time prescribed in subsection (b).

4 (g) If any amendment of a declaration is filed, the installment payable on or before the
5 fifteenth (15th) day of the sixth (6th) month, if any, or in the case of corporations licensed as
6 surplus line brokers under section 27-3-38, the installments payable on or before the thirtieth
7 (30th) days of the sixth (6th) or tenth (10th) month and thirty-first (31st) day of the twelfth (12th)
8 month are ratably increased or decreased, as the case may be, to reflect the increase or decrease,
9 as the case may be, in the estimated tax by reason of the amendment.

10 (h) At the election of the corporation, any installment of the advance may be paid prior to
11 the date prescribed for payment.

12 (i) In the case of any underpayment of the advance by a corporation, except as provided
13 in this section, there is added to the tax due under chapters 11 -- 15 and 17 of this title, or section
14 27-3-38, for the taxable year an amount determined at the rate described in section 44-1-7 upon
15 the amount of the underpayment for the period of the underpayment. For the purpose of this
16 subsection, the "amount of the underpayment" is the excess of the amount of the installment or
17 installments which would be required to be paid if the advance payments were equal to eighty
18 percent (80%) of the tax shown on the return for the taxable year. For the purposes of this
19 subsection, the "period of the underpayment" is the period from the date the installment was
20 required to be paid to the date prescribed under any of the chapters previously mentioned in this
21 section for the payment of the tax for the taxable year or, with respect to any portion of the
22 underpayment, the date on which the portion is paid, whichever date is the earlier. A payment of
23 the advance on the fifteenth (15th) day of the sixth (6th) month, or for section 27-3-38 on the
24 thirtieth (30th) day of the sixth (6th) month, of the taxable year is considered a payment of any
25 previous underpayment only to the extent that the payment exceeds the amount of the installment
26 due on the fifteenth (15th) day of the sixth (6th) month, or for section 27-3-38 on the thirtieth
27 (30th) day of the sixth (6th) month, of the taxable year.

28 (j) Notwithstanding the provisions of this section, the addition to the tax with respect to
29 any underpayment of any installment is not imposed if the total amount of all payments of the
30 advance made on or before the last date prescribed for payment of the installment equals or
31 exceeds the amount which would have been required to be paid on or before that date if the
32 amount of the advance was an amount equal to one hundred percent (100%) of the tax computed
33 at the rates applicable to the taxable year but otherwise on the basis of the fact shown on the
34 return of the corporation for and the law applicable to the preceding taxable year.

1 (k) This section is effective for estimated payments being made by corporations for
2 taxable years ending on or after December 31, 1990.

3 (l) Notwithstanding any other provisions of this section any taxpayer required to make an
4 adjustment in accordance with section 44-11-11(f) in a tax year beginning in calendar year 2008
5 shall compute estimated payments for that tax year as follows:

6 (1) The installments must equal 100% of the tax due for the prior year plus any additional
7 tax due for the current year adjustment under section 44-11-11(f), or

8 (2) That installments must equal 100% of the current year tax liability.

9 (m) Notwithstanding any other provisions of this section any taxpayer required to file a
10 combined report in accordance with § 44-11-4.1 in a tax year beginning on or after January 1,
11 2015, shall compute estimated payments for that tax year as follows:

12 (1) The installments must equal one hundred percent (100%) of the tax due for the prior
13 year plus any additional tax due to the combined report provisions under § 44-1-4.1; or

14 (2) The installments must equal one hundred percent (100%) of the current year tax
15 liability.

16 SECTION 20. Chapter 44-12 of the General Laws entitled "Franchise Tax" is hereby
17 repealed in its entirety.

18 **CHAPTER 44-12**

19 **Franchise Tax**

20 ~~**44-12-1. Tax imposed -- Corporations liable -- Credit for tax on income -- Reduced**~~
21 ~~**rate where no business done.**~~ (a) Every corporation, joint stock company, or association
22 incorporated in this state or qualified to do business in this state, whether or not doing business
23 for profit, all referred to in this section under the term "corporation", except those enumerated in
24 section 44-12-11, shall pay an annual franchise tax to the state upon its authorized capital stock of
25 two dollars fifty cents (\$2.50) for each ten thousand dollars (\$10,000) or fractional part, or the
26 sum of five hundred dollars (\$500), whichever is greater.

27 (b) In the case of corporations liable to a tax under chapter 11 of this title, only the
28 amount by which the franchise tax exceeds the tax payable under that chapter shall be assessed.

29 (c) If a corporation shall show by supplemental affidavit attached to the prescribed return
30 and signed in the manner provided for each return that it has not, at any time during its preceding
31 taxable year, been engaged within the state in any business activities, it shall only pay an annual
32 franchise tax upon its authorized capital stock at the following rates: five hundred dollars (\$500)
33 where the stock does not exceed one million dollars (\$1,000,000); and the further sum of twelve
34 dollars fifty cents (\$12.50) for each additional one million dollars (\$1,000,000) or fractional part

1 of the stock.

2 ~~**44-12-2. Filing of returns -- Contents.** -- Every corporation shall, on or before the date~~
3 ~~fixed for filing returns under section 44-11-3, file with the tax administrator as of the last day of~~
4 ~~its next preceding taxable year a return, under oath or affirmation, signed by its treasurer or by an~~
5 ~~authorized officer or agent of the corporation, if organized, and if not organized, under oath of~~
6 ~~some one authorized to act by the incorporators, containing information as the tax administrator~~
7 ~~may require, including:~~

8 ~~(1) The name of the corporation and the location of its principal office.~~

9 ~~(2) The amount of its capital stock authorized, and the par value thereof.~~

10 ~~(3) The amount of its capital stock authorized, without par value.~~

11 ~~**44-12-3. Valuation of no-par stock.** -- In the case of corporations having capital stock of~~
12 ~~no-par value, one hundred dollars (\$100) per share shall be deemed to be the par value for the~~
13 ~~purposes of this chapter.~~

14 ~~**44-12-4. Assessment of tax -- Notice of amount.** -- The tax administrator, as soon as~~
15 ~~possible after the filing of the return, shall assess, as of the last day of its next preceding taxable~~
16 ~~year, a tax upon each corporation as provided in this chapter and shall mail a notice of the amount~~
17 ~~of the tax to each corporation, but failure to receive the notice shall not invalidate the tax or~~
18 ~~excuse the nonpayment of the tax.~~

19 ~~**44-12-4.1. Hearing by tax administrator on application.** -- Any corporation aggrieved~~
20 ~~by the action of the tax administrator in determining the amount of any tax or penalty imposed~~
21 ~~under the provisions of this chapter may apply to the tax administrator, in writing, within thirty~~
22 ~~(30) days after the notice of the action is mailed to it, for a hearing relative thereto. The tax~~
23 ~~administrator shall fix a time and place for the hearing and shall so notify the applicant. At the~~
24 ~~hearing the tax administrator shall correct manifest errors, if any, disclosed at the hearing and~~
25 ~~assess and collect the lawfully due tax together with any penalty or interest on the tax.~~

26 ~~**44-12-5. Payment of tax -- Collection powers.** -- The tax shall be payable within fifteen~~
27 ~~(15) days after its assessment and, if not paid when due, shall bear interest from the date of its~~
28 ~~assessment at the annual rate provided by section 44-1-7 until paid. The tax administrator shall~~
29 ~~receive and collect the taxes so assessed in the same manner and with the same powers as are~~
30 ~~prescribed for, and given to, collectors of taxes by chapters 7--9 of this title.~~

31 ~~**44-12-5.1. Claims for refund -- Hearing upon denial.** -- (a) Any corporation subject to~~
32 ~~the provisions of this chapter may file a claim for refund with the tax administrator at any time~~
33 ~~within two (2) years after the tax has been paid. If the tax administrator shall determine that the~~
34 ~~tax has been overpaid, he or she shall make a refund with interest at the annual rate provided by~~

1 ~~section 44-1-7.1 from the date of overpayment.~~

2 ~~(b) Any corporation whose claim for refund has been denied may, within thirty (30) days~~
3 ~~from the date of the mailing by the tax administrator of the notice of the decision, request a~~
4 ~~hearing, and the tax administrator shall, as soon as practicable, set a time and place for the~~
5 ~~hearing and shall notify the applicant.~~

6 ~~**44-12-6. Penalty for failure to make return.** -- If the return that is required to be made~~
7 ~~by section 44-12-2 is not made within the time fixed by this chapter, the officer or agent~~
8 ~~neglecting or refusing to make the return shall be fined not exceeding five hundred dollars (\$500).~~

9 ~~**44-12-7. Lien on real estate.** -- The tax shall from the date of assessment become a lien~~
10 ~~upon the real estate of the corporation liable for the tax until the tax is collected.~~

11 ~~**44-12-8. Forfeiture of charter or articles for nonpayment of tax.** -- The tax~~
12 ~~administrator may, after July 15 of each year, make up a list of all corporations which have failed~~
13 ~~to pay any franchise tax assessed for two (2) years after the tax became due and payable, shall~~
14 ~~certify to the correctness of the list, and shall file the list as a public record in the office of the~~
15 ~~secretary of state. Upon the filing of the certified list, the charter or articles of association of each~~
16 ~~of the corporations shall become forfeited by reason of the failure to pay the tax, and all the~~
17 ~~corporations shall cease to be bodies corporate, except as provided in section 7-1.2-1324. The~~
18 ~~secretary of state shall mail a notice of the forfeiture of charter or articles of association to each~~
19 ~~corporation at its last known address, but failure to receive the notice shall not invalidate the~~
20 ~~forfeiture. Any corporation or any stockholder, officer, or agent of the corporation, continuing to~~
21 ~~act thereafter under any forfeited charter or articles of association, except as provided in section~~
22 ~~7-1.2-1324, or pending an appeal from the forfeiture as provided, shall be deemed guilty of a~~
23 ~~misdemeanor and upon conviction shall be fined not less than fifty dollars (\$50.00) nor more than~~
24 ~~one thousand dollars (\$1,000) for each offense.~~

25 ~~**44-12-9. Publication of forfeitures -- Vacation on payment of tax.** -- The secretary of~~
26 ~~state shall publish in one or more of the daily public newspapers printed in the city of Providence~~
27 ~~the names of all corporations whose charters or articles of association have been forfeited. The~~
28 ~~forfeiture shall be vacated as to any corporation, which shall pay all taxes and all interest then due~~
29 ~~to the tax administrator within sixty (60) days of the date of the publication.~~

30 ~~**44-12-10. Appeal of forfeitures.** -- Any corporation, by any stockholder or officer of the~~
31 ~~corporation, aggrieved by the forfeiture of the charter or articles of association of the corporation~~
32 ~~may appeal from the forfeiture, within thirty (30) days from the date of the publication, to the~~
33 ~~sixth (6th) division of the district court, and the court shall proceed as soon as possible to hear the~~
34 ~~appeal after the manner of equitable causes. If the appellant shall show to the satisfaction of the~~

1 ~~court that the forfeiture of the charter or articles of association of the corporation was erroneous~~
2 ~~under the provisions, or that the tax assessed was improper or erroneous in whole or in part, and~~
3 ~~in that case if the appellant shall pay all taxes and all interest then due under this chapter, then the~~
4 ~~court shall sustain the appeal and shall vacate the forfeiture as to the appellant corporation. Upon~~
5 ~~failure to show error in the forfeiture under the provisions, or to pay all taxes and all interest due,~~
6 ~~the court shall dismiss the appeal and confirm the forfeiture. Upon the sustaining of the appeal of~~
7 ~~any corporation, the clerk of the district court shall, within ten (10) days, file with the secretary of~~
8 ~~state and with the division of taxation an attested copy of the decree vacating the forfeiture as to~~
9 ~~the appellant corporation. A party aggrieved by a final order of the court may seek review in the~~
10 ~~supreme court by writ of certiorari in accordance with the procedures contained in section 42-35-~~
11 ~~16.~~

12 ~~**44-12-11. Corporations exempt.** -- The provisions of this section shall not apply to the~~
13 ~~following corporations: Roger Williams General Hospital, Women and Infants Hospital of Rhode~~
14 ~~Island, Rhode Island Hospital, St. Joseph's Hospital, Butler Hospital, Cranston General Hospital...~~
15 ~~Osteopathic, the Woonsocket Hospital, Newport Hospital, South County Hospital, Lincoln~~
16 ~~School, St. George's School, the Mary C. Wheeler School, Incorporated, insurance or surety~~
17 ~~companies, corporations mentioned in sections 7-6-4, 27-25-1, and 44-13-4, and all corporations~~
18 ~~exempt by charter or by the law of this state.~~

19 ~~**44-12-12. Declarations under penalty of perjury.** -- The oath or affirmation required by~~
20 ~~this chapter as to any report or written statement shall not be required if the report or statement to~~
21 ~~be sworn to contains or is verified by a written declaration that it is made under the penalties of~~
22 ~~perjury; and whoever signs or issues any report or statement containing or verified by a written~~
23 ~~declaration shall, if the report or statement is willfully false, be guilty of perjury.~~

24 ~~**44-12-13. Appeals -- Interest on refunds.** -- Appeals from administrative orders or~~
25 ~~decisions made pursuant to any provisions of this chapter shall be to the sixth (6th) division~~
26 ~~district court pursuant to chapter 8 of title 8. The taxpayer's right to appeal shall be expressly~~
27 ~~made conditional upon prepayment of all taxes, interest, and penalties unless the taxpayer moves~~
28 ~~for and is granted an exemption from the prepayment requirement pursuant to section 8-8-26. If~~
29 ~~the court, after appeal, holds that the taxpayer is entitled to a refund, the taxpayer shall also be~~
30 ~~paid interest on the amount at the rate provided in section 44-1-7.1.~~

31 SECTION 21. Section 44-11-15 of the General Laws in Chapter 44-11 entitled "Business
32 Corporation Tax" is hereby amended to read as follows:

33 ~~**44-11-15. Variation of method of allocating income.** -- If at any time the tax~~
34 ~~administrator, on his or her own motion or acting upon a complaint by a taxpayer, determines that~~

1 the methods of allocation provided are inequitable either to the state or to the taxpayer, the tax
2 administrator, after affording the taxpayer reasonable opportunity to be heard, may apply any
3 other method of allocation that is equitable and, if necessary, shall redetermine the tax.

4 The division of taxation shall establish an independent appeals process to attempt to
5 resolve disputes between the tax administrator and the taxpayer with respect to the method of
6 allocation applied. The decision resulting from the independent appeals process shall not prohibit
7 either party from pursuing any legal remedy otherwise available if the issue is not resolved as a
8 result of the appeal process. The decision resulting from the independent appeals process can be
9 used a evidence.

10 SECTION 22. Section 4 is effective upon passage and shall apply to tax years beginning
11 January 1, 2014. Section 7 and sections 13 through 21 of this article shall take effect upon
12 passage and shall apply to tax years beginning January 1, 2015. The remainder of this article shall
13 take effect as of July 1, 2014.

14

1 **ARTICLE 13**

2 RELATING TO STATE LOTTERY

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

5 **42-61-15. State lottery fund.** -- (a) There is created the state lottery fund, into which
6 shall be deposited all revenues received by the division from the sales of lottery tickets and
7 license fees. The fund shall be in the custody of the general treasurer, subject to the direction of
8 division for the use of the division, and money shall be disbursed from it on the order of the
9 controller of the state, pursuant to vouchers or invoices signed by the director and certified by the
10 director of administration. The moneys in the state lottery fund shall be allotted in the following
11 order, and only for the following purposes:

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

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

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

22 (2) Payment of expenses incurred by the division in the operation of the state lotteries
23 including, but not limited to, costs arising from contracts entered into by the director for
24 promotional, consulting, or operational services, salaries of professional, technical, and clerical
25 assistants, and purchases or lease of facilities, lottery equipment, and materials; provided
26 however, solely for the purpose of determining revenues remaining and available for transfer to
27 the state's general fund, beginning in fiscal year 2015, expenses incurred by the division in the
28 operation of state lotteries shall reflect the actuarially determined employer contribution to the
29 Employees' Retirement System consistent with the state's adopted funding policy. For financial
30 reporting purposed, the state lottery fund financial statements shall be prepared in a accordance

1 [with generally accepted accounting principles as promulgated by the Governmental Accounting](#)
2 [Standards Board; and](#)

3 ~~(3) Repayment into the general revenue fund of the amount appropriated for the~~
4 ~~implementation of the state lottery; and~~

5 ~~(4)(3) Payment into the general revenue fund of all revenues remaining in the state lottery~~
6 ~~fund after the payments specified in subdivisions (a)(1) – (a)(3) (a)(2) of this section; provided,~~
7 ~~that the amount to be transferred into the general revenue fund shall equal no less than twenty-~~
8 ~~five percent (25%) of the total revenue received and accrued from the sale of lottery tickets plus~~
9 ~~any other income earned from the lottery; provided further, that the revenue returned to the~~
10 ~~general fund from the game commonly known as Keno, shall not be calculated as part of the~~
11 ~~twenty five percent (25%) mandate required by this section, but the amount transferred into the~~
12 ~~general revenue fund shall equal no less than fifteen percent (15%) of the total Keno revenue~~
13 ~~received.~~

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

21 (c) Payments into the state's general fund specified in subsection (a)~~(4)~~ (3) of this section
22 shall be made on an estimated quarterly basis. Payment shall be made on the tenth business day
23 following the close of the quarter except for the fourth quarter when payment shall be on the last
24 business day.

25 SECTION 2. The general assembly hereby finds that the Twin River facility located in
26 the town of Lincoln is an important source of revenue for the state of Rhode Island. The purpose
27 of sections 3 through 5 of this article is to protect and enhance the state's ability to maximize
28 revenues at Twin River during a period of increasing competition in the regional market by
29 setting forth terms and conditions of certain Twin River growth opportunities. It is the intent of
30 the general assembly that this act, being necessary for the welfare of the state and its citizens,
31 shall be liberally construed so as to effectuate its purposes, including without limitation, the
32 state's attempt to minimize certain commercial risks faced by Twin River.

33 SECTION 3. Definitions. For the purposes of this chapter, the following terms shall have
34 the following meanings:

1 (1) "Division" means the division of lotteries within the Rhode Island department of
2 revenue.

3 (2) "Division percentage" means for any marketing year, the division's percentage of net
4 terminal income as set forth in § 42-61.2-7.

5 (3) "Marketing program" means that marketing program set forth in Chapter 16 of the
6 Public Laws of 2010, Part A, Section 4(a)(iii), as amended by Chapter 151, Article 25 of the
7 Public Laws of 2011, Section 8 and as further amended by Section 4 hereof.

8 (4) "Master contract" means that certain master video lottery terminal contract made as of
9 July 18, 2005 by and between the division, the department of transportation and UTGR, Inc., as
10 amended from time to time.

11 SECTION 4. Unless otherwise amended by this act, the terms, conditions, provisions and
12 definitions of Chapters 322 and 323 of the Public Laws of 2005, Chapter 16 of the Public Laws of
13 2010, Chapter 151, Article 25 of the Public Laws of 2011, Chapter 289 of the Public Laws of
14 2012 and Chapters 106 and 107 of the Public Laws of 2013 are hereby incorporated by reference
15 and shall remain in full force and effect.

16 SECTION 5. Authorized procurement of fourth amendment to the master video lottery
17 terminal contract.

18 (a) Notwithstanding any provision of the general or Public Laws to the contrary, within
19 ninety (90) days of the date hereof, the division is hereby expressly authorized and directed to
20 enter into with UTGR, Inc. a fourth amendment to the master contract for the following purposes
21 and containing the following terms and conditions:

22 (1) Commencing July 1, 2014, the marketing program shall be amended as follows:

23 (i) Subject to subsections (a)(1)(ii) and (a)(1)(iii) herein for each marketing year to the
24 extent UTGR, Inc.'s marketing expenditures exceed four million dollars (\$4,000,000), the
25 division shall pay UTGR, Inc. an amount equal to the amount of such excess multiplied by the
26 division percentage.

27 (ii) Subject to subsection (a)(1)(iii) herein, the total amount payable by the division for
28 each marketing year shall be capped at an amount equal to the division percentage multiplied by
29 six million dollars (\$6,000,000) (i.e., ten million dollars (\$10,000,000) total marketing program
30 expenditures); provided further, that in any partial marketing year, the total amount payable by
31 the division shall be capped at an amount equal to the division percentage multiplied by six
32 million dollars (\$6,000,000), the product of which shall be further reduced by multiplying it by a
33 fraction: (A) The numerator of which is the number of days in any partial marketing year; and (B)
34 The denominator of which is three hundred sixty-five (365).

1 (iii) To the extent UTGR, Inc.'s aggregate marketing program expenditures exceed
2 fourteen million dollars (\$14,000,000) in any given marketing year, the division shall pay UTGR,
3 Inc. an amount equal to the amount of such excess multiplied by the division percentage;
4 provided however, if the total aggregate amount of UTGR, Inc.'s marketing program expenditures
5 in any given marketing year exceeds seventeen million dollars (\$17,000,000), the division shall
6 not be required to make payments with respect to such excess amounts. By the way of example
7 only, if in a particular marketing year UTGR, Inc.'s marketing program expenditures equal fifteen
8 million dollars (\$15,000,000), the division shall pay to UTGR, Inc. the division percentage
9 multiplied by the sum of six million dollars (\$6,000,000), plus one million dollars (\$1,000,000).

10 (2)(i) The requirements of the following subsection found in Chapter 16 of the Pub. L. of
11 2010, Part A, Section 4(a)(iii)(2) be stricken and removed from the first amendment to the master
12 contract, to wit; and (ii) The division shall not owe any amount pursuant to said subsection
13 4(a)(iii) in any given marketing year unless, pursuant to § 42-61.2-7(a), the state has received net
14 terminal income for such marketing year in an amount equal to or exceeding the amount of net
15 terminal income the state received for the state's fiscal year 2009. The requirements so stricken
16 shall allow the marketing program and payments due thereunder to be in effect for fiscal year
17 2015 pursuant to the terms and conditions set forth in said section.

18 (3) Except to the extent amended hereby, the terms, provisions and conditions of the
19 master contract, including without limitation those terms, provisions and conditions relating to the
20 marketing program, shall remain in full force and effect. If there is a conflict between any
21 provision of the master contract and this article, the provisions of this article control.

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

1 **ARTICLE 14**

2 RELATING TO GOVERNMENT REORGANIZATION

3 SECTION 1. Sections 30-15-5 and 30-15-6 of the General Laws in Chapter 30-15
4 entitled "Emergency Management" are hereby amended to read as follows:

5 **30-15-5. Emergency management preparedness agency created – Personnel –**
6 **Facilities.** -- (a) There is hereby created within the executive department, the Rhode Island
7 emergency management agency (hereinafter in this chapter called the "agency"), to be headed by
8 ~~the adjutant general of the Rhode Island national guard~~ an executive director, who shall be
9 appointed by and serve at the pleasure of, the governor and who shall be in the unclassified
10 service.

11 (b) The ~~adjutant general~~ executive director may employ such technical, clerical,
12 stenographic, and other personnel, all of whom shall be in the classified service, and may make
13 such expenditures within the appropriation therefor, or from other funds made available for the
14 purposes of this chapter, as may be necessary to carry out the purposes of this chapter, consistent
15 with other applicable provisions of law.

16 (c) The agency may provide itself with appropriate office space, furniture, equipment,
17 supplies, stationery, and printing.

18 (d) The ~~adjutant general~~, executive director, subject to the direction and control of the
19 governor, shall be the executive head of the agency, and shall be responsible to the governor for
20 carrying out the program for disaster preparedness of this state. The ~~adjutant general~~ executive
21 director shall coordinate the activities of all organizations for disasters within the state, and shall
22 maintain liaison with and cooperate with disaster agencies and organizations of other states and of
23 the federal government. The ~~adjutant general~~ executive director shall have such additional
24 authority, duties, and responsibilities authorized by this chapter as may be prescribed by the
25 governor.

26 **30-15-6. Advisory council.** – (a) There is hereby created the Rhode Island emergency
27 management advisory council (hereinafter in this chapter called the "council"). The council will
28 consist of forty (40) members as follows:

29 (1) Twenty-two (22) ex officio members as follows:

30 (i) The lieutenant governor;

- 1 (ii) The adjutant general;
- 2 (iii) The director of administration/statewide planning;
- 3 (iv) The director of health;
- 4 (v) The director of transportation;
- 5 (vi) The director of human services;
- 6 (vii) The superintendent of state police;
- 7 (viii) The public utilities administrator;
- 8 (ix) The director of the department of environmental management;
- 9 (x) The director of ~~mental health, retardation, and hospitals~~ [department of behavioral](#)
- 10 [healthcare, developmental disabilities and hospitals](#);
- 11 (xi) The director of elderly affairs;
- 12 (xii) The chairperson of the state water resources board;
- 13 (xiii) The chairperson of the governor's commission on disabilities;
- 14 (xiv) The chairperson of the Rhode Island public transit authority;
- 15 (xv) The executive director of the coastal resources management council or his or her
- 16 designee;
- 17 (xvi) The executive director of the American Red Cross, Rhode Island chapter;
- 18 (xvii) The executive director of the Rhode Island emergency management agency;
- 19 (xviii) The state court administrator;
- 20 (xix) The executive director of the commission on the deaf and hard of hearing;
- 21 (xx) The director of the Providence emergency management agency;
- 22 (xxi) The executive director of E-911 emergency telephone system division;
- 23 (xxii) The federal security director of the transportation security administration for Rhode
- 24 Island; and
- 25 (2) Eighteen (18) members appointed by and serving at the pleasure of the governor, as
- 26 follows:
- 27 (i) Two (2) members of the senate, recommended by the president of the senate, not more
- 28 than one of whom shall be from the same political party;
- 29 (ii) Two (2) members of the house of representatives, recommended by the speaker of the
- 30 house, not more than one of whom shall be from the same political party;
- 31 (iii) One representative of the electric industry;
- 32 (iv) One representative of the gas industry;
- 33 (v) One representative of the telephone industry;
- 34 (vi) The executive director of the Rhode Island petroleum association or other similarly

1 situated person;

2 (vii) Two (2) representatives of the general public, one who shall have expertise in

3 disaster preparedness;

4 (viii) One representative of the Rhode Island league of cities and towns;

5 (ix) One representative of the media;

6 (x) One representative of the water supply industry;

7 (xi) One representative of the health care industry;

8 (xii) One representative of the Rhode Island firefighters association;

9 (xiii) One representative of the Rhode Island association of fire chiefs;

10 (xiv) One representative of a private ambulance company; and

11 (xv) One representative of a level I trauma hospital who shall have direct expertise in

12 disaster preparedness.

13 (b) It shall be the duty of the council to advise the governor and the ~~adjutant general~~

14 [executive director](#) on all matters pertaining to disaster preparedness. The lieutenant governor shall

15 serve as chairperson of the council and the ~~adjutant general~~ [executive director](#) shall serve as vice-

16 chairperson. In providing advice to the governor and the ~~adjutant general~~, [executive director](#), the

17 council shall, among other matters reasonably related to their authority, do the following:

- 18 (1) Establish a regular meeting schedule and form subcommittees as may be appropriate;
- 19 (2) Review emergency management plans and other matters as may be acted upon or
- 20 otherwise provided for in this chapter;
- 21 (3) Establish priorities and goals on emergency management matters on an annual basis;
- 22 (4) Study emergency management plans in conjunction with the adjutant general, and
- 23 otherwise conduct such other studies as may be deemed appropriate;
- 24 (5) Review the coordination of the state's emergency management programs with
- 25 appropriate authorized agencies and conduct studies on the programs as may be necessary;
- 26 (6) Review the plans and operations of the various cities and towns in disaster
- 27 preparedness in conjunction with the director and his or her office as required or necessary; and
- 28 (7) [Deleted by P.L. 2000, ch. 170, § 2];
- 29 (8) Provide an annual report on its activities in conjunction with the ~~adjutant general~~
- 30 [executive director](#).

31 SECTION 2. Section 39-1-27.12 of the General Laws in Chapter 39-1 entitled "Public

32 Utilities Commission" is hereby amended to read as follows:

33 **39-1-27.12. Low Income Home Energy Assistance Program Enhancement Plan. --**

34 (a) The Low Income Home Energy Assistance Program Enhancement Plan (hereinafter "LIHEAP

1 Enhancement Plan") is hereby created to supplement the federal Low Income ~~Household~~ Home
2 Energy Assistance Program ("LIHEAP") funding being received by customers of Rhode Island
3 electric and gas distribution companies.

4 (b) Within a period of time sufficient to accomplish the purposes of this section, but not
5 longer than ninety (90) days after the effective date of this chapter, the ~~Office of Energy~~
6 ~~Resources~~ department of human services shall develop a recommended monthly "LIHEAP
7 Enhancement Charge" rate for the following year and make a filing with the commission pursuant
8 to this chapter recommending rates. Thereafter annually but no later than October 15 of each
9 year, the ~~office~~ department shall make filings with the commission to recommend the LIHEAP
10 Enhancement Charge rates for each class of electric and natural gas distribution company
11 customer for the following year.

12 (c) A LIHEAP Enhancement Charge approved by the Commission shall have the
13 following limitations:

14 (1) For electric distribution company customers, the charge shall not be more than ten
15 dollars (\$10.00) per year.

16 (2) For natural gas distribution company customers, the charge shall not be more than ten
17 dollars (\$10.00) per year.

18 (3) The total projected annual revenue for the LIHEAP Enhancement Plan through
19 charges to all electric and natural gas distribution company customers shall not exceed seven
20 million five hundred thousand dollars (\$7,500,000) and shall not be below six million five
21 hundred thousand dollars (\$6,500,000).

22 (d) The commission shall open a docket to consider for approval LIHEAP Enhancement
23 Charge rates proposed by the ~~office~~ department. In reviewing the recommended rates the
24 commission shall give due consideration to the recommendations of the ~~office~~ department and the
25 standards set forth in subsection (c) of this section. The commission shall issue a decision within
26 sixty (60) days after said recommendations and report are filed with the commission establishing
27 the Enhancement Plan Charge rates.

28 (e) The electric or gas distribution company shall use the funds collected through this
29 Enhancement Plan Charge to provide a credit to customers accounts that are receiving federal
30 LIHEAP assistance payments. The ~~office of energy resources~~ department of human services shall
31 designate to the gas or electric distribution company the qualifying customer accounts and the
32 amounts to be credited to those customer accounts, provided that the total amount to be credited
33 to those accounts shall be fully funded by and not exceed the total amount collected through the
34 Enhancement Plan Charge. The electric or gas distribution company's added administrative

1 expenses to process the credit assignments provided to it by the ~~office of energy resources~~
2 [department of human services](#) will be recoverable either from the LIHEAP Enhancement Charge
3 or through a separate charge approved by the Public Utilities Commission.

4 (f) As used in this section, "electric and natural gas distribution company" means a
5 company as defined in subsection 39-1-2(12), but not including the Block Island Power Company
6 or the Pascoag Utility District.

7 SECTION 3. Section 42-17.1-2 of the General Laws in Chapter 42-17.1 entitled
8 "Department of Environmental Management" is hereby amended to read as follows:

9 **42-17.1-2. Powers and duties.** -- The director of environmental management shall have
10 the following powers and duties:

11 (1) To supervise and control the protection, development, planning, and utilization of the
12 natural resources of the state, such resources, including but not limited to, water, plants, trees,
13 soil, clay, sand, gravel, rocks and other minerals, air, mammals, birds, reptiles, amphibians, fish,
14 shellfish, and other forms of aquatic, insect, and animal life;

15 (2) To exercise all functions, powers, and duties heretofore vested in the department of
16 agriculture and conservation, and in each of the divisions of the department, such as the
17 promotion of agriculture and animal husbandry in their several branches, including the inspection
18 and suppression of contagious diseases among animals, the regulation of the marketing of farm
19 products, the inspection of orchards and nurseries, the protection of trees and shrubs from
20 injurious insects and diseases, protection from forest fires, the inspection of apiaries and the
21 suppression of contagious diseases among bees, prevention of the sale of adulterated or
22 misbranded agricultural seeds, promotion and encouragement of the work of farm bureaus in
23 cooperation with the University of Rhode Island, farmers' institutes and the various organizations
24 established for the purpose of developing an interest in agriculture, together with such other
25 agencies and activities as the governor and the general assembly may from time to time place
26 under the control of the department, and as heretofore vested by such of the following chapters
27 and sections of the general laws as are presently applicable to the department of environmental
28 management and which were previously applicable to the department of natural resources and the
29 department of agriculture and conservation or to any of its divisions: chapters 1 through 22,
30 inclusive, as amended, in title 2 entitled "Agriculture and Forestry;" chapters 1 through 17,
31 inclusive, as amended, in title 4 entitled "Animals and Animal Husbandry;" chapters 1 through
32 19, inclusive, as amended, in title 20 entitled "Fish and Wildlife;" chapters 1 through 32,
33 inclusive, as amended, in title 21 entitled "Food and Drugs;" chapter 7 of title 23 as amended,
34 entitled "Mosquito Abatement;" and by any other general or public law relating to the department

1 of agriculture and conservation or to any of its divisions or bureaus;

2 (3) To exercise all the functions, powers, and duties heretofore vested in the division of
3 parks and recreation of the department of public works by chapters 1, 2, and 5 in title 32 entitled
4 "Parks and Recreational Areas;" by chapter 22.5 of title 23, as amended, entitled "Drowning
5 Prevention and Lifesaving;" and by any other general or public law relating to the division of
6 parks and recreation;

7 (4) To exercise all the functions, powers, and duties heretofore vested in the division of
8 harbors and rivers of the department of public works, or in the department itself by such as were
9 previously applicable to the division or the department, of chapters 1 through 22 and sections
10 thereof, as amended, in title 46 entitled "Waters and Navigation"; and by any other general or
11 public law relating to the division of harbors and rivers;

12 (5) To exercise all the functions, powers and duties heretofore vested in the department of
13 health by chapters 25, 18.9, and 19.5 of title 23, as amended, entitled "Health and Safety;" and by
14 chapters 12 and 16 of title 46, as amended, entitled "Waters and Navigation"; by chapters 3, 4, 5,
15 6, 7, 9, 11, 13, 18, and 19 of title 4, as amended, entitled "Animals and Animal Husbandry;" and
16 those functions, powers, and duties specifically vested in the director of environmental
17 management by the provisions of § 21-2-22, as amended, entitled "Inspection of Animals and
18 Milk;" together with other powers and duties of the director of the department of health as are
19 incidental to or necessary for the performance of the functions transferred by this section;

20 (6) To cooperate with the Rhode Island economic development corporation in its
21 planning and promotional functions, particularly in regard to those resources relating to
22 agriculture, fisheries, and recreation;

23 (7) To cooperate with, advise, and guide conservation commissions of cities and towns
24 created under chapter 35 of title 45 entitled "Conservation Commissions", as enacted by chapter
25 203 of the Public Laws, 1960;

26 (8) To assign or reassign, with the approval of the governor, any functions, duties, or
27 powers established by this chapter to any agency within the department, except as hereinafter
28 limited;

29 (9) To cooperate with the water resources board and to provide to the board facilities,
30 administrative support, staff services, and such other services as the board shall reasonably
31 require for its operation and, in cooperation with the board and the statewide planning program to
32 formulate and maintain a long range guide plan and implementing program for development of
33 major water sources transmissions systems needed to furnish water to regional and local
34 distribution systems;

1 (10) To cooperate with the solid waste management corporation and to provide to the
2 corporation such facilities, administrative support, staff services and such other services within
3 the department as the corporation shall reasonably require for its operation;

4 (11) To provide for the maintenance of waterways and boating facilities, consistent with
5 chapter 6.1 of title 46, by: (i) establishing minimum standards for upland beneficial use and
6 disposal of dredged material; (ii) promulgating and enforcing rules for water quality, ground
7 water protection, and fish and wildlife protection pursuant to § 42-17.1-24; (iii) planning for the
8 upland beneficial use and/or disposal of dredged material in areas not under the jurisdiction of the
9 council pursuant to § 46-23-6(2); and (iv) cooperating with the coastal resources management
10 council in the development and implementation of comprehensive programs for dredging as
11 provided for in §§ 46-23-6(1)(ii)(H) and 46-23-18.3; and (v) monitoring dredge material
12 management and disposal sites in accordance with the protocols established pursuant to § 46-6.1-
13 5(3) and the comprehensive program provided for in § 46-23-6(1)(ii)(H); no powers or duties
14 granted herein shall be construed to abrogate the powers or duties granted to the coastal resources
15 management council under chapter 23 of title 46, as amended;

16 (12) To establish minimum standards, subject to the approval of the environmental
17 standards board, relating to the location, design, construction and maintenance of all sewage
18 disposal systems;

19 (13) To enforce, by such means as provided by law, the standards for the quality of air,
20 and water, and the design, construction and operation of all sewage disposal systems; any order or
21 notice issued by the director relating to the location, design, construction or maintenance of a
22 sewage disposal system shall be eligible for recordation under chapter 13 of title 34. The director
23 shall forward the order or notice to the city or town wherein the subject property is located and
24 the order or notice shall be recorded in the general index by the appropriate municipal official in
25 the land evidence records in the city or town wherein the subject property is located. Any
26 subsequent transferee of that property shall be responsible for complying with the requirements of
27 the order or notice. Upon satisfactory completion of the requirements of the order or notice, the
28 director shall provide written notice of the same, which notice shall be similarly eligible for
29 recordation. The original written notice shall be forwarded to the city or town wherein the subject
30 property is located and the notice of satisfactory completion shall be recorded in the general index
31 by the appropriate municipal official in the land evidence records in the city or town wherein the
32 subject property is located. A copy of the written notice shall be forwarded to the owner of the
33 subject property within five (5) days of a request for it, and, in any event, shall be forwarded to
34 the owner of the subject property within thirty (30) days after correction;

1 (14) To establish minimum standards for the establishment and maintenance of salutary
2 environmental conditions, including standards and methods for the assessment and the
3 consideration of the cumulative effects on the environment of regulatory actions and decisions,
4 which standards for consideration of cumulative effects shall provide for: (i) evaluation of
5 potential cumulative effects that could adversely effect public health and/or impair ecological
6 functioning; (ii) analysis of such other matters relative to cumulative effects as the department
7 may deem appropriate in fulfilling its duties, functions and powers; which standards and methods
8 shall only be applicable to ISDS systems in the town of Jamestown in areas that are dependent for
9 water supply on private and public wells, unless broader use is approved by the general assembly.
10 The department shall report to the general assembly not later than March 15, 2008 with regard to
11 the development and application of such standards and methods in Jamestown.

12 (15) To establish and enforce minimum standards for permissible types of septage,
13 industrial waste disposal sites and waste oil disposal sites;

14 (16) To establish minimum standards subject to the approval of the environmental
15 standards board for permissible types of refuse disposal facilities, the design, construction,
16 operation, and maintenance of disposal facilities; and the location of various types of facilities;

17 (17) To exercise all functions, powers, and duties necessary for the administration of
18 chapter 19.1 of title 23 entitled "Rhode Island Hazardous Waste Management Act";

19 (18) To designate in writing any person in any department of the state government or any
20 official of a district, county, city, town, or other governmental unit, with that official's consent, to
21 enforce any rule, regulation, or order promulgated and adopted by the director under any
22 provision of law; provided, however, that enforcement of powers of the coastal resources
23 management council shall be assigned only to employees of the department of environmental
24 management, except by mutual agreement or as otherwise provided in chapter 23 of title 46;

25 (19) To issue and enforce such rules, regulations, and orders as may be necessary to carry
26 out the duties assigned to the director and the department by any provision of law; and to conduct
27 such investigations and hearings and to issue, suspend, and revoke such licenses as may be
28 necessary to enforce those rules, regulations, and orders.

29 Notwithstanding the provisions of § 42-35-9 to the contrary, no informal disposition of a
30 contested licensing matter shall occur where resolution substantially deviates from the original
31 application unless all interested parties shall be notified of said proposed resolution and provided
32 with opportunity to comment upon said resolution pursuant to applicable law and any rules and
33 regulations established by the director.

34 (20) To enter, examine or survey at any reasonable time such places as the director deems

1 necessary to carry out his or her responsibilities under any provision of law subject to the
2 following provisions:

3 (i) For criminal investigations, the director shall, pursuant to chapter 5 of title 12, seek a
4 search warrant from an official of a court authorized to issue warrants, unless a search without a
5 warrant is otherwise allowed or provided by law;

6 (ii) All administrative inspections shall be conducted pursuant to administrative
7 guidelines promulgated by the department in accordance with chapter 35 of title 42.

8 (B) A warrant shall not be required for administrative inspections if conducted under the
9 following circumstances, in accordance with the applicable constitutional standards:

10 (I) For closely regulated industries;

11 (II) In situations involving open fields or conditions that are in plain view;

12 (III) In emergency situations;

13 (IV) In situations presenting an imminent threat to the environment or public health,
14 safety or welfare;

15 (V) If the owner, operator, or agent in charge of the facility, property, site or location
16 consents; or

17 (VI) In other situations in which a warrant is not constitutionally required.

18 (C) Whenever it shall be constitutionally or otherwise required by law, or whenever the
19 director in his or her discretion deems it advisable, an administrative search warrant, or its
20 functional equivalent, may be obtained by the director from a neutral magistrate for the purpose
21 of conducting an administrative inspection. The warrant shall be issued in accordance with the
22 applicable constitutional standards for the issuance of administrative search warrants. The
23 administrative standard of probable cause, not the criminal standard of probable cause, shall
24 apply to applications for administrative search warrants.

25 (I) The need for, or reliance upon, an administrative warrant shall not be construed as
26 requiring the department to forfeit the element of surprise in its inspection efforts.

27 (II) An administrative warrant issued pursuant to this subsection must be executed and
28 returned within ten (10) days of its issuance date unless, upon a showing of need for additional
29 time, the court orders otherwise.

30 (III) An administrative warrant may authorize the review and copying of documents that
31 are relevant to the purpose of the inspection. If documents must be seized for the purpose of
32 copying, and the warrant authorizes such seizure, the person executing the warrant shall prepare
33 an inventory of the documents taken. The time, place and manner regarding the making of the
34 inventory shall be set forth in the terms of the warrant itself, as dictated by the court. A copy of

1 the inventory shall be delivered to the person from whose possession or facility the documents
2 were taken. The seized documents shall be copied as soon as feasible under circumstances
3 preserving their authenticity, then returned to the person from whose possession or facility the
4 documents were taken.

5 (IV) An administrative warrant may authorize the taking of samples of air, water or soil
6 or of materials generated, stored or treated at the facility, property, site or location. Upon request,
7 the department shall make split samples available to the person whose facility, property, site or
8 location is being inspected.

9 (V) Service of an administrative warrant may be required only to the extent provided for
10 in the terms of the warrant itself, by the issuing court.

11 (D) *Penalties.* Any willful and unjustified refusal of right of entry and inspection to
12 department personnel pursuant to an administrative warrant shall constitute a contempt of court
13 and shall subject the refusing party to sanctions, which in the court's discretion may result in up to
14 six (6) months imprisonment and/or a monetary fine of up to ten thousand dollars (\$10,000) per
15 refusal.

16 (21) To give notice of an alleged violation of law to the person responsible therefor
17 whenever the director determines that there are reasonable grounds to believe that there is a
18 violation of any provision of law within his or her jurisdiction or of any rule or regulation adopted
19 pursuant to authority granted to him or her, unless other notice and hearing procedure is
20 specifically provided by that law. Nothing in this chapter shall limit the authority of the attorney
21 general to prosecute offenders as required by law.

22 (i) The notice shall provide for a time within which the alleged violation shall be
23 remedied, and shall inform the person to whom it is directed that a written request for a hearing
24 on the alleged violation may be filed with the director within ten (10) days after service of the
25 notice. The notice will be deemed properly served upon a person if a copy thereof is served him
26 or her personally, or sent by registered or certified mail to his or her last known address, or if he
27 or she is served with notice by any other method of service now or hereafter authorized in a civil
28 action under the laws of this state. If no written request for a hearing is made to the director
29 within ten (10) days of the service of notice, the notice shall automatically become a compliance
30 order.

31 (ii) Whenever the director determines that there exists a violation of any law, rule, or
32 regulation within his or her jurisdiction which requires immediate action to protect the
33 environment, he or she may, without prior notice of violation or hearing, issue an immediate
34 compliance order stating the existence of the violation and the action he or she deems necessary.

1 The compliance order shall become effective immediately upon service or within such time as is
2 specified by the director in such order. No request for a hearing on an immediate compliance
3 order may be made.

4 (B) Any immediate compliance order issued under this section without notice and prior
5 hearing shall be effective for no longer than forty-five (45) days; provided, however, that for
6 good cause shown the order may be extended one additional period not exceeding forty-five (45)
7 days.

8 (iii) The director may, at his or her discretion and for the purposes of timely and effective
9 resolution and return to compliance, cite a person for alleged noncompliance through the issuance
10 of an expedited citation in accordance with subsection 42-17.6-3(c).

11 (iv) If a person upon whom a notice of violation has been served under the provisions of
12 this section or if a person aggrieved by any such notice of violation requests a hearing before the
13 director within ten (10) days of the service of notice of violation, the director shall set a time and
14 place for the hearing, and shall give the person requesting that hearing at least five (5) days
15 written notice thereof. After the hearing, the director may make findings of fact and shall sustain,
16 modify, or withdraw the notice of violation. If the director sustains or modifies the notice, that
17 decision shall be deemed a compliance order and shall be served upon the person responsible in
18 any manner provided for the service of the notice in this section.

19 (v) The compliance order shall state a time within which the violation shall be remedied,
20 and the original time specified in the notice of violation shall be extended to the time set in the
21 order.

22 (vi) Whenever a compliance order has become effective, whether automatically where no
23 hearing has been requested, where an immediate compliance order has been issued, or upon
24 decision following a hearing, the director may institute injunction proceedings in the superior
25 court of the state for enforcement of the compliance order and for appropriate temporary relief,
26 and in that proceeding the correctness of a compliance order shall be presumed and the person
27 attacking the order shall bear the burden of proving error in the compliance order, except that the
28 director shall bear the burden of proving in the proceeding the correctness of an immediate
29 compliance order. The remedy provided for in this section shall be cumulative and not exclusive
30 and shall be in addition to remedies relating to the removal or abatement of nuisances or any
31 other remedies provided by law.

32 (vii) Any party aggrieved by a final judgment of the superior court may, within thirty (30)
33 days from the date of entry of such judgment, petition the supreme court for a writ of certiorari to
34 review any questions of law. The petition shall set forth the errors claimed. Upon the filing of the

1 petition with the clerk of the supreme court, the supreme court may, if it sees fit, issue its writ of
2 certiorari;

3 (22) To impose administrative penalties in accordance with the provisions of chapter 17.6
4 of this title and to direct that such penalties be paid into the account established by subdivision
5 (26); and

6 (23) The following definitions shall apply in the interpretation of the provisions of this
7 chapter:

8 (i) *Director*: The term "director" shall mean the director of environmental management of
9 the state of Rhode Island or his or her duly authorized agent.

10 (ii) *Person*: The term "person" shall include any individual, group of individuals, firm,
11 corporation, association, partnership or private or public entity, including a district, county, city,
12 town, or other governmental unit or agent thereof, and in the case of a corporation, any individual
13 having active and general supervision of the properties of such corporation.

14 (iii) *Service*: (A) Service upon a corporation under this section shall be deemed to include
15 service upon both the corporation and upon the person having active and general supervision of
16 the properties of such corporation.

17 (B) For purposes of calculating the time within which a claim for a hearing is made
18 pursuant to subdivision (21)(i) of this section heretofore, service shall be deemed to be the date of
19 receipt of such notice or three (3) days from the date of mailing of said notice, whichever shall
20 first occur.

21 (24) To conduct surveys of the present private and public camping and other recreational
22 areas available and to determine the need for and location of such other camping and recreational
23 areas as may be deemed necessary and in the public interest of the state of Rhode Island and to
24 report back its findings on an annual basis to the general assembly on or before March 1 of every
25 year;

26 (ii) Additionally, the director of the department of environmental management shall take
27 such additional steps, including but not limited to, matters related to funding as may be necessary
28 to establish such other additional recreational facilities and areas as are deemed to be in the public
29 interest.

30 (25) To apply for and accept grants and bequests of funds with the approval of the
31 director of administration from other states, interstate agencies and independent authorities, and
32 private firms, individuals and foundations, for the purpose of carrying out his or her lawful
33 responsibilities. The funds shall be deposited with the general treasurer in a restricted receipt
34 account created in the Natural Resources Program for funds made available for that program's

1 purposes or in a restricted receipt account created in the Environmental Protection Program for
2 funds made available for that program's purposes. All expenditures from the accounts shall be
3 subject to appropriation by the general assembly, and shall be expended in accordance with the
4 provisions of the grant or bequest. In the event that a donation or bequest is unspecified or in the
5 event that the trust account balance shows a surplus after the project as provided for in the grant
6 or bequest has been completed, the director may utilize said appropriated unspecified or
7 appropriated surplus funds for enhanced management of the department's forest and outdoor
8 public recreation areas, or other projects or programs that promote the accessibility of recreational
9 opportunities for Rhode Island residents and visitors.

10 (ii) The director shall submit to the house fiscal advisor and the senate fiscal advisor, by
11 October 1 of each year, a detailed report on the amount of funds received and the uses made of
12 such funds.

13 (26) To establish fee schedules by regulation with the approval of the governor for the
14 processing of applications and the performing of related activities in connection with the
15 department's responsibilities pursuant to subdivision (12) of this section, chapter 19.1 of title 23
16 as it relates to inspections performed by the department to determine compliance with chapter
17 19.1 and rules and regulations promulgated in accordance therewith, chapter 18.9 of title 23 as it
18 relates to inspections performed by the department to determine compliance with chapter 18.9
19 and the rules and regulations promulgated in accordance therewith, chapters 19.5 and 23 of title
20 23; chapter 12 of title 46 insofar as it relates to water quality certifications and related reviews
21 performed pursuant to provisions of the federal Clean Water Act, the regulation and
22 administration of underground storage tanks and all other programs administered under chapter
23 12 of title 46 and § 2-1-18 et seq., and chapter 13.1 of title 46 and chapter 13.2 of title 46 insofar
24 as they relate to any reviews and related activities performed under the provisions of the
25 Groundwater Protection Act, chapter 23-24.9 as it relates to the regulation and administration of
26 mercury-added products, and chapter 17.7 of this title insofar as it relates to administrative
27 appeals of all enforcement, permitting and licensing matters to the administrative adjudication
28 division for environmental matters. Two (2) fee ranges shall be required: for "Appeal of
29 enforcement actions", a range of fifty dollars (\$50) to one hundred dollars (\$100), and for
30 "Appeal of application decisions", a range of five hundred dollars (\$500) to ten thousand dollars
31 (\$10,000). The monies from the administrative adjudication fees will be deposited as general
32 revenues and the amounts appropriated shall be used for the costs associated with operating the
33 administrative adjudication division.

34 There is hereby established an account within the general fund to be called the water and

1 air protection program. The account shall consist of sums appropriated for water and air pollution
2 control and waste monitoring programs and the state controller is hereby authorized and directed
3 to draw his or her orders upon the general treasurer for the payment of such sums or such portions
4 thereof as may be required from time to time upon receipt by him or her of properly authenticated
5 vouchers. All amounts collected under the authority of this subdivision for the sewage disposal
6 system program and fresh waters wetlands program will be deposited as general revenues and the
7 amounts appropriated shall be used for the purposes of administering and operating the programs.
8 The director shall submit to the house fiscal advisor and the senate fiscal advisor by January 15 of
9 each year a detailed report on the amount of funds obtained from fines and fees and the uses made
10 of such funds.

11 (27) To establish and maintain a list or inventory of areas within the state worthy of
12 special designation as "scenic" to include, but not be limited to, certain state roads or highways,
13 scenic vistas and scenic areas, and to make the list available to the public.

14 (28) To establish and maintain an inventory of all interests in land held by public and
15 private land trust and to exercise all powers vested herein to insure the preservation of all
16 identified lands.

17 (i) The director may promulgate and enforce rules and regulations to provide for the
18 orderly and consistent protection, management, continuity of ownership and purpose, and
19 centralized records-keeping for lands, water, and open spaces owned in fee or controlled in full or
20 in part through other interests, rights, or devices such as conservation easements or restrictions,
21 by private and public land trusts in Rhode Island. The director may charge a reasonable fee for
22 filing of each document submitted by a land trust.

23 (ii) The term "public land trust" means any public instrumentality created by a Rhode
24 Island municipality for the purposes stated herein and financed by means of public funds
25 collected and appropriated by the municipality. The term "private land trust" means any group of
26 five (5) or more private citizens of Rhode Island who shall incorporate under the laws of Rhode
27 Island as a nonbusiness corporation for the purposes stated herein, or a national organization such
28 as the nature conservancy. The main purpose of either a public or a private land trust shall be the
29 protection, acquisition, or control of land, water, wildlife, wildlife habitat, plants, and/or other
30 natural features, areas, or open space for the purpose of managing or maintaining, or causing to
31 be managed or maintained by others, the land, water, and other natural amenities in any
32 undeveloped and relatively natural state in perpetuity. A private land trust must be granted
33 exemption from federal income tax under Internal Revenue Code 501c(3) [26 U.S.C. § 501(c)(3)]
34 within two (2) years of its incorporation in Rhode Island or it may not continue to function as a

1 land trust in Rhode Island. A private land trust may not be incorporated for the exclusive purpose
2 of acquiring or accepting property or rights in property from a single individual, family,
3 corporation, business, partnership, or other entity. Membership in any private land trust must be
4 open to any individual subscribing to the purposes of the land trust and agreeing to abide by its
5 rules and regulations including payment of reasonable dues.

6 (iii) Private land trusts will, in their articles of association or their bylaws, as appropriate,
7 provide for the transfer to an organization created for the same or similar purposes the assets,
8 lands and land rights and interests held by the land trust in the event of termination or dissolution
9 of the land trust.

10 (B) All land trusts, public and private, will record in the public records of the appropriate
11 towns and cities in Rhode Island all deeds, conservation easements or restrictions or other
12 interests and rights acquired in land and will also file copies of all such documents and current
13 copies of their articles of association, their bylaws, and annual reports with the secretary of state,
14 and with the director of the Rhode Island department of environmental management. The director
15 is hereby directed to establish and maintain permanently a system for keeping records of all
16 private and public land trust land holdings in Rhode Island.

17 (29) The director will contact in writing, not less often than once every two (2) years,
18 each public or private land trust to ascertain: that all lands held by the land trust are recorded with
19 the director; the current status and condition of each land holding; that any funds or other assets
20 of the land trust held as endowment for specific lands have been properly audited at least once
21 within the two (2) year period; the name of the successor organization named in the public or
22 private land trust's bylaws or articles of association; and any other information the director deems
23 essential to the proper and continuous protection and management of land and interests or rights
24 in land held by the land trust. In the event that the director determines that a public or private land
25 trust holding land or interest in land appears to have become inactive, he or she shall initiate
26 proceedings to effect the termination of the land trust and the transfer of its lands, assets, land
27 rights, and land interests to the successor organization named in the defaulting trust's bylaws or
28 articles of association or to another organization created for the same or similar purposes. Should
29 such a transfer not be possible, then the land trust, assets, and interest and rights in land will be
30 held in trust by the state of Rhode Island and managed by the director for the purposes stated at
31 the time of original acquisition by the trust. Any trust assets or interests other than land or rights
32 in land accruing to the state under such circumstances will be held and managed as a separate
33 fund for the benefit of the designated trust lands.

34 (30) Consistent with federal standards, issue and enforce such rules, regulations and

1 orders as may be necessary to establish requirements for maintaining evidence of financial
2 responsibility for taking corrective action and compensating third parties for bodily injury and
3 property damage caused by sudden and non-sudden accidental releases arising from operating
4 underground storage tanks.

5 (31) To enforce, by such means as provided by law, the standards for the quality of air,
6 and water, and the location, design, construction and operation of all underground storage
7 facilities used for storing petroleum products or hazardous materials; any order or notice issued
8 by the director relating to the location, design construction, operation or maintenance of an
9 underground storage facility used for storing petroleum products or hazardous materials shall be
10 eligible for recordation under chapter 13 of title 34. The director shall forward the order or notice
11 to the city or town wherein the subject facility is located, and the order or notice shall be recorded
12 in the general index by the appropriate municipal officer in the land evidence records in the city
13 or town wherein the subject facility is located. Any subsequent transferee of that facility shall be
14 responsible for complying with the requirements of the order or notice. Upon satisfactory
15 completion of the requirements of the order or notice, the director shall provide written notice of
16 the same, which notice shall be eligible for recordation. The original written notice shall be
17 forwarded to the city or town wherein the subject facility is located, and the notice of satisfactory
18 completion shall be recorded in the general index by the appropriate municipal official in the land
19 evidence records in the city or town wherein the subject facility is located. A copy of the written
20 notice shall be forwarded to the owner of the subject facility within five (5) days of a request for
21 it, and, in any event, shall be forwarded to the owner of the subject facility within thirty (30) days
22 after correction.

23 (32) To manage and disburse any and all funds collected pursuant to § 46-12.9-4, in
24 accordance with § 46-12.9-5, and other provisions of the Rhode Island Underground Storage
25 Tank Financial Responsibility Act, as amended.

26 (33) To support, facilitate and assist the Rhode Island Natural History Survey, as
27 appropriate and/or as necessary, in order to accomplish the important public purposes of the
28 survey in gathering and maintaining data on Rhode Island natural history, making public
29 presentations and reports on natural history topics, ranking species and natural communities,
30 monitoring rare species and communities, consulting on open space acquisitions and management
31 plans, reviewing proposed federal and state actions and regulations with regard to their potential
32 impact on natural communities, and seeking outside funding for wildlife management, land
33 management and research.

34 (34) To promote the effective stewardship of lakes and ponds including collaboration

1 with associations of lakefront property owners on planning and management actions that will
2 prevent and mitigate water quality degradation, the loss of native habitat due to infestation of
3 non-native species and nuisance conditions that result from excessive growth of algal or non-
4 native plant species. By January 31, 2012, the director shall prepare and submit a report to the
5 governor and general assembly that based upon available information provides: (a) an assessment
6 of lake conditions including a description of the presence and extent of aquatic invasive species in
7 lakes and ponds; (b) recommendations for improving the control and management of aquatic
8 invasives species in lakes and ponds; and (c) an assessment of the feasibility of instituting a boat
9 sticker program for the purpose of generating funds to support implementation actions to control
10 aquatic invasive species in the freshwaters of the state.

11 (35) In implementing the programs established pursuant to this chapter, to identify
12 critical areas for improving service to customers doing business with the department, and to
13 develop and implement strategies to improve performance and effectiveness in those areas. Key
14 aspects of a customer service program shall include, but not necessarily be limited to, the
15 following components:

16 (a) Maintenance of an organizational unit within the department with the express purpose
17 of providing technical assistance to customers and helping customers comply with environmental
18 regulations and requirements;

19 (b) Maintenance of an employee training program to promote customer service across the
20 department;

21 (c) Implementation of a continuous business process evaluation and improvement effort,
22 including process reviews to encourage development of quality proposals, ensure timely and
23 predictable reviews, and result in effective decisions and consistent follow up and implementation
24 throughout the department, and publish an annual report on such efforts;

25 (d) Creation of a centralized location for the acceptance of permit applications and other
26 submissions to the department;

27 (e) Maintenance of a process to promote, organize, and facilitate meetings prior to the
28 submission of applications or other proposals in order to inform the applicant on options and
29 opportunities to minimize environmental impact, improve the potential for sustainable
30 environmental compliance, and support an effective and efficient review and decision-making
31 process on permit applications related to the proposed project;

32 (f) Development of single permits under multiple authorities otherwise provided in state
33 law to support comprehensive and coordinated reviews of proposed projects. The director may
34 address and resolve conflicting or redundant process requirements in order to achieve an effective

1 [and efficient review process that meets environmental objectives; and](#)
2 [\(g\) Exploration of the use of performance-based regulations coupled with adequate](#)
3 [inspection and oversight, as an alternative to requiring applications or submissions for approval](#)
4 [prior to initiation of projects. The department shall work with the office of regulatory reform to](#)
5 [evaluate the potential for adopting alternative compliance approaches and provide a report to the](#)
6 [governor and the general assembly by May 1, 2015.](#)

7 SECTION 4. Section 16-57-10 of the General Laws in Chapter 16-57 entitled "Higher
8 Education Assistance Authority [See Title 16 Chapter 97 - The Rhode Island Board of Education
9 Act]" is hereby amended to read as follows:

10 **16-57-10. Reserve funds.** -- (a) To assure the continued operation and solvency of the
11 authority for the carrying out of its corporate purposes, the authority may create and establish any
12 reserve funds as may be necessary or desirable for its corporate purposes, and may pay into the
13 funds any money appropriated and made available by the state, the commissioner, or any other
14 source for the purpose of the funds, and any money collected by the authority as fees for the
15 guaranty of eligible loans.

16 (b) To assure continued solvency of the authority, the authority's operating fund shall be
17 used solely for the ordinary operating expenses of the authority. Furthermore, it is the intent of
18 the general assembly that these funds eventually be used to increase financial assistance to Rhode
19 Island students in the form of scholarships and grants.

20 [\(c\) Given the decline of available sources to support the agency, the Governor's FY 2016](#)
21 [budget recommendations shall include a proposal for the transfer of higher education assistance](#)
22 [authority's programs to appropriate agencies within state government. All departments and](#)
23 [agencies of the state shall furnish such advice and information, documentary or otherwise to the](#)
24 [director of the department of administration and its agents as is deemed necessary or desirable to](#)
25 [facilitate the recommendation.](#)

26 SECTION 5. This article shall take effect as of July 1, 2014.
27

1 **ARTICLE 15**

2 RELATING TO HEALTH AND HUMAN SERVICES

3 SECTION 1. Section 40-6-27 of the General Laws in Chapter 40-6 entitled "Public
4 Assistance Act" is hereby amended to read as follows:

5 **40-6-27. Supplemental security income.** -- (a) (1) The director of the department is
6 hereby authorized to enter into agreements on behalf of the state with the secretary of the
7 Department of Health and Human Services or other appropriate federal officials, under the
8 supplementary and security income (SSI) program established by title XVI of the Social Security
9 Act, 42 U.S.C. section 1381 et seq., concerning the administration and determination of eligibility
10 for SSI benefits for residents of this state, except as otherwise provided in this section. The state's
11 monthly share of supplementary assistance to the supplementary security income program shall
12 be as follows:

- | | | |
|----|--|------------------------------------|
| 13 | (i) Individual living alone: | \$39.92 |
| 14 | (ii) Individual living with others: | \$51.92 |
| 15 | (iii) Couple living alone: | \$79.38 |
| 16 | (iv) Couple living with others: | \$97.30 |
| 17 | (v) Individual living in state licensed assisted living residence: | \$332.00 <u>\$80.00</u> |

18 (vi) Individual living in state licensed supportive residential care settings that, depending
19 on the population served, meet the standards set by the department of human services in
20 conjunction with the department(s) of children, youth and families, elderly affairs and/or
21 behavioral healthcare, developmental disabilities and hospitals: \$300.00.

22 Provided, however, that the department of human services shall by regulation reduce,
23 effective January 1, 2009, the state's monthly share of supplementary assistance to the
24 supplementary security income program for each of the above listed payment levels, by the same
25 value as the annual federal cost of living adjustment to be published by the federal social security
26 administration in October 2008 and becoming effective on January 1, 2009, as determined under
27 the provisions of title XVI of the federal social security act [42 U.S.C. section 1381 et seq.] and
28 provided further, that it is the intent of the general assembly that the January 1, 2009 reduction in
29 the state's monthly share shall not cause a reduction in the combined federal and state payment
30 level for each category of recipients in effect in the month of December 2008; provided further,

1 that the department of human services is authorized and directed to provide for payments to
2 recipients in accordance with the above directives.

3 (2) As of July 1, 2010, state supplement payments shall not be federally administered and
4 shall be paid directly by the department of human services to the recipient.

5 (3) Individuals living in institutions shall receive a twenty dollar (\$20.00) per month
6 personal needs allowance from the state which shall be in addition to the personal needs
7 allowance allowed by the Social Security Act, 42 U.S.C. section 301 et seq.

8 (4) Individuals living in state licensed supportive residential care settings and assisted
9 living residences who are receiving SSI shall be allowed to retain a minimum personal needs
10 allowance of fifty-five dollars (\$55.00) per month from their SSI monthly benefit prior to
11 payment of any monthly fees.

12 (5) To ensure that supportive residential care or an assisted living residence is a safe and
13 appropriate service setting, the department is authorized and directed to make a determination of
14 the medical need and whether a setting provides the appropriate services for those persons who:

15 (i) Have applied for or are receiving SSI, and who apply for admission to supportive
16 residential care setting and assisted living residences on or after October 1, 1998; or

17 (ii) Who are residing in supportive residential care settings and assisted living residences,
18 and who apply for or begin to receive SSI on or after October 1, 1998.

19 (6) The process for determining medical need required by subsection (4) of this section
20 shall be developed by the office of health and human services in collaboration with the
21 departments of that office and shall be implemented in a manner that furthers the goals of
22 establishing a statewide coordinated long-term care entry system as required pursuant to the
23 Global Consumer Choice Compact Waiver.

24 (7) To assure access to high quality coordinated services, the department is further
25 authorized and directed to establish rules specifying the payment certification standards that must
26 be met by those state licensed supportive residential care settings and assisted living residences
27 admitting or serving any persons eligible for state-funded supplementary assistance under this
28 section. Such payment certification standards shall define:

29 (i) The scope and frequency of resident assessments, the development and
30 implementation of individualized service plans, staffing levels and qualifications, resident
31 monitoring, service coordination, safety risk management and disclosure, and any other related
32 areas;

33 (ii) The procedures for determining whether the payment certifications standards have
34 been met; and

1 (iii) The criteria and process for granting a one time, short-term good cause exemption
2 from the payment certification standards to a licensed supportive residential care setting or
3 assisted living residence that provides documented evidence indicating that meeting or failing to
4 meet said standards poses an undue hardship on any person eligible under this section who is a
5 prospective or current resident.

6 (8) The payment certification standards required by this section shall be developed in
7 collaboration by the departments, under the direction of the executive office of health and human
8 services, so as to ensure that they comply with applicable licensure regulations either in effect or
9 in development.

10 (b) The department is authorized and directed to provide additional assistance to
11 individuals eligible for SSI benefits for:

12 (1) Moving costs or other expenses as a result of an emergency of a catastrophic nature
13 which is defined as a fire or natural disaster; and

14 (2) Lost or stolen SSI benefit checks or proceeds of them; and

15 (3) Assistance payments to SSI eligible individuals in need because of the application of
16 federal SSI regulations regarding estranged spouses; and the department shall provide such
17 assistance in a form and amount, which the department shall by regulation determine.

18 SECTION 2. Section 40-6-27.2 of the General Laws in Chapter 40-6 entitled "Public
19 Assistance Act" is hereby amended to read as follows:

20 **40-6-27.2. Supplementary cash assistance payment for certain supplemental security**
21 **income recipients.** -- There is hereby established a ~~\$206~~ [\\$458](#) monthly payment for disabled and
22 elderly individuals who, on or after July 1, 2012, receive the state supplementary assistance
23 payment for an individual in state licensed assisted living residence under section 40-6-27 and
24 further reside in an assisted living facility that is not eligible to receive funding under Title XIX
25 of the Social Security Act, 42 U.S.C. section 1381 et seq. [or reside in any assisted living facility](#)
26 [financed by the Rhode Island housing and mortgage finance corporation prior to January 1, 2006,](#)
27 [and receive a payment under § 40-6-27.](#)

28 SECTION 3. Section 40-5.2-20 of the General Laws in Chapter 40-5.2 entitled "The
29 Rhode Island Works Program" is hereby amended to read as follows:

30 **40-5.2-20. Child care assistance.** -- Families or assistance units eligible for childcare
31 assistance.

32 (a) The department shall provide appropriate child care to every participant who is
33 eligible for cash assistance and who requires child care in order to meet the work requirements in
34 accordance with this chapter.

1 (b) Low-Income child care. - The department shall provide child care to all other
2 working families with incomes at or below one hundred eighty percent (180%) of the federal
3 poverty level, if and to the extent such other families require child care in order to work at paid
4 employment as defined in the department's rules and regulations. Beginning October 1, 2013, and
5 until January 1, 2015, the department shall also provide child care to families with income below
6 one hundred eighty percent (180%) of the federal poverty level if and to the extent such families
7 require child care to participate on a short term basis, as defined in the department's rules and
8 regulations, in training, apprenticeship, internship, on-the-job training, work experience, work
9 immersion, or other job readiness/job attachment program sponsored or funded by the human
10 resource investment council (governor's workforce board) or state agencies that are part of the
11 coordinated program system pursuant to sections 42-102-9 and 42-102-11.

12 (c) No family/assistance unit shall be eligible for child care assistance under this chapter
13 if the combined value of its liquid resources exceeds ten thousand dollars (\$10,000). Liquid
14 resources are defined as any interest(s) in property in the form of cash or other financial
15 instruments or accounts which are readily convertible to cash or cash equivalents. These include,
16 but are not limited to, cash, bank, credit union, or other financial institution savings, checking and
17 money market accounts, certificates of deposit or other time deposits, stocks, bonds, mutual
18 funds, and other similar financial instruments or accounts. These do not include educational
19 savings accounts, plans, or programs; retirement accounts, plans, or programs; or accounts held
20 jointly with another adult, not including a spouse. The department is authorized to promulgate
21 rules and regulations to determine the ownership and source of the funds in the joint account.

22 (d) As a condition of eligibility for child care assistance under this chapter, the parent or
23 caretaker relative of the family must consent to and must cooperate with the department in
24 establishing paternity, and in establishing and/or enforcing child support and medical support
25 orders for all children in the family in accordance with title 15 of the general laws, as amended,
26 unless the parent or caretaker relative is found to have good cause for refusing to comply with the
27 requirements of this subsection.

28 (e) For purposes of this section "appropriate child care" means child care, including
29 infant, toddler, pre-school, nursery school, school-age, which is provided by a person or
30 organization qualified, approved, and authorized to provide such care by the department of
31 children, youth, and families, or by the department of elementary and secondary education, or
32 such other lawful providers as determined by the department of human services, in cooperation
33 with the department of children, youth and families and the department of elementary and
34 secondary education.

1 (f) (1) Families with incomes below one hundred percent (100%) of the applicable
2 federal poverty level guidelines shall be provided with free childcare. Families with incomes
3 greater than one hundred percent (100%) and less than one hundred eighty (180%) of the
4 applicable federal poverty guideline shall be required to pay for some portion of the childcare
5 they receive, according to a sliding fee scale adopted by the department in the department's rules.

6 (2) For a ~~twelve (12)~~ thirty-six (36) month period beginning October 1, 2013, the Child
7 Care Subsidy Transition Program shall function within the department of human services. Under
8 this program, families who are already receiving childcare assistance and who become ineligible
9 for childcare assistance as a result of their incomes exceeding one hundred eighty percent (180%)
10 of the applicable federal poverty guidelines shall continue to be eligible for childcare assistance
11 from October 1, 2013 to September 30, ~~2014~~ 2016 or until their incomes exceed two hundred
12 twenty-five percent (225%) of the applicable federal poverty guidelines, whichever occurs first.
13 To be eligible, such families must continue to pay for some portion of the childcare they receive,
14 as indicated in a sliding fee scale adopted in the department's rules and in accordance with all
15 other eligibility standards.

16 (g) In determining the type of childcare to be provided to a family, the department shall
17 take into account the cost of available childcare options, the suitability of the type of care
18 available for the child, and the parent's preference as to the type of child care.

19 (h) For purposes of this section "income" for families receiving cash assistance under
20 section 40-5.2-11 means gross earned income and unearned income, subject to the income
21 exclusions in subdivisions 40-5.2-10(g)(2) and 40-5.2-10(g)(3) and income for other families
22 shall mean gross earned and unearned income as determined by departmental regulations.

23 (i) The caseload estimating conference established by chapter 17 of title 35 shall forecast
24 the expenditures for childcare in accordance with the provisions of section 35-17-1.

25 (j) In determining eligibility for child care assistance for children of members of reserve
26 components called to active duty during a time of conflict, the department shall freeze the family
27 composition and the family income of the reserve component member as it was in the month prior
28 to the month of leaving for active duty. This shall continue until the individual is officially
29 discharged from active duty.

30 SECTION 4. Section 21-28.6-12 of the General Laws in Chapter 21-28.6 entitled "The
31 Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act" is hereby amended to read as
32 follows:

33 **21-28.6-12. Compassion centers.** -- (a) A compassion center registered under this
34 section may acquire, possess, cultivate, manufacture, deliver, transfer, transport, supply, or

1 dispense marijuana, or related supplies and educational materials, to registered qualifying patients
2 and their registered primary caregivers who have designated it as one of their primary caregivers.
3 A compassion center is a primary caregiver. Except as specifically provided to the contrary, all
4 provisions of the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act, sections 21-
5 28.6-1 -- 21-28.6-11, apply to a compassion center unless they conflict with a provision contained
6 in section 21-28.6-12.

7 (b) Registration of compassion centers--department authority:

8 (1) Not later than ninety (90) days after the effective date of this chapter, the department
9 shall promulgate regulations governing the manner in which it shall consider applications for
10 registration certificates for compassion centers, including regulations governing:

11 (i) The form and content of registration and renewal applications;

12 (ii) Minimum oversight requirements for compassion centers;

13 (iii) Minimum record-keeping requirements for compassion centers;

14 (iv) Minimum security requirements for compassion centers; and

15 (v) Procedures for suspending, revoking or terminating the registration of compassion
16 centers that violate the provisions of this section or the regulations promulgated pursuant to this
17 subsection.

18 (2) Within ninety (90) days of the effective date of this chapter, the department shall
19 begin accepting applications for the operation of a single compassion center.

20 (3) Within one hundred fifty (150) days of the effective date of this chapter, the
21 department shall provide for at least one public hearing on the granting of an application to a
22 single compassion center.

23 (4) Within one hundred ninety (190) days of the effective date of this chapter, the
24 department shall grant a single registration certificate to a single compassion center, providing at
25 least one applicant has applied who meets the requirements of this chapter.

26 (5) If at any time after fifteen (15) months after the effective date of this chapter, there is
27 no operational compassion center in Rhode Island, the department shall accept applications,
28 provide for input from the public, and issue a registration certificate for a compassion center if a
29 qualified applicant exists.

30 (6) Within two (2) years of the effective date of this chapter, the department shall begin
31 accepting applications to provide registration certificates for two (2) additional compassion
32 centers. The department shall solicit input from the public, and issue registration certificates if
33 qualified applicants exist.

34 (7) Any time a compassion center registration certificate is revoked, is relinquished, or

1 expires, the department shall accept applications for a new compassion center.

2 (8) If at any time after three (3) years after the effective date of this chapter, fewer than
3 three (3) compassion centers are holding valid registration certificates in Rhode Island, the
4 department shall accept applications for a new compassion center. No more than three (3)
5 compassion centers may hold valid registration certificates at one time.

6 (9) Any compassion center application selected for approval by the department prior to
7 January 1, 2012, shall remain in full force and effect, notwithstanding any provisions of this
8 chapter to the contrary, and shall be subject to state law adopted herein and rules and regulations
9 adopted by the department subsequent to passage of this legislation.

10 (c) Compassion center and agent applications and registration:

11 (1) Each application for a compassion center shall include:

12 (i) A non-refundable application fee paid to the department in the amount of two
13 hundred fifty dollars (\$250);

14 (ii) The proposed legal name and proposed articles of incorporation of the compassion
15 center;

16 (iii) The proposed physical address of the compassion center, if a precise address has
17 been determined, or, if not, the general location where it would be located. This may include a
18 second location for the cultivation of medical marijuana;

19 (iv) A description of the enclosed, locked facility that would be used in the cultivation of
20 marijuana;

21 (v) The name, address, and date of birth of each principal officer and board member of
22 the compassion center;

23 (vi) Proposed security and safety measures which shall include at least one security
24 alarm system for each location, planned measures to deter and prevent the unauthorized entrance
25 into areas containing marijuana and the theft of marijuana, as well as a draft employee instruction
26 manual including security policies, safety and security procedures, personal safety and crime
27 prevention techniques; and

28 (vii) Proposed procedures to ensure accurate record keeping;

29 (2) Any time one or more compassion center registration applications are being
30 considered, the department shall also allow for comment by the public and shall solicit input from
31 registered qualifying patients, registered primary caregivers; and the towns or cities where the
32 applicants would be located;

33 (3) Each time a compassion center certificate is granted, the decision shall be based upon
34 the overall health needs of qualified patients and the safety of the public, including, but not

1 limited to, the following factors:

2 (i) Convenience to patients from throughout the state of Rhode Island to the compassion
3 centers if the applicant were approved;

4 (ii) The applicants' ability to provide a steady supply to the registered qualifying patients
5 in the state;

6 (iii) The applicants' experience running a non-profit or business;

7 (iv) The interests of qualifying patients regarding which applicant be granted a
8 registration certificate;

9 (v) The interests of the city or town where the dispensary would be located;

10 (vi) The sufficiency of the applicant's plans for record keeping and security, which
11 records shall be considered confidential health care information under Rhode Island law and are
12 intended to be deemed protected health care information for purposes of the Federal Health
13 Insurance Portability and Accountability Act of 1996, as amended; and

14 (vii) The sufficiency of the applicant's plans for safety and security, including proposed
15 location, security devices employed, and staffing;

16 (4) After a compassion center is approved, but before it begins operations, it shall submit
17 the following to the department:

18 (i) A fee paid to the department in the amount of five thousand dollars (\$5,000);

19 (ii) The legal name and articles of incorporation of the compassion center;

20 (iii) The physical address of the compassion center; this may include a second address
21 for the secure cultivation of marijuana;

22 (iv) The name, address, and date of birth of each principal officer and board member of
23 the compassion center;

24 (v) The name, address, and date of birth of any person who will be an agent of, employee
25 or volunteer of the compassion center at its inception;

26 (5) The department shall track the number of registered qualifying patients who
27 designate each compassion center as a primary caregiver, and issue a written statement to the
28 compassion center of the number of qualifying patients who have designated the compassion
29 center to serve as a primary caregiver for them. This statement shall be updated each time a new
30 registered qualifying patient designates the compassion center or ceases to designate the
31 compassion center and may be transmitted electronically if the department's regulations so
32 provide. The department may provide by regulation that the updated written statements will not
33 be issued more frequently than twice each week;

34 (6) Except as provided in subdivision (7), the department shall issue each principal

1 officer, board member, agent, volunteer and employee of a compassion center a registry
2 identification card or renewal card within ten (10) days of receipt of the person's name, address,
3 date of birth; a fee in an amount established by the department; and notification to the department
4 by the state police that the registry identification card applicant has not been convicted of a felony
5 drug offense or has not entered a plea of nolo contendere for a felony drug offense and received a
6 sentence of probation. Each card shall specify that the cardholder is a principal officer, board
7 member, agent, volunteer, or employee of a compassion center and shall contain the following:

8 (i) The name, address, and date of birth of the principal officer, board member, agent,
9 volunteer or employee;

10 (ii) The legal name of the compassion center to which the principal officer, board
11 member, agent, volunteer or employee is affiliated;

12 (iii) A random identification number that is unique to the cardholder;

13 (iv) The date of issuance and expiration date of the registry identification card; and

14 (v) A photograph, if the department decides to require one;

15 (7) Except as provided in this subsection, the department shall not issue a registry
16 identification card to any principal officer, board member, agent, volunteer, or employee of a
17 compassion center who has been convicted of a felony drug offense or has entered a plea of nolo
18 contendere for a felony drug offense and received a sentence of probation. The department shall
19 notify the compassion center in writing of the purpose for denying the registry identification card.
20 The department may grant such person a registry identification card if the department determines
21 that the offense was for conduct that occurred prior to the enactment of the Edward O. Hawkins
22 and Thomas C. Slater Medical Marijuana Act or that was prosecuted by an authority other than
23 the state of Rhode Island and for which the Edward O. Hawkins and Thomas C. Slater Medical
24 Marijuana Act would otherwise have prevented a conviction;

25 (i) All registry identification card applicants shall apply to the state police for a national
26 criminal identification records check that shall include fingerprints submitted to the federal
27 bureau of investigation. Upon the discovery of a felony drug offense conviction or a plea of nolo
28 contendere for a felony drug offense with a sentence of probation, and in accordance with the
29 rules promulgated by the director, the state police shall inform the applicant, in writing, of the
30 nature of the felony and the state police shall notify the department, in writing, without disclosing
31 the nature of the felony, that a felony drug offense conviction or a plea of nolo contendere for a
32 felony drug offense with probation has been found.

33 (ii) In those situations in which no felony drug offense conviction or plea of nolo
34 contendere for a felony drug offense with probation has been found, the state police shall inform

1 the applicant and the department, in writing, of this fact.

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

4 (8) A registry identification card of a principal officer, board member, agent, volunteer,
5 or employee shall expire one year after its issuance, or upon the expiration of the registered
6 organization's registration certificate, or upon the termination of the principal officer, board
7 member, agent, volunteer or employee's relationship with the compassion center, whichever
8 occurs first.

9 (d) Expiration or termination of compassion center:

10 (1) A compassion center's registration shall expire two (2) years after its registration
11 certificate is issued. The compassion center may submit a renewal application beginning sixty
12 (60) days prior to the expiration of its registration certificate;

13 (2) The department shall grant a compassion center's renewal application within thirty
14 (30) days of its submission if the following conditions are all satisfied:

15 (i) The compassion center submits the materials required under subdivision (c)(4),
16 including a five thousand dollar (\$5,000) fee;

17 (ii) The compassion center's registration has never been suspended for violations of this
18 chapter or regulations issued pursuant to this chapter;

19 (iii) The legislative oversight committee's report, if issued pursuant to subsection (4)(j),
20 indicates that the compassion center is adequately providing patients with access to medical
21 marijuana at reasonable rates; and

22 (iv) The legislative oversight committee's report, if issued pursuant to subsection (4)(j),
23 does not raise serious concerns about the continued operation of the compassion center applying
24 for renewal.

25 (3) If the department determines that any of the conditions listed in paragraphs (d)(2)(i) -
26 - (iv) have not been met, the department shall begin an open application process for the operation
27 of a compassion center. In granting a new registration certificate, the department shall consider
28 factors listed in subdivision (c)(3) of this section;

29 (4) The department shall issue a compassion center one or more thirty (30) day
30 temporary registration certificates after that compassion center's registration would otherwise
31 expire if the following conditions are all satisfied:

32 (i) The compassion center previously applied for a renewal, but the department had not
33 yet come to a decision;

34 (ii) The compassion center requested a temporary registration certificate; and

1 (iii) The compassion center has not had its registration certificate revoked due to
2 violations of this chapter or regulations issued pursuant to this chapter.

3 (5) A compassion center's registry identification card shall be subject to revocation if the
4 compassion center:

5 (i) Possesses an amount of marijuana exceeding the limits established by this chapter;

6 (ii) Is in violation of the laws of this state;

7 (iii) Is in violation of other departmental regulations; or

8 (iv) Employs or enters into a business relationship with a medical practitioner who
9 provides written certification of a qualifying patient's medical condition.

10 (e) Inspection. - Compassion centers are subject to reasonable inspection by the
11 department of health, division of facilities regulation. During an inspection, the department may
12 review the compassion center's confidential records, including its dispensing records, which shall
13 track transactions according to qualifying patients' registry identification numbers to protect their
14 confidentiality.

15 (f) Compassion center requirements:

16 (1) A compassion center shall be operated on a not-for-profit basis for the mutual benefit
17 of its patients. A compassion center need not be recognized as a tax-exempt organization by the
18 Internal Revenue Services;

19 (2) A compassion center may not be located within one thousand feet (1000') of the
20 property line of a preexisting public or private school;

21 (3) A compassion center shall notify the department within ten (10) days of when a
22 principal officer, board member, agent, volunteer or employee ceases to work at the compassion
23 center. His or her card shall be deemed null and void and the person shall be liable for any
24 penalties that may apply to any nonmedical possession or use of marijuana by the person;

25 (4) A compassion center shall notify the department in writing of the name, address, and
26 date of birth of any new principal officer, board member, agent, volunteer or employee and shall
27 submit a fee in an amount established by the department for a new registry identification card
28 before that person begins his or her relationship with the compassion center;

29 (5) A compassion center shall implement appropriate security measures to deter and
30 prevent the unauthorized entrance into areas containing marijuana and the theft of marijuana and
31 shall insure that each location has an operational security alarm system. Each compassion center
32 shall request that the Rhode Island state police visit the compassion center to inspect the security
33 of the facility and make any recommendations regarding the security of the facility and its
34 personnel within ten (10) days prior to the initial opening of each compassion center. Said

1 recommendations shall not be binding upon any compassion center, nor shall the lack of
2 implementation of said recommendations delay or prevent the opening or operation of any center.
3 If the Rhode Island state police do not inspect the compassion center within the ten (10) day
4 period there shall be no delay in the compassion center's opening.

5 (6) The operating documents of a compassion center shall include procedures for the
6 oversight of the compassion center and procedures to ensure accurate record keeping;

7 (7) A compassion center is prohibited from acquiring, possessing, cultivating,
8 manufacturing, delivering, transferring, transporting, supplying, or dispensing marijuana for any
9 purpose except to assist registered qualifying patients with the medical use of marijuana directly
10 or through the qualifying patient's other primary caregiver;

11 (8) All principal officers and board members of a compassion center must be residents of
12 the state of Rhode Island;

13 (9) Each time a new registered qualifying patient visits a compassion center, it shall
14 provide the patient with frequently asked questions sheet designed by the department, which
15 explains the limitations on the right to use medical marijuana under state law;

16 (10) Each compassion center shall develop, implement, and maintain on the premises
17 employee, volunteer and agent policies and procedures to address the following requirements:

18 (i) A job description or employment contract developed for all employees and agents and
19 a volunteer agreement for all volunteers, which includes duties, authority, responsibilities,
20 qualifications, and supervision; and

21 (ii) Training in and adherence to state confidentiality laws.

22 (11) Each compassion center shall maintain a personnel record for each employee, agent
23 and volunteer that includes an application and a record of any disciplinary action taken;

24 (12) Each compassion center shall develop, implement, and maintain on the premises an
25 on-site training curriculum, or enter into contractual relationships with outside resources capable
26 of meeting employee training needs, which includes, but is not limited to, the following topics:

27 (i) Professional conduct, ethics, and patient confidentiality; and

28 (ii) Informational developments in the field of medical use of marijuana.

29 (13) Each compassion center entity shall provide each employee, agent and volunteer, at
30 the time of his or her initial appointment, training in the following:

31 (i) The proper use of security measures and controls that have been adopted; and

32 (ii) Specific procedural instructions on how to respond to an emergency, including
33 robbery or violent accident;

34 (14) All compassion centers shall prepare training documentation for each employee and

1 volunteer and have employees and volunteers sign a statement indicating the date, time, and place
2 the employee and volunteer received said training and topics discussed, to include name and title
3 of presenters. The compassion center shall maintain documentation of an employee's and a
4 volunteer's training for a period of at least six (6) months after termination of an employee's
5 employment or the volunteer's volunteering.

6 (g) Maximum amount of usable marijuana to be dispensed:

7 (1) A compassion center or principal officer, board member, agent, volunteer or
8 employee of a compassion center may not dispense more than two and one half ounces (2.5 oz) of
9 usable marijuana to a qualifying patient directly or through a qualifying patient's other primary
10 caregiver during a fifteen (15) day period;

11 (2) A compassion center or principal officer, board member, agent, volunteer or
12 employee of a compassion center may not dispense an amount of usable marijuana or marijuana
13 plants to a qualifying patient or a qualifying patient's other primary caregiver that the compassion
14 center, principal officer, board member, agent, volunteer, or employee knows would cause the
15 recipient to possess more marijuana than is permitted under the Edward O. Hawkins and Thomas
16 C. Slater Medical Marijuana Act.

17 (h) Immunity:

18 (1) No registered compassion center shall be subject to prosecution; search, except by
19 the department pursuant to subsection (e); seizure; or penalty in any manner or denied any right
20 or privilege, including, but not limited to, civil penalty or disciplinary action by a business,
21 occupational, or professional licensing board or entity, solely for acting in accordance with this
22 section to assist registered qualifying patients to whom it is connected through the department's
23 registration process with the medical use of marijuana;

24 (2) No registered compassion center shall be subject to prosecution; seizure or penalty in
25 any manner or denied any right or privilege, including, but not limited to, civil penalty or
26 disciplinary action by a business, occupational, or professional licensing board or entity, for
27 selling, giving or distributing marijuana in whatever form and within the limits established by the
28 department to another registered compassion center;

29 (3) No principal officers, board members, agents, volunteers, or employees of a
30 registered compassion center shall be subject to arrest, prosecution, search, seizure, or penalty in
31 any manner or denied any right or privilege, including, but not limited to, civil penalty or
32 disciplinary action by a business, occupational, or professional licensing board or entity, solely
33 for working for or with a compassion center to engage in acts permitted by this section.

34 (4) No state employee shall be subject to arrest, prosecution or penalty in any manner, or

1 denied any right or privilege, including, but not limited to, civil penalty, disciplinary action,
2 termination, or loss of employee or pension benefits, for any and all conduct that occurs within
3 the scope of his or her employment regarding the administration, execution and/or enforcement of
4 this act, and the provisions of Rhode Island general laws, sections 9-31-8 and 9-31-9 shall be
5 applicable to this section.

6 (i) Prohibitions:

7 (1) A compassion center ~~shall not possess an amount of marijuana at any given time that~~
8 ~~exceeds the following limitations:~~

9 ~~(i) One hundred fifty (150) marijuana plants of which no more than ninety nine (99)~~
10 ~~shall be mature; and~~

11 ~~(ii) One thousand five hundred ounces (1500 oz.) of usable marijuana~~ must limit its
12 inventory of seedlings, plants, and usable marijuana to reflect the projected needs of registered
13 qualifying patients.

14 (2) A compassion center may not dispense, deliver, or otherwise transfer marijuana to a
15 person other than a qualifying patient who has designated the compassion center as a primary
16 caregiver or to such patient's other primary caregiver;

17 (3) A person found to have violated paragraph (2) of this subsection may not be an
18 employee, agent, volunteer, principal officer, or board member of any compassion center;

19 (4) An employee, agent, volunteer, principal officer or board member of any compassion
20 center found in violation of paragraph (2) above shall have his or her registry identification
21 revoked immediately; and

22 (5) No person who has been convicted of a felony drug offense or has entered a plea of
23 nolo contendere for a felony drug offense with a sentence or probation may be the principal
24 officer, board member, agent, volunteer, or employee of a compassion center unless the
25 department has determined that the person's conviction was for the medical use of marijuana or
26 assisting with the medical use of marijuana in accordance with the terms and conditions of this
27 chapter. A person who is employed by or is an agent, volunteer, principal officer, or board
28 member of a compassion center in violation of this section is guilty of a civil violation punishable
29 by a fine of up to one thousand dollars (\$1,000). A subsequent violation of this section is a
30 misdemeanor:

31 (j) Legislative oversight committee:

32 (1) The general assembly shall appoint a nine (9) member oversight committee
33 comprised of: one member of the house of representatives; one member of the senate; one
34 physician to be selected from a list provided by the Rhode Island medical society; one nurse to be

1 selected from a list provided by the Rhode Island state nurses association; two (2) registered
2 qualifying patients; one registered primary caregiver; one patient advocate to be selected from a
3 list provided by the Rhode Island patient advocacy coalition; and the superintendent of the Rhode
4 Island state police or his/her designee.

5 (2) The oversight committee shall meet at least six (6) times per year for the purpose of
6 evaluating and making recommendations to the general assembly regarding:

7 (i) Patients' access to medical marijuana;

8 (ii) Efficacy of compassion center;

9 (iii) Physician participation in the Medical Marijuana Program;

10 (iv) The definition of qualifying medical condition;

11 (v) Research studies regarding health effects of medical marijuana for patients.

12 (3) On or before January 1 of every even numbered year, the oversight committee shall
13 report to the general assembly on its findings.

14 SECTION 5. Sections 1 and 2 of this article shall take effect on October 1, 2014. The
15 remainder of this article shall take effect upon passage.

ARTICLE 16

RELATING TO HEALTH CARE

SECTION 1. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled "Licensing of Health Care Facilities" is hereby amended to read as follows:

~~23-17-38.1. Hospitals – Licensing fee. -- (a) There is imposed a hospital licensing fee at the rate of five and thirty five hundredths percent (5.35%) upon the net patient services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2011, except that the license fee for all hospitals located in Washington County, Rhode Island shall be discounted by thirty seven percent (37%). The discount for Washington County hospitals is subject to approval by the Secretary of the US Department of Health and Human Services of a state plan amendment submitted by the Executive Office of Health and Human Services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the administration, collection and other provisions of 51 of title 44 shall apply. Every hospital shall pay the licensing fee to the tax administrator on or before July 15, 2013 and payments shall be made by electronic transfer of monies to the general treasurer and deposited to the general fund. Every hospital shall, on or before June 17, 2013, make a return to the tax administrator containing the correct computation of net patient services revenue for the hospital fiscal year ending September 30, 2011, and the licensing fee due upon that amount. All returns shall be signed by the hospital's authorized representative, subject to the pains and penalties of perjury.~~

~~(b)~~(a) There is also imposed a hospital licensing fee at the rate of ~~five and two hundred forty six thousandths percent (5.246%)~~ five and four hundred eighteen thousandths percent (5.418%) upon the net patient services revenue of every hospital for the hospital's first fiscal year ending on or after January 1, 2012, except that the license fee for all hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent (37%). The discount for Washington County hospitals is subject to approval by the Secretary of the US Department of Health and Human Services of a state plan amendment submitted by the Executive Office of Health and Human Services for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee. This licensing fee shall be administered and collected by the tax administrator, division of taxation within the department of revenue, and all the

1 administration, collection and other provisions of 51 of title 44 shall apply. Every hospital shall
2 pay the licensing fee to the tax administrator on or before July 14, 2014 and payments shall be
3 made by electronic transfer of monies to the general treasurer and deposited to the general fund.
4 Every hospital shall, on or before June 16, 2014, make a return to the tax administrator containing
5 the correct computation of net patient services revenue for the hospital fiscal year ending
6 September 30, 2012, and the licensing fee due upon that amount. All returns shall be signed by
7 the hospital's authorized representative, subject to the pains and penalties of perjury.

8 (b) There is also imposed a hospital licensing fee at the rate of five and seven hundred
9 three thousandths percent (5.703%) upon the net patient services revenue of every hospital for the
10 hospital's first fiscal year ending on or after January 1, 2013, except that the license fee for all
11 hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent
12 (37%). The discount for Washington County hospitals is subject to approval by the Secretary of
13 the US Department of Health and Human Services of a state plan amendment submitted by the
14 Executive Office of Health and Human Services for the purpose of pursuing a waiver of the
15 uniformity requirement for the hospital license fee. This licensing fee shall be administered and
16 collected by the tax administrator, division of taxation within the department of revenue, and all
17 the administration, collection and other provisions of 51 of title 44 shall apply. Every hospital
18 shall pay the licensing fee to the tax administrator on or before July 13, 2015 and payments shall
19 be made by electronic transfer of monies to the general treasurer and deposited to the general
20 fund. Every hospital shall, on or before June 15, 2015, make a return to the tax administrator
21 containing the correct computation of net patient services revenue for the hospital fiscal year
22 ending September 30, 2013, and the licensing fee due upon that amount. All returns shall be
23 signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

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

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

29 (2) "Gross patient services revenue" means the gross revenue related to patient care
30 services.

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

33 (d) The tax administrator shall make and promulgate any rules, regulations, and
34 procedures not inconsistent with state law and fiscal procedures that he or she deems necessary

1 for the proper administration of this section and to carry out the provisions, policy and purposes
2 of this section.

3 (e) The licensing fee imposed by this section shall apply to hospitals as defined herein
4 which are duly licensed on July 1, ~~2013~~ 2014, and shall be in addition to the inspection fee
5 imposed by § 23-17-38 and to any licensing fees previously imposed in accordance with § 23-17-
6 38.1.

7 SECTION 2. Section 23-1-46 of the General Laws in Chapter 23-1 entitled "Department
8 of Health" is hereby amended to read as follows:

9 **23-1-46. Insurers.** -- (a) ~~Beginning in the fiscal year 2007, each insurer licensed or~~
10 ~~regulated pursuant to the provisions of chapters 18, 19, 20, and 41 of title 27 shall be assessed a~~
11 ~~child immunization assessment and an adult immunization assessment for the purposes set forth~~
12 ~~in this section. The department of health shall make available to each insurer, upon its request,~~
13 ~~information regarding the department of health's immunization programs and the costs related to~~
14 ~~the program. Further, the department of health shall submit to the general assembly an annual~~
15 ~~report on the immunization programs and cost related to the programs, on or before February 1 of~~
16 ~~each year. Annual assessments shall be based on direct premiums written in the year prior to the~~
17 ~~assessment and for the child immunization program shall not include any Medicare Supplement~~
18 ~~Policy (as defined in section 27-18.2-1(g)), Medicaid or Medicare premiums. Adult influenza~~
19 ~~immunization program annual assessments shall include contributions related to the program~~
20 ~~costs from Medicare, Medicaid and Medicare Managed Care. As to accident and sickness~~
21 ~~insurance, the direct premium written shall include, but is not limited to, group, blanket, and~~
22 ~~individual policies. Those insurers assessed greater than ten thousand dollars (\$10,000) for the~~
23 ~~year shall be assessed four (4) quarterly payments of twenty five percent (25%) of their total~~
24 ~~assessment. Beginning July 1, 2001, the annual rate of assessment shall be determined by the~~
25 ~~director of health in concurrence with the primary payors, those being insurers assessed at greater~~
26 ~~than ten thousand dollars (\$10,000) for the previous year. This rate shall be calculated by the~~
27 ~~projected costs for the Advisory Committee on Immunization Practices (ACIP) recommended~~
28 ~~and state mandated vaccines after the federal share has been determined by the Centers for~~
29 ~~Disease Control and Prevention. The primary payors shall be informed of any recommended~~
30 ~~change in rates at least six (6) months in advance, and rates shall be adjusted no more frequently~~
31 ~~than one time annually. For the childhood vaccine program the director of the department of~~
32 ~~health shall deposit these amounts in Beginning January 1, 2016, a portion of the amount~~
33 ~~collected pursuant to § 42-7.4-3, up to the actual amount expended or projected to be expended~~
34 ~~by the state for vaccines for children that are recommended by the Advisory Committee on~~

1 Immunization Practices (ACIP), the American Academy of Pediatrics (AAP), and/or mandated
2 by state law, less the federal share determined by the Centers for Disease Control and Prevention,
3 less any amount collected in excess of the prior year's funding requirement as indicated in
4 subsection (b) (the "child immunization funding requirement") shall be deposited into the
5 "childhood immunization account" described in § 23-1-45(a). These ~~assessments~~ funds shall be
6 used solely for the purposes of the "childhood immunization programs" described in §23-1-44,
7 and no other. ~~For the adult immunization program the director of the department of health shall~~
8 ~~deposit these amounts in the "adult immunization account".~~ Beginning January 1 2016, a portion
9 of the amount collected from the healthcare services funding method described in § 42-7.4-3, up
10 to the actual amount expended or projected to be expended by the state for adult immunizations
11 recommended by ACIP and/or mandated by state law, less the federal share determined by the
12 Centers for Disease Control and Prevention, less any amount collected in excess of the prior
13 year's funding requirement as indicated in subsection (b) (the "adult immunization funding
14 requirement") shall be deposited into the "adult immunization account" described in § 23-1-45(c).
15 These funds shall be used solely for the purposes of the "adult immunization programs" described
16 in § 23-1-44 and no other.

17 (b) The department of health shall submit to the general assembly an annual report on the
18 immunization programs and costs related to the programs, on or before February 1 of each year.

19 Any funds collected in excess of funds needed to carry-out ACIP recommendations,
20 taking into account a reasonable annual carry forward surplus, shall be deducted from the
21 subsequent year's ~~assessments,~~ funding requirements.

22 SECTION 3. Section 42-12-29 of the General Laws in Chapter 42-12 entitled
23 "Department of Human Services" is hereby amended to read as follows:

24 **42-12-29. Children's health account.** -- (a) There is created within the general fund a
25 restricted receipt account to be known as the "children's health account". All money in the
26 account shall be utilized by the department of human services to effectuate coverage for the
27 following service categories: (1) home health services, which include pediatric private duty
28 nursing and certified nursing assistant services; (2) comprehensive, evaluation, diagnosis,
29 assessment, referral and evaluation (CEDARR) services, which include CEDARR family center
30 services, home based therapeutic services, personal assistance services and supports (PASS) and
31 kids connect services and (3) child and adolescent treatment services (CAITS). All money
32 received pursuant to this section shall be deposited in the children's health account. The general
33 treasurer is authorized and directed to draw his or her orders on the account upon receipt of
34 properly authenticated vouchers from the department of human services.

1 (b) ~~Beginning in the fiscal year 2007, each insurer licensed or regulated pursuant to the~~
2 ~~provisions of chapters 18, 19, 20, and 41 of title 27 shall be assessed for the purposes set forth in~~
3 ~~this section. The department of human services shall make available to each insurer, upon its~~
4 ~~request, information regarding the department of human services child health program and the~~
5 ~~costs related to the program. Further, the department of human services shall submit to the~~
6 ~~general assembly an annual report on the program and cost related to the program, on or before~~
7 ~~February 1 of each year. Annual assessments shall be based on direct premiums written in the~~
8 ~~year prior to the assessment and shall not include any Medicare Supplement Policy (as defined in~~
9 ~~section 27-18-2.1(g)), Medicare managed care, Medicare, Federal Employees Health Plan,~~

10 ~~Medicaid/Rite Care or dental premiums. As to accident and sickness insurance, the direct~~
11 ~~premium written shall include, but is not limited to, group, blanket, and individual policies. Those~~
12 ~~insurers assessed greater than five hundred thousand dollars (\$500,000) for the year shall be~~
13 ~~assessed four (4) quarterly payments of twenty five percent (25%) of their total assessment.~~
14 ~~Beginning July 1, 2006, the annual rate of assessment shall be determined by the director of~~
15 ~~human services in concurrence with the primary payors, those being insurers likely to be assessed~~
16 ~~at greater than five hundred thousand dollars (\$500,000). The director of the department of~~
17 ~~human services shall deposit that amount~~ Beginning January 1, 2016, a portion of the amount
18 collected pursuant to § 42-7.4-3, up to the actual amount expended or projected to be expended
19 by the state for the services described in § 42-12-29(a), less any amount collected in excess of the
20 prior year's funding requirement as indicated in § 42-12-29(c), but in no event more than the limit
21 set forth in § 42-12-29(d) (the "child health services funding requirement"), shall be deposited in
22 the "children's health account". The ~~assessment funds~~ shall be used solely for the purposes of the
23 "children's health account", and no other.

24 (c) The office of health and human services shall submit to the general assembly an
25 annual report on the program and costs related to the program, on or before February 1 of each
26 year. The department shall make available to each insurer required to make a contribution
27 pursuant to § 42-7.4-3, upon its request, detailed information regarding the children's health
28 programs described in subsection (a) and the costs related to those programs. Any funds collected
29 in excess of funds needed to carry out the programs shall be deducted from the subsequent year's
30 ~~assessment.~~ funding requirements.

31 (d) The total ~~annual assessment on all insurers~~ amount required to be deposited into the
32 children's health account shall be equivalent to the amount paid by the department of human
33 services for all services, as listed in subsection (a), but not to exceed seven thousand five hundred
34 dollars (\$7,500) per child per service per year.

1 (e) The children's health account shall be exempt from the indirect cost recovery
2 provisions of section 35-4-27 of the general laws.

3 SECTION 4. Title 42 of the General Laws entitled "STATE AFFAIRS AND
4 GOVERNMENT" is hereby amended by adding thereto the following chapter:

5 CHAPTER 7.4

6 THE HEALTHCARE SERVICES FUNDING PLAN ACT

7 42-7.4-1. Short title. -- The Healthcare services funding plan act. -- This chapter shall be
8 known and may be cited as "The Healthcare Services Funding Plan Act."

9 42-7.4-2. Definitions. -- The following words and phrases as used in this chapter shall
10 have the following meaning:

11 (1) "Secretary" means the secretary of health and human services.

12 (2)(i) "Insurer" means all persons offering, administering, and/or insuring healthcare
13 services, including, but not limited to:

14 (A) Policies of accident and sickness insurance, as defined by chapter 18 of title 27;

15 (B) Nonprofit hospital or medical service plans, as defined by chapters 19 and 20 of title
16 27;

17 (C) Any person whose primary function is to provide diagnostic, therapeutic, or
18 preventive services to a defined population on the basis of a periodic premium;

19 (D) All domestic, foreign, or alien insurance companies, mutual associations and
20 organizations;

21 (E) Health maintenance organizations, as defined by chapter 41 of title 27;

22 (F) All persons providing health benefits coverage on a self-insurance basis;

23 (G) All third-party administrators described in chapter 20.7 of title 27; and

24 (H) All persons providing health benefit coverage under Title XIX of the Social Security
25 Act (Medicaid) as a Medicaid managed care organization offering managed Medicaid
26 and the state's Medicaid fee-for-service plan.

27 (i) "Insurer" shall not include any nonprofit dental service corporation as defined in § 27-
28 20.1-2, nor any insurer offering only those coverages described in § 42-7.4-14.

29 (3)(i) "Contribution enrollee" means an individual residing in this state, with respect to
30 whom an insurer administers, provides, pays for, insures, or covers health care services, unless
31 excepted by this section.

32 (ii) "Contribution enrollee" shall not include an individual whose healthcare services are
33 paid or reimbursed by Part A or Part B of the Medicare program, a Medicare supplemental policy
34 as defined in section 1882(g)(1) of the Social Security Act, 42 U.S.C. 1395ss(g)(1), or Medicare

1 managed care policy, the federal employees' health benefit program, Tricare, CHAMPUS, the
2 Veterans' healthcare program, the Indian health service program, or any local governmental
3 corporation, district, or agency providing health benefits coverage on a self-insured basis;

4 (iii) Delayed Applicability for State Employees, Retirees, and Dependents. An individual
5 whose healthcare services are paid or reimbursed by the state of Rhode Island pursuant to Rhode
6 Island General Laws title 36 chapter 12 shall not be treated as a "contribution enrollee" until July
7 1, 2016.

8 (4) "Person" means any individual, corporation, company, association, partnership,
9 limited liability company, firm, state governmental corporations, districts, and agencies, joint
10 stock associations, trusts, and the legal successor thereof.

11 (5) "Healthcare services funding contribution" means per capita amount each contributing
12 insurer must contribute to support the programs funded by the method established under this
13 section, with respect to each contribution enrollee; provided, however, that, with respect to an
14 insurer that is a Medicaid managed care organization offering managed Medicaid and the state's
15 Medicaid fee-for-service plan, the healthcare funding services contribution for any contribution
16 enrollee whose healthcare services are paid or reimbursed under Title XIX of the Social Security
17 Act (Medicaid) shall not include the children's health services funding requirement described in §
18 42-12-29.

19 **42-7.4-3. Imposition of healthcare services funding contribution. -- (a) Each insurer is**
20 **required to pay the healthcare services funding contribution for each contribution enrollee of the**
21 **insurer at the time the contribution is calculated and paid, at the rate set forth in this section.**

22 (1) Beginning January 1, 2016, the secretary shall set the healthcare services funding
23 contribution each fiscal year in an amount equal to: (i) The child immunization funding
24 requirement described in § 23-1-46; plus (ii) The adult immunization funding requirement
25 described in § 23-1-46; plus (iii) The children's health services funding requirement described in
26 § 42-12-29; and all as divided by (iv) The number of contribution enrollees of all insurers.

27 (2) The contribution set forth herein shall be in addition to any other fees or assessments
28 upon the insurer allowable by law.

29 (b) The contribution shall be paid by the insurer; provided, however, a person providing
30 health benefits coverage on a self-insurance basis that uses the services of a third-party
31 administrator shall not be required to make a contribution for a contribution enrollee where the
32 contribution on that enrollee has been or will be made by the third-party administrator.

33 (c) The secretary shall create a process to facilitate the transition to the healthcare
34 services funding contribution method that: (i) assures adequate funding during fiscal year 2016,

1 (ii) reflects that funding via the healthcare services funding contribution method initially will be
2 for only a portion of the state's fiscal year, and (iii) avoids duplicate liability for any insurer that
3 made a payment under the premium assessment method in effect prior to January 1, 2016, for a
4 period for which it would also be liable for a contribution under the healthcare services funding
5 contribution method as described in this chapter.

6 **42-7.4-4. Returns and payment.** -- (a) Subject to subsection (b), every insurer required
7 to make a contribution shall, on or before the last day of July, October, January and April of each
8 year, make a return to the secretary together with payment of the quarterly healthcare services
9 funding contribution for the preceding three (3) month period.

10 (b)(1) Upon request of the director of the department of health, the secretary shall
11 develop a process whereby an insurer required to make the contribution may be directed to make
12 estimated payments for the portion of the liability arising under § 42-7.4-3 and the secretary shall
13 make that pre-paid amount available to the department of health, as requested.

14 (2) Unless requested to make an estimated payment as described in subsection (b)(1)
15 above, any insurer required to make the contribution that can substantiate that the insurer's
16 contribution liability would average less than twenty-five thousand dollars (\$25,000) per month
17 may file returns and remit payment annually on or before the last day of June each year; provided,
18 however, that the insurer shall be required to make quarterly payments if the secretary determines
19 that:

20 (i) The insurer has become delinquent in either the filing of the return or the payment of
21 the healthcare services funding contribution due thereon; or

22 (ii) The liability of the insurer exceeds seventy-five thousand dollars (\$75,000) in
23 healthcare services funding contribution per quarter for any two (2) subsequent quarters.

24 (c) All returns shall be signed by the insurer required to make the contribution, or by its
25 authorized representative, subject to the pains and penalties of perjury.

26 (d) If a return shows an overpayment of the contribution due, the secretary shall refund or
27 credit the overpayment to the insurer required to make the contribution, or the insurer may deduct
28 the overpayment from the next quarterly or annual return.

29 (e) The secretary, for good cause shown, may extend the time within which an insurer is
30 required to file a return, and if the return is filed during the period of extension no penalty or late
31 filing charge may be imposed for failure to file the return at the time required by this section, but
32 the insurer shall be liable for interest as prescribed in this section. Failure to file the return during
33 the period for the extension shall void the extension.

34 **42-7.4-5. Set-off for delinquent payment.** -- If an insurer required to make the

1 contribution pursuant to this chapter shall fail to pay a contribution within thirty (30) days of its
2 due date, the secretary may request any agency of state government making payments to the
3 insurer to set-off the amount of the delinquency against any payment or amount due the insurer
4 from the agency of state government and remit the sum to the secretary. Upon receipt of the setoff
5 request from the secretary, any agency of state government is authorized and empowered to set-
6 off the amount of the delinquency against any payment or amounts due the insurer. The amount
7 of set-off shall be credited against the contribution due from the insurer.

8 **42-7.4-6. Assessment on available information -- Interest on delinquencies --**

9 **Penalties -- Collection powers. --** If any insurer shall fail to file a return within the time required
10 by this chapter, or shall file an insufficient or incorrect return, or shall not pay the contribution
11 imposed by this section when it is due, the secretary shall assess the contribution upon the
12 information as may be available, which shall be payable upon demand and shall bear interest at
13 the annual rate provided by § 44-1-7, from the date when the contribution should have been paid.
14 If the failure is due, in whole or part, to negligence or intentional disregard of the provisions of
15 this section, a penalty of ten percent (10%) of the amount of the determination shall be added to
16 the contribution. The secretary shall collect the contribution with interest. The secretary may
17 request any agency to assist in collection, including the tax administrator, who may collect the
18 contribution with interest in the same manner and with the same powers as are prescribed for
19 collection of taxes in title 44.

20 **42-7.4-7. Claims for refund -- Hearing upon denial. --** (a) Any insurer required to pay

21 the contribution may file a claim for refund with the secretary at any time within two (2) years
22 after the contribution has been paid. If the secretary shall determine that the contribution has been
23 overpaid, he or she shall make a refund with ten percent (10%) interest from the date of
24 overpayment.

25 (b) Any insurer whose claim for refund has been denied may, within thirty (30) days from
26 the date of the mailing by the secretary of the notice of the decision, request a hearing and the
27 secretary shall, as soon as practicable, set a time and place for the hearing and shall notify the
28 person.

29 **42-7.4-8. Hearing by secretary on application. --** Any insurer aggrieved by the action

30 of the secretary in determining the amount of any contribution or penalty imposed under the
31 provisions of this chapter may apply to the secretary, within thirty (30) days after the notice of the
32 action is mailed to it, for a hearing relative to the contribution or penalty. The secretary shall fix a
33 time and place for the hearing and shall so notify the person. Upon the hearing the secretary shall
34 correct manifest errors, if any, disclosed at the hearing and thereupon assess and collect the

1 amount lawfully due together with any penalty or interest thereon.

2 **42-7.4-9. Appeals.** -- Appeals from administrative orders or decisions made pursuant to
3 any provisions of this chapter shall be pursued pursuant to chapter 35 of title 42. The right to
4 appeal under this section shall be expressly made conditional upon prepayment of all
5 contribution, interest, and penalties unless the insurer demonstrates to the satisfaction of the court
6 that the insurer has a reasonable probability of success on the merits and is unable to prepay all
7 contribution, interest, and penalties, considering not only the insurer's own financial resources
8 but also the ability of the insurer to borrow the required funds. If the court, after appeal, holds that
9 the insurer is entitled to a refund, the insurer shall also be paid interest on the amount at the rate
10 provided in § 44-1-7.1 of the Rhode Island general laws, as amended.

11 **42-7.4-10. Records.** -- Every insurer required to make the contribution shall:

12 (1) Keep records as may be necessary to determine the amount of its liability under this
13 section;

14 (2) Preserve those records for a period of three (3) years following the date of filing of
15 any return required by this section, or until any litigation or prosecution under this section is
16 finally determined; and

17 (3) Make those records available for inspection by the secretary or his/her authorized
18 agents, upon demand, at reasonable times during regular business hours.

19 **42-7.4-11. Method of payment and deposit of contribution.** -- (a) The payments
20 required by this chapter may be made by electronic transfer of monies to the general treasurer.

21 (b) The general treasurer shall take all steps necessary to facilitate the transfer of monies
22 to:

23 (1) The "childhood immunization account" described in § 23-1-45(a) in the amount
24 described in § 23-1-46(a);

25 (2) To the "adult immunization account" described in § 23-1-45(c) in the amount
26 described in § 23-1-46(a);

27 (3) To the "children's health account" described in § 42-12-29(a) in the amount described
28 in § 42-12-29(b); and

29 (4) Any remainder of the payments shall be proportionally distributed to those accounts
30 and credited against the next year's healthcare services funding contribution.

31 (c) The general treasurer shall provide the secretary with a record of any monies
32 transferred and deposited.

33 **42-7.4-12. Rules and regulations.** -- The secretary is authorized to make and promulgate
34 rules, regulations, and procedures not inconsistent with state law and fiscal procedures as he or

1 she deems necessary for the proper administration of this healthcare services funding plan act and
2 to carry out the provisions, policies, and purposes of this chapter including, but not limited to,
3 data it must collect from insurers for the correct computation of the healthcare services funding
4 contribution, collaboration with other state agencies for collecting necessary information, and the
5 form of the return and the data that it must contain for the correct computation of the healthcare
6 services funding contribution.

7 **42-7.4-13. Excluded coverage from the healthcare services funding plan act. --**

8 (a) In addition to any exclusion and exemption contained elsewhere in this chapter, this
9 chapter shall not apply to insurance coverage providing benefits for, nor shall an individual be
10 deemed a contribution enrollee solely by virtue of receiving benefits for the following:

- 11 (1) Hospital confinement indemnity;
- 12 (2) Disability income;
- 13 (3) Accident only;
- 14 (4) Long-term care;
- 15 (5) Medicare supplement;
- 16 (6) Limited benefit health;
- 17 (7) Specified disease indemnity;
- 18 (8) Sickness or bodily injury or death by accident or both; and
- 19 (9) Other limited benefit policies.

20 **42-7.4-14. Impact on Health Insurance Rates. (a) Allocation --** An insurer required to

21 make a healthcare services funding contribution may pass on the cost of that contribution in the
22 cost of its services, such as its premium rates (for insurers), without being required to specifically
23 allocate those costs to individuals or populations that actually incurred the contribution. The costs
24 are to be fairly allocated among the market segments incurring such costs.

25 (b) Oversight - The health insurance commissioner shall ensure, through the rate review
26 and approval process, that the rates filed for fully insured groups and individuals, pursuant to
27 chapter 18.5, 18.6 or 50 of title 27, reflect the transition to the funding method described in this
28 section.

29 **42-7.4-15. Study on Expansion of Health Care Services Funding Program.--**

30 Recognizing the value of the immunization programs to municipal employees, police, fire, and
31 other public safety officers, and to teachers and other school district employees, the director of
32 the department of health or his or her designee shall meet with representatives and agencies of
33 local governments, including but not limited to the league of cities and towns, the division of
34 municipal finance, the association of police chiefs, the association of fire chiefs, and the

1 [association of school committees, to obtain and share information regarding the effectiveness of](#)
2 [the program and the manner and timing under which municipalities shall become included in the](#)
3 [funding method described in this section. The department shall also seek clarification from the](#)
4 [Centers for Medicare and Medicaid Services regarding the extent to which Medicare, Medicare](#)
5 [managed care organizations, and Medicare supplement plans could become included in the](#)
6 [funding method described in this section. The department shall report its findings to the](#)
7 [chairpersons of the house finance committee and senate finance committee not later than April 1,](#)
8 [2015.](#)

9 SECTION 5. Section 1 of this article shall take effect as of July 1, 2014. The remainder
10 of this article shall take effect upon passage.

1 **ARTICLE 17**

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, ~~2012~~ 2013, the period from October 1, ~~2010~~ 2011
8 through September 30, ~~2011~~ 2012, and for any fiscal year ending after September 30, ~~2013~~ 2014,
9 the period from October 1, ~~2011~~ 2012 through September 30, ~~2012~~ 2013.

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, September 30, 2013 ~~and~~,
6 September 30, 2014 and September 30, 2015 shall be deemed to be five and thirty hundredths
7 percent (5.30%).

8 **40-8.3-3. Implementation.** ~~-- (a) For the fiscal year commencing on October 1, 2011 and~~
9 ~~ending September 30, 2012, the executive office of health and human services shall submit to the~~
10 ~~Secretary of the U.S. Department of Health and Human Services a state plan amendment to the~~
11 ~~Rhode Island Medicaid state plan for disproportionate share hospital payments (DSH Plan) to~~
12 ~~provide:~~

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

16 ~~(2) That the Pool D allotment shall be distributed among the participating hospitals in~~
17 ~~direct proportion to the individual participating hospital's uncompensated care costs for the base~~
18 ~~year, inflated by the uncompensated care index to the total uncompensated care costs for the base~~
19 ~~year inflated by uncompensated care index for all participating hospitals. The disproportionate~~
20 ~~share payments shall be made on or before July 16, 2012 and are expressly conditioned upon~~
21 ~~approval on or before July 9, 2012 by the Secretary of the U.S. Department of Health and Human~~
22 ~~Services, or his or her authorized representative, of all Medicaid state plan amendments necessary~~
23 ~~to secure for the state the benefit of federal financial participation in federal fiscal year 2012 for~~
24 ~~the disproportionate share payments.~~

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

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

33 (2) That the Pool D allotment shall be distributed among the participating hospitals in
34 direct proportion to the individual participating hospital's uncompensated care costs for the base

1 year, inflated by the uncompensated care index to the total uncompensated care costs for the base
2 year inflated by uncompensated care index for all participating hospitals. The disproportionate
3 share payments shall be made on or before July 15, 2013 and are expressly conditioned upon
4 approval on or before July 8, 2013 by the Secretary of the U.S. Department of Health and Human
5 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
6 to secure for the state the benefit of federal financial participation in federal fiscal year 2013 for
7 the disproportionate share payments.

8 ~~(e)~~ (b) For federal fiscal year 2014, commencing on October 1, 2013 and ending
9 September 30, 2014, the executive office of health and human services shall submit to the
10 Secretary of the U.S. Department of Health and Human Services a state plan amendment to the
11 Rhode Island Medicaid state plan for disproportionate share hospital payments (DSH Plan) to
12 provide:

13 (1) That the disproportionate share hospital payments to all participating hospitals, not to
14 exceed an aggregate limit of ~~\$128.3~~ \$136.8 million, shall be allocated by the executive office of
15 health and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,

16 (2) That the Pool D allotment shall be distributed among the participating hospitals in
17 direct proportion to the individual participating hospital's uncompensated care costs for the base
18 year, inflated by the uncompensated care index to the total uncompensated care costs for the base
19 year inflated by uncompensated care index for all participating hospitals. The disproportionate
20 share payments shall be made on or before July 14, 2014 and are expressly conditioned upon
21 approval on or before July 7, 2014 by the Secretary of the U.S. Department of Health and Human
22 Services, or his or her authorized representative, of all Medicaid state plan amendments necessary
23 to secure for the state the benefit of federal financial participation in federal fiscal year 2014 for
24 the disproportionate share payments.

25 (c) For federal fiscal year 2015, commencing on October 1, 2014 and ending September
26 30, 2015, the executive office of health and human services shall submit to the Secretary of the
27 U.S. Department of Health and Human Services a state plan amendment to the Rhode Island
28 Medicaid state plan for disproportionate share hospital payments (DSH Plan) to provide:

29 (1) That the disproportionate share hospital payments to all participating hospitals, not to
30 exceed an aggregate limit of \$136.8 million, shall be allocated by the executive office of health
31 and human services to the Pool A, Pool C and Pool D components of the DSH Plan; and,

32 (2) That the Pool D allotment shall be distributed among the participating hospitals in
33 direct proportion to the individual participating hospital's uncompensated care costs for the base
34 year, inflated by the uncompensated care index to the total uncompensated care costs for the base

1 [year inflated by uncompensated care index for all participating hospitals. The disproportionate](#)
2 [share payments shall be made on or before July 13, 2015 and are expressly conditioned upon](#)
3 [approval on or before July 6, 2015 by the Secretary of the U.S. Department of Health and Human](#)
4 [Services, or his or her authorized representative, of all Medicaid state plan amendments necessary](#)
5 [to secure for the state the benefit of federal financial participation in federal fiscal year 2015 for](#)
6 [the disproportionate share payments.](#)

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

10 SECTION 2. Section 40-8.3-10 of the General Laws in Chapter 40-8.3 entitled
11 "Uncompensated Care" is hereby amended to read as follows:

12 **40-8.3-10. ~~Outpatient adjustment payments.~~ Hospital adjustment payments. --**

13 Effective July 1, 2012 and for each subsequent year, the executive office of health and human
14 services is hereby authorized and directed to amend its regulations for reimbursement to hospitals
15 for [inpatient and](#) outpatient services as follows:

16 (a) Each hospital in the state of Rhode Island, as defined in subdivision 23-17-
17 38.19(b)(1), shall receive a quarterly [outpatient](#) adjustment payment each state fiscal year of an
18 amount determined as follows:

19 (1) Determine the percent of the state's total Medicaid outpatient and emergency
20 department services (exclusive of physician services) provided by each hospital during each
21 hospital's prior fiscal year;

22 (2) Determine the sum of all Medicaid payments to hospitals made for outpatient and
23 emergency department services (exclusive of physician services) provided during each hospital's
24 prior fiscal year;

25 (3) Multiply the sum of all Medicaid payments as determined in subdivision (2) by
26 ~~seventy four and ninety seven hundredths percent (74.97%)~~ [a percentage defined as the total](#)
27 [identified upper payment limit for all hospitals divided by the sum of all Medicaid payments as](#)
28 [determined in subdivision \(2\);](#) and then multiply that result by each hospital's percentage of the
29 state's total Medicaid outpatient and emergency department services as determined in subdivision
30 (1) to obtain the total outpatient adjustment for each hospital to be paid each year;

31 (4) Pay each hospital on or before July 20, October 20, January 20, and April 20 one
32 quarter (1/4) of its total outpatient adjustment as determined in subdivision (3) above.

33 [\(b\) Each hospital in the state of Rhode Island, as defined in subdivision 3-17-38.19\(b\)\(1\),](#)
34 [shall receive a quarterly inpatient adjustment payment each state fiscal year of an amount](#)

1 determined as follows:

2 (1) Determine the percent of the state's total Medicaid inpatient services (exclusive of
3 physician services) provided by each hospital during each hospital's prior fiscal year;

4 (2) Determine the sum of all Medicaid payments to hospitals made for inpatient services
5 (exclusive of physician services) provided during each hospital's prior fiscal year;

6 (3) Multiply the sum of all Medicaid payments as determined in subdivision (2) by a
7 percentage defined as the total identified upper payment limit for all hospitals divided by the sum
8 of all Medicaid payments as determined in subdivision (2); and then multiply that result by each
9 hospital's percentage of the state's total Medicaid inpatient services as determined in subdivision
10 (1) to obtain the total inpatient adjustment for each hospital to be paid each year;

11 (4) Pay each hospital on or before July 20, October 20, January 20, and April 20 one
12 quarter (1/4) of its total inpatient adjustment as determined in subdivision (3) above.

13 ~~(b)~~ (c) The amounts determined in subsections (a) and (b) are in addition to Medicaid
14 inpatient and outpatient payments and emergency services payments (exclusive of physician
15 services) paid to hospitals in accordance with current state regulation and the Rhode Island Plan
16 for Medicaid Assistance pursuant to Title XIX of the Social Security Act and are not subject to
17 recoupment or settlement.

18 SECTION 4. This article shall take effect as of July 1, 2014.

19

ARTICLE 18

RELATING TO MEDICAL ASSISTANCE

SECTION 1. Sections 40-8-13.4 and 40-8-19 of the General Laws in Chapter 40-8 entitled "Medical Assistance" are hereby amended to read as follows:

40-8-13.4. Rate methodology for payment for in state and out of state hospital services. -- (a) The executive office of health and human services shall implement a new methodology for payment for in state and out of state hospital services in order to ensure access to and the provision of high quality and cost-effective hospital care to its eligible recipients.

(b) In order to improve efficiency and cost effectiveness, the executive office of health and human services shall:

(1) With respect to inpatient services for persons in fee for service Medicaid, which is non-managed care, implement a new payment methodology for inpatient services utilizing the Diagnosis Related Groups (DRG) method of payment, which is, a patient classification method which provides a means of relating payment to the hospitals to the type of patients cared for by the hospitals. It is understood that a payment method based on Diagnosis Related Groups may include cost outlier payments and other specific exceptions. The executive office will review the DRG payment method and the DRG base price annually, making adjustments as appropriate in consideration of such elements as trends in hospital input costs, patterns in hospital coding, beneficiary access to care, and the Center for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS) Hospital Input Price index.

(B) With respect to inpatient services, (i) it is required as of January 1, 2011 until December 31, 2011, that the Medicaid managed care payment rates between each hospital and health plan shall not exceed ninety and one tenth percent (90.1%) of the rate in effect as of June 30, 2010. Negotiated increases in inpatient hospital payments for each annual twelve (12) month period beginning January 1, 2012 may not exceed the Centers for Medicare and Medicaid Services national CMS Prospective Payment System (IPPS) Hospital Input Price index for the applicable period; (ii) provided, however, for the ~~twelve (12)~~ twenty-four (24) month period beginning July 1, 2013 the Medicaid managed care payment rates between each hospital and health plan shall not exceed the payment rates in effect as of January 1, 2013; (iii) negotiated increases in inpatient hospital payments for each annual twelve (12) month period beginning July

1 1, ~~2014~~ 2015 may not exceed the Centers for Medicare and Medicaid Services national CMS
2 Prospective Payment System (IPPS) Hospital Input Price Index, less Productivity Adjustment, for
3 the applicable period; (iv) The Rhode Island executive office of health and human services will
4 develop an audit methodology and process to assure that savings associated with the payment
5 reductions will accrue directly to the Rhode Island Medicaid program through reduced managed
6 care plan payments and shall not be retained by the managed care plans; (v) All hospitals licensed
7 in Rhode Island shall accept such payment rates as payment in full; and (vi) for all such hospitals,
8 compliance with the provisions of this section shall be a condition of participation in the Rhode
9 Island Medicaid program.

10 (2) With respect to outpatient services and notwithstanding any provisions of the law to
11 the contrary, for persons enrolled in fee for service Medicaid, the executive office will reimburse
12 hospitals for outpatient services using a rate methodology determined by the executive office and
13 in accordance with federal regulations. Fee-for-service outpatient rates shall align with Medicare
14 payments for similar services. Notwithstanding the above, there shall be no increase in the
15 Medicaid fee-for-service outpatient rates effective on July 1, 2013 or July 1, 2014. Thereafter,
16 changes to outpatient rates will be implemented on July 1 each year and shall align with Medicare
17 payments for similar services from the prior federal fiscal year. With respect to the outpatient
18 rate, (i) it is required as of January 1, 2011 until December 31, 2011, that the Medicaid managed
19 care payment rates between each hospital and health plan shall not exceed one hundred percent
20 (100%) of the rate in effect as of June 30, 2010. Negotiated increases in hospital outpatient
21 payments for each annual twelve (12) month period beginning January 1, 2012 may not exceed
22 the Centers for Medicare and Medicaid Services national CMS Outpatient Prospective Payment
23 System (OPPS) hospital price index for the applicable period; (ii) provided, however, for the
24 ~~twelve (12)~~ twenty-four (24) month period beginning July 1, 2013 the Medicaid managed care
25 outpatient payment rates between each hospital and health plan shall not exceed the payment rates
26 in effect as of January 1, 2013; (iii) negotiated increases in outpatient hospital payments for each
27 annual twelve (12) month period beginning July 1, ~~2014~~ 2015 may not exceed the Centers for
28 Medicare and Medicaid Services national CMS Outpatient Prospective Payment System (OPPS)
29 Hospital Input Price Index, less Productivity Adjustment, for the applicable period.

30 (c) It is intended that payment utilizing the Diagnosis Related Groups method shall
31 reward hospitals for providing the most efficient care, and provide the executive office the
32 opportunity to conduct value based purchasing of inpatient care.

33 (d) The secretary of the executive office of health and human services is hereby
34 authorized to promulgate such rules and regulations consistent with this chapter, and to establish

1 fiscal procedures he or she deems necessary for the proper implementation and administration of
2 this chapter in order to provide payment to hospitals using the Diagnosis Related Group payment
3 methodology. Furthermore, amendment of the Rhode Island state plan for medical assistance
4 (Medicaid) pursuant to Title XIX of the federal Social Security Act is hereby authorized to
5 provide for payment to hospitals for services provided to eligible recipients in accordance with
6 this chapter.

7 (e) The executive office shall comply with all public notice requirements necessary to
8 implement these rate changes.

9 (f) As a condition of participation in the DRG methodology for payment of hospital
10 services, every hospital shall submit year-end settlement reports to the executive office within one
11 year from the close of a hospital's fiscal year. Should a participating hospital fail to timely submit
12 a year-end settlement report as required by this section, the executive office shall withhold
13 financial cycle payments due by any state agency with respect to this hospital by not more than
14 ten percent (10%) until said report is submitted. For hospital fiscal year 2010 and all subsequent
15 fiscal years, hospitals will not be required to submit year-end settlement reports on payments for
16 outpatient services. For hospital fiscal year 2011 and all subsequent fiscal years, hospitals will not
17 be required to submit year-end settlement reports on claims for hospital inpatient services.
18 Further, for hospital fiscal year 2010, hospital inpatient claims subject to settlement shall include
19 only those claims received between October 1, 2009 and June 30, 2010.

20 (g) The provisions of this section shall be effective upon implementation of the
21 amendments and new payment methodology pursuant to this section and § 40-8-13.3, which shall
22 in any event be no later than March 30, 2010, at which time the provisions of §§ 40-8-13.2, 27-
23 19-14, 27-19-15, and 27-19-16 shall be repealed in their entirety.

24 **40-8-19. Rates of payment to nursing facilities.** -- (a) Rate reform. (1) The rates to be
25 paid by the state to nursing facilities licensed pursuant to chapter 17 of title 23, and certified to
26 participate in the Title XIX Medicaid program for services rendered to Medicaid-eligible
27 residents, shall be reasonable and adequate to meet the costs which must be incurred by
28 efficiently and economically operated facilities in accordance with 42 U.S.C. § 1396a(a)(13). The
29 executive office of health and human services shall promulgate or modify the principles of
30 reimbursement for nursing facilities in effect as of July 1, 2011 to be consistent with the
31 provisions of this section and Title XIX, 42 U.S.C. § 1396 et seq., of the Social Security Act.

32 (2) The executive office of health and human services ("Executive Office") shall review
33 the current methodology for providing Medicaid payments to nursing facilities, including other
34 long-term care services providers, and is authorized to modify the principles of reimbursement to

1 replace the current cost based methodology rates with rates based on a price based methodology
2 to be paid to all facilities with recognition of the acuity of patients and the relative Medicaid
3 occupancy, and to include the following elements to be developed by the executive office:

4 (i) A direct care rate adjusted for resident acuity;

5 (ii) An indirect care rate comprised of a base per diem for all facilities;

6 (iii) A rearray of costs for all facilities every three (3) years beginning October, 2015,
7 which may or may not result in automatic per diem revisions;

8 (iv) Application of a fair rental value system;

9 (v) Application of a pass-through system; and

10 (vi) Adjustment of rates by the change in a recognized national nursing home inflation
11 index to be applied on October 1st of each year, beginning October 1, 2012. This adjustment will
12 not occur on October 1, 2013, but will resume on ~~October 1, 2014~~ [April 1, 2015](#). Said inflation
13 index shall be applied without regard for the transition factor in subsection (b)(2) below.

14 (b) *Transition to full implementation of rate reform.* For no less than four (4) years after
15 the initial application of the price-based methodology described in subdivision (a) (2) to payment
16 rates, the executive office of health and human services shall implement a transition plan to
17 moderate the impact of the rate reform on individual nursing facilities. Said transition shall
18 include the following components:

19 (1) No nursing facility shall receive reimbursement for direct care costs that is less than
20 the rate of reimbursement for direct care costs received under the methodology in effect at the
21 time of passage of this act; and

22 (2) No facility shall lose or gain more than five dollars (\$5.00) in its total per diem rate
23 the first year of the transition. The adjustment to the per diem loss or gain may be phased out by
24 twenty-five percent (25%) each year; and

25 (3) The transition plan and/or period may be modified upon full implementation of
26 facility per diem rate increases for quality of care related measures. Said modifications shall be
27 submitted in a report to the general assembly at least six (6) months prior to implementation.

28 SECTION 2. Chapter 40-8 of the General Laws entitled "Medical Assistance" is hereby
29 amended by adding thereto the following section:

30 **40-8-31. Payments to out of state facilities.** -- [The office of health and human services](#)
31 [shall require that any payment to an out of state provider from whom a Medicaid eligible](#)
32 [individual receives services must be a facility that applies for and is approved to participate in the](#)
33 [Rhode Island Medicaid program. This change may require the adoption of new or amended rules,](#)
34 [regulations and procedures.](#)

1 SECTION 3. The Rhode Island Medicaid Reform Act of 2008.

2 WHEREAS, the General Assembly enacted Chapter 12.4 of Title 42 entitled "The Rhode
3 Island Medicaid Reform Act of 2008"; and

4 WHEREAS, a Joint Resolution is required pursuant to Rhode Island General Laws § 42-
5 12.4-1, et seq.; and

6 WHEREAS, Rhode Island General Law § 42-12.4-7 provides that any change that
7 requires the implementation of a rule or regulation or modification of a rule or regulation in
8 existence prior to the implementation of the global consumer choice section 1115 demonstration
9 ("the demonstration") shall require prior approval of the general assembly; and further provides
10 that any category II change or category III change as defined in the demonstration shall also
11 require prior approval by the general assembly; and

12 WHEREAS, Rhode Island General Law § 42-7.2-5 provides that the Secretary of the
13 Office of Health and Human Services is responsible for the "review and coordination of any
14 Global Consumer Choice Compact Waiver requests and renewals as well as any initiatives and
15 proposals requiring amendments to the Medicaid state plan or category II or III changes as
16 described in the demonstration, with "the potential to affect the scope, amount, or duration of
17 publicly-funded health care services, provider payments or reimbursements, or access to or the
18 availability of benefits and services provided by Rhode Island general and public laws"; and

19 WHEREAS, in pursuit of a more cost-effective consumer choice system of care that is
20 fiscally sound and sustainable, the Secretary requests general assembly approval of the following
21 proposals to amend the demonstration:

22 (a) *Nursing Facility Payment Rates – Delay Rate Increase.* The Medicaid single state
23 agency proposes to delay the projected nursing facility rate increase that would otherwise take
24 effect on October 1, 2014 to April 1, 2015. A category II change is required to implement this
25 proposal under the terms and conditions of the demonstration. Further, this change may also
26 require the adoption of new or amended rules, regulations and procedures.

27 (b) *Medicaid Hospital Payments – Eliminate Rate Increases for Hospital Inpatient and*
28 *Outpatient Payments.* The Medicaid single state agency proposes to reduce inpatient and
29 outpatient hospital payments by eliminating the projected rate increase for both managed care and
30 fee-for-service for state fiscal year 2015. A category II change is required to implement this
31 proposal under the terms and conditions of the Section 1115 waiver demonstration.

32 (c) *Medicaid Manage Care Payments- Reduction.* The Medicaid agency seeks to reduce
33 the projected growth in capitation payments to managed care organizations for SFY 2015.
34 Implementation of this reduction requires a Category II change under the terms and conditions of

1 the Medicaid demonstration to assure payment rates remain actuarially sound as is required by
2 federal laws and regulation.

3 (d) *Community First Choice (1915k) Option – Increase Federal Reimbursement for*
4 *Home and Community-Based Alternatives.* The Medicaid Agency proposed to pursue the
5 Community First Choice (CFC) Medicaid State Plan option as part of ongoing reforms to
6 promote home and community-based alternatives to institutionally-based long-term services and
7 supports. Implementation of the CFC option requires approval of a Medicaid State Plan
8 Amendments and may require changes to the demonstration. New and amended rules, regulations
9 and procedures may also be necessary related to these program changes.

10 (e) *Qualified Health Plan (QHP) Coverage for Medicaid-eligible Pregnant and Post-*
11 *Partum Women – Promote QHP Coverage.* With the implementation of health care reform in
12 Rhode Island, many pregnant women with income from 133 to 250 percent of the federal poverty
13 level (FPL) will have access to coverage through a commercial plan. This initiative proposes to
14 support enrollment/retention of coverage in these commercial plans by providing: 1) a RIte
15 Share-like premium subsidy to assist in paying for the out-of-pocket costs in a commercial plan;
16 and 2) wraparound coverage for services available if covered through Medicaid. Such an
17 arrangement would result in a net savings to the Medicaid program. Implementation of this
18 initiative requires Section 1115 waiver authority and may necessitate changes to EOHHS' rules,
19 regulations and procedures.

20 (f) *Approved Authorities: Section 1115 Waiver Demonstration Extension.* The Medicaid
21 agency proposes to implement authorities approved under the Section 1115 waiver demonstration
22 extension request – formerly known as the Global Consumer Choice Waiver – that (1) continue
23 efforts to re-balance the system of long term services and supports by assisting people in
24 obtaining care in the most appropriate and least restrictive setting; (2) pursue utilization of care
25 management models that offer a "health home", promote access to preventive care, and provide
26 an integrated system of services; (3) use payments and purchasing to finance and support
27 Medicaid initiatives that fill gaps in the integrated system of care; and (4) recognize and assure
28 access to the non-medical services and supports, such as peer navigation and employment and
29 housing stabilization services, that are essential for optimizing a person's health, wellness and
30 safety and reduce or delay the need for long term services and supports.

31 (g) *Medicaid Requirements and Opportunities under the U.S. Patient Protection and*
32 *Affordable Care Act of 2010 (PPACA).* The Medicaid agency proposes to pursue any
33 requirements and/or opportunities established under the PPACA that may warrant a Medicaid
34 State Plan Amendment, category II or III change under the terms and conditions of Rhode

1 Island's Section 1115 Waiver, its successor, or any extension thereof. Any such actions the
2 Medicaid agency takes shall not have an adverse impact on beneficiaries or cause there to be an
3 increase in expenditures beyond the amount appropriated for state fiscal year 2015; now,
4 therefore, be it

5 RESOLVED, that the general assembly hereby approves proposals (a) through (g) listed
6 above to amend the Section 1115 demonstration waiver; and be it further

7 RESOLVED, that the secretary of the office of health and human services is authorized
8 to pursue and implement any waiver amendments, category II or category III changes, state plan
9 amendments and/or changes to the applicable department's rules, regulations and procedures
10 approved herein and as authorized by § 42-12.4-7.

11 SECTION 4. Katie Beckett State Plan Option. The Katie Beckett State Plan Option
12 allows children who need an institutional level of care to obtain Medicaid coverage for the care
13 they receive at home. Children eligible under this option typically have family income and
14 resources that exceed Medicaid eligibility limits; though the Katie Beckett option enables these
15 children to obtain Medicaid coverage by excluding their parents' family income and resources
16 when determining Medicaid eligibility. At present, the families of Katie Beckett children are not
17 required to contribute to the cost of Medicaid-funded care, irrespective of income. The office of
18 health and human services shall collect annual tax and any other financial information it deems
19 appropriate from the family of a child applying for, or currently receiving, services through the
20 Katie Beckett State Plan Option. The information shall not affect a child's eligibility for the
21 services.

22 SECTION 5. A pool is hereby established of up to \$1.5 million to support Medicaid
23 Graduate Education funding for Academic Medical Centers with level I Trauma Centers who
24 provide care to the state's critically ill and indigent populations. The office of Health and Human
25 Services shall utilize this pool to provide up to \$3 million per year in additional Medicaid
26 payments to support Graduate Medical Education programs to hospitals meeting all of the
27 following criteria:

28 (a) Hospital must have a minimum of 25,000 inpatient discharges per year for all patients
29 regardless of coverage.

30 (b) Hospital must be designated as Level I Trauma Center.

31 (c) Hospital must provide graduate medical education training for at least 250 interns and
32 residents per year.

33 The Secretary of the Executive Office of Health and Human Services shall determine the
34 appropriate Medicaid payment mechanism to implement this program and amend any state plan

1 documents required to implement the payments.

2 Payments for Graduate Medical Education programs shall be effective July 1, 2014.

3 SECTION 6. Title 40 of the General Laws entitled "HUMAN SERVICES" is hereby
4 amended by adding thereto the following chapter:

5 CHAPTER 8.13

6 LONG-TERM MANAGED CARE ARRANGEMENTS

7 **40-8.13-1. Definitions.** -- For purposes of this section the following terms shall have the
8 meanings indicated:

9 (1) "Beneficiary" means an individual who is eligible for medical assistance under the
10 Rhode Island Medicaid state plan established in accordance with 42 U.S.C. 1396, and includes
11 individuals who are additionally eligible for benefits under the Medicare program (42 U.S.C.
12 1395 et seq.) or other health plan.

13 (2) "Duals Demonstration Project" means a demonstration project established pursuant to
14 the financial alignment demonstration established under section 2602 of the Patient Protection
15 and Affordable Care Act (Pub. L. 111-148), involving a three-way contract between Rhode
16 Island, the Federal Centers for Medicare and Medicaid Services ("CMS") and qualified health
17 plans, and covering health care services provided to beneficiaries.

18 (3) "EOHHS" means the Rhode Island executive office of health and human services.

19 (4) "EOHHS level of care tool" refers to a set of criteria established by EOHHS and used
20 in January, 2014 to determine the long-term care needs of a beneficiary as well as the appropriate
21 setting for delivery of that care.

22 (5) Long-term care services and supports" means a spectrum of services covered by the
23 Rhode Island Medicaid program and/or the Medicare program, that are required by individuals
24 with functional impairments and/or chronic illness, and includes skilled or custodial nursing
25 facility care, as well as various home and community-based services.

26 (6) "Managed long-term care arrangement" means any arrangement under which a
27 managed care organization is granted some or all of the responsibility for providing and/or paying
28 for long-term care services and supports that would otherwise be provided or paid under the
29 Rhode Island Medicaid program. The term includes, but is not limited to, a duals demonstration
30 project, and/or phase I and phase II of the integrated care initiative established by the executive
31 office of health and human services.

32 (7) "Managed care organization" means any health plan, health maintenance
33 organization, managed care plan, or other person or entity that enters into a contract with the state
34 under which it is granted the authority to arrange for the provision of, and/or payment for, long-

1 term care supports and services to eligible beneficiaries under a managed long-term care
2 arrangement.

3 (8) "Plan of care" means a care plan established by a nursing facility in accordance with
4 state and federal regulations, and which identifies specific care and services provided to a
5 beneficiary.

6 **40-8.13-2. Beneficiary choice.** -- Any managed long-term care arrangement shall offer
7 beneficiaries the option to decline participation and remain in traditional Medicaid and, if a duals
8 demonstration project, traditional Medicare. Beneficiaries must be provided with sufficient
9 information to make an informed choice regarding enrollment, including:

10 (1) Any changes in the beneficiary's payment or other financial obligations with respect
11 to long-term care services and supports as a result of enrollment;

12 (2) Any changes in the nature of the long-term care services and supports available to the
13 beneficiary as a result of enrollment, including specific descriptions of new services that will be
14 available or existing services that will be curtailed or terminated;

15 (3) A contact person who can assist the beneficiary in making decisions about
16 enrollment;

17 (4) Individualized information regarding whether the managed care organization's
18 network includes the health care providers with whom beneficiaries have established provider
19 relationships. Directing beneficiaries to a website identifying the plan's provider network shall not
20 be sufficient to satisfy this requirement; and

21 (5) The deadline by which the beneficiary must make a choice regarding enrollment, and
22 the length of time a beneficiary must remain enrolled in a managed care organization before
23 being permitted to change plans or opt out of the arrangement.

24 **40-8.13-3. Ombudsman process.** -- EOHHS shall designate an ombudsperson to
25 advocate for beneficiaries enrolled in a managed long-term care arrangement. The ombudsperson
26 shall advocate for beneficiaries through complaint and appeal processes and ensure that necessary
27 health care services are provided. At the time of enrollment, a managed care organization must
28 inform enrollees of the availability of the ombudsperson, including contact information.

29 **40-8.13-4. Provider/plan liaison.** -- EOHHS shall designate an individual, not employed
30 by or otherwise under contract with a participating managed care organization, who shall act as
31 liaison between health care providers and managed care organizations, for the purpose of
32 facilitating communications and assuring that issues and concerns are promptly addressed.

33 **40-8.13-5. Financial savings under managed care.** -- To the extent that financial
34 savings are a goal under any managed long-term care arrangement, it is the intent of the

1 legislature to achieve such savings through administrative efficiencies, care coordination, and
2 improvements in care outcomes, rather than through reduced reimbursement rates to providers.
3 Therefore, any managed long-term care arrangement shall include a requirement that the
4 managed care organization reimburse providers for services in accordance with the following:

5 (1) For a duals demonstration project, the managed care organization:

6 (i) Shall not combine the rates of payment for post-acute skilled and rehabilitation care
7 provided by a nursing facility and long-term and chronic care provided by a nursing facility in
8 order to establish a single payment rate for dual eligible beneficiaries requiring skilled nursing
9 services;

10 (ii) Shall pay nursing facilities providing post-acute skilled and rehabilitation care or
11 long-term and chronic care rates that reflect the different level of services and intensity required
12 to provide these services; and

13 (2) For a managed long-term care arrangement that is not a duals demonstration project,
14 the managed care organization shall reimburse providers in an amount not less than the rate that
15 would be paid for the same care by EOHHS under the Medicaid program.

16 **40-8.13-6. Payment incentives.** -- In order to encourage quality improvement and
17 promote appropriate utilization incentives for providers in a managed long-term care
18 arrangement, a managed care organization may use incentive or bonus payment programs that are
19 in addition to the rates identified in § 40-18.13-5.

20 **40-8.13-7. Willing provider.** -- A managed care organization must contract with and
21 cover services furnished by any nursing facility licensed under chapter 17 of title 23 and certified
22 by CMS that provides Medicaid-covered nursing facility services pursuant to a provider
23 agreement with the state, provided that the nursing facility is not disqualified under the managed
24 care organization's quality standards that are applicable to all nursing facilities; and the nursing
25 facility is willing to accept the reimbursement rates described in § 40-18.13-5.

26 **40-8.13-8. Level of care tool.** -- A managed long-term care arrangement must require
27 that all participating managed care organizations use only the EOHHS level of care tool in
28 determining coverage of long-term care supports and services for beneficiaries. EOHHS may
29 amend the level of care tool provided that any changes are established in consultation with
30 beneficiaries and providers of Medicaid-covered long-term care supports and services, and are
31 based upon reasonable medical evidence or consensus, in consideration of the specific needs of
32 Rhode Island beneficiaries. Notwithstanding any other provisions herein, however, in the case of
33 a duals demonstration project, a managed care organization may use a different level of care tool
34 for determining coverage of services that would otherwise be covered by Medicare, since the

1 criteria established by EOHHS are directed towards Medicaid-covered services; provided, that
2 such level of care tool is based on reasonable medical evidence or consensus in consideration of
3 the specific needs of Rhode Island beneficiaries.

4 **40-8.13-9. Case management/plan of care. --** No managed care organization acting
5 under a managed long-term care arrangement may require a provider to change a plan of care if
6 the provider reasonably believes that such an action would conflict with the provider's
7 responsibility to develop an appropriate care plan under state and federal regulations.

8 **40-8.13-10. Care transitions. --** In the event that a beneficiary:

9 (1) Has been determined to meet level of care requirements for nursing facility coverage
10 as of the date of his or her enrollment in a managed care organization; or

11 (2) Has been determined to meet level of care requirements for nursing facility coverage
12 by a managed care organization after enrollment; and there is a change in condition whereby the
13 managed care organization determines that the beneficiary no longer meets such level of care
14 requirements, the nursing facility shall promptly arrange for an appropriate and safe discharge
15 (with the assistance of the managed care organization if the facility requests it), and the managed
16 care organization shall continue to pay for the beneficiary's nursing facility care at the same rate
17 until the beneficiary is discharged.

18 **40-8.13-11. Reporting requirements. --** EOHHS shall report to the general assembly
19 and shall make available to interested persons a separate accounting of state expenditures for
20 long-term care supports and services under any managed long-term care arrangement, specifically
21 and separately identifying expenditures for home and community-based services, assisted living
22 services, hospice services within nursing facilities, hospice services outside of nursing facilities,
23 and nursing facility services. Such reports shall be made twice annually, six (6) months apart,
24 beginning six (6) months following the implementation of any managed long-term care
25 arrangement, and shall include a detailed report of utilization of each such service. In order to
26 facilitate such reporting, any managed long-term care arrangement shall include a requirement
27 that a participating managed care organization make timely reports of the data necessary to
28 compile such reports.

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

1 office of health and human services and/or the department of human services as his or her true
2 and lawful attorney in fact to act in his or her name, place, and stead to perform the specific act of
3 instituting suit to establish paternity or secure support and medical care, collecting any and all
4 amounts due and owing for child, spousal, and medical support, endorsing any and all drafts,
5 checks, money orders, or other negotiable instruments representing support payments which are
6 received by executive office of health and human services and/or the department, and retaining
7 any portion thereof permitted under federal and state statutes as reimbursement for financial, ~~and~~
8 medical and any other assistance previously paid to or for the recipient, child, or children.

9 (b) An applicant for or a recipient of medical assistance provided by executive office of
10 health and human services and/or the department pursuant to this chapter or chapter 8 of this title
11 or title XIX of the federal Social Security Act, 42 U.S.C. § 1396 et seq., for and on behalf of
12 himself or herself, and for and on behalf of any other person for whom he or she may legally
13 assign rights to any medical support or any other medical care, shall be deemed, without the
14 necessity of signing any document for purposes of reimbursement, to have made an assignment
15 and given a right of subrogation to executive office of health and human services and/or the
16 department of human services of any and all rights and interests that he, she, or such other person
17 may have: (1) to payment for any medical support; and (2) to any payment ~~for any medical care~~
18 from any third party that has a legal liability to pay for care and services available and provided to
19 the applicant or recipient. The executive office of health and human services and/or the
20 department of human services shall, in accordance with this section and all applicable state and
21 federal laws, be entitled to any payments by a third party to recover costs from the full amount of
22 an applicant's or recipient's liability settlement(s). For this purpose, the executive office of health
23 and human services may place a lien against an applicant's or recipient's liability settlement(s).

24 (c) In addition to the assignments and subrogation rights provided in subsections (a) and
25 (b) of this section, an applicant for or a recipient of financial assistance provided by the executive
26 office of health and human services and/or department pursuant to this chapter, whenever the
27 assistance is necessary by reason of accident, injury, or illness for which a third party may be
28 liable, for and on behalf of himself or herself, and for and on behalf of any other person for whom
29 he or she may legally act, shall be deemed, without the necessity of signing any document, to
30 have assigned and subrogated to the executive office of health and human services and/or the
31 department of human services, from amounts recovered or recoverable from any third party, an
32 amount of money equal to the amount of financial assistance provided as a result of the accident,
33 illness, or injury.

34 (d) With respect to an assignment and subrogation rights established pursuant to this

1 section, an applicant or recipient shall provide to the executive office of health and human
2 services and/or the department of human services all relevant information regarding the assigned
3 and subrogated rights, and shall execute any documents relating thereto, in accordance with rules
4 and regulations to be adopted by the executive office of health and human services and/or the
5 department.

6 (e) With respect to any assignment and subrogation rights for medical or financial
7 support or other recoveries under this section, the executive office of health and human services
8 and/or the department of human services shall be considered to have acquired the rights of such
9 individual to payment by any third party for such medical care and support, ~~and~~ financial support
10 and other recoveries.

11 (f) An applicant for or a recipient of medical assistance provided by the executive office
12 of health and human services in accordance with chapter 40-8 shall also be subject to the
13 provisions of chapter 27-57.1. Funds available to be paid for the payment of child support shall
14 supersede any payment made pursuant to this chapter and chapter 27-57.1.

15 (g) The executive office of health and human services and/or the department of human
16 services shall, in accordance with this section and all applicable state and federal laws, be entitled
17 to any payments by a third party to recover costs from the full amount of an applicant's or
18 recipient's liability settlement(s). For this purpose, the executive office of health and human
19 services may place a lien against an applicant's or recipient's liability settlement(s). Nothing in
20 these sections shall limit the executive office of health and human services and/or the department
21 of human services from recovery, to the extent of the distribution, in accordance with all state and
22 federal laws.

23 SECTION 3. Chapter 40-8 of the General Laws entitled "Medical Assistance" is hereby
24 amended by adding thereto the following section:

25 **40-8-3.1. Life estate in property-retained powers.** – When an applicant or recipient of
26 Medicaid owns a life estate in property that is his or her principal place of residence with the
27 reserved power and authority, during his or her lifetime, to sell, convey, mortgage, or otherwise
28 dispose of the real property without the consent or joinder by the holder(s) of the remainder
29 interest, said principal place of residence shall not be regarded as an excluded resource for the
30 purpose of Medicaid eligibility, unless the applicant or recipient individually or through his or her
31 guardian, conservator or attorney in fact, conveys all outstanding remainder interest to him or
32 herself.

33 An applicant or recipient who, by a deed created, executed and recorded on or before
34 June 30, 2014, has reserved a life estate in property that is his or her principal place of residence

1 with the reserved power and authority, during his or her lifetime, to sell, convey, mortgage, or
2 otherwise dispose of the real property without the consent or joinder by the holder(s) of the
3 remainder interest, shall not be ineligible for Medicaid on the basis of such deed, regardless of
4 whether the transferee of such remainder interest is a person or persons, trust or entity.

5 SECTION 4. Section 2 of this article shall take effect as of October 1, 2016. The
6 remainder of this article shall take effect upon passage.

7

1 of the council on postsecondary education.

2 (b) To adopt a budget for the university and submit it to the council on postsecondary
3 education for approval.

4 (c) To be responsible for the general management of property of the university.

5 (d) To recommend to the council on postsecondary education, after consultation with the
6 commissioner of postsecondary education, tables of organization for the university.

7 (e) To submit to the office of postsecondary commissioner and to compile and analyze
8 the following information for presentation to the council on postsecondary education and the
9 board of education annually by May 1st the following:

10 (1) A detailed departmental breakdown of all faculty members employed at the university
11 by rank (including all professors, associate professors, assistant professors, lecturers, and
12 instructors) and tenure (tenured and non-tenured, and other) and by race (African American,
13 Hispanic, Native American, and Asian) and gender.

14 (2) A detailed report on current student enrollments for each class at the university by
15 race and gender, by academic department, and by outreach program (e.g. talent development),
16 guaranteed admissions program, and the current levels of funding and staff support for each of
17 these programs.

18 (3) A report on the current status of the African and Afro-American studies programs at
19 the university and a five (5) year budgetary history of the programs along with projections for
20 budgetary support for the next two (2) years.

21 (4) A plan for recruitment of African American and Hispanic faculty into tenure track
22 positions at the university with specific reference to and planned involvement with the New
23 England higher education's minority faculty recruitment and development plan.

24 (5) Copies of the report shall be furnished to the council of postsecondary education and
25 the board of education.

26 SECTION 3. Chapter 16-33 of the General Laws entitled "Rhode Island College" is
27 hereby amended by adding thereto the following section:

28 **16-33-2.1. Additional powers of the President of the College. -- In addition to any**
29 **powers granted to the president of Rhode Island College by law or regulation, and consistent with**
30 **shared governance practices, in conformity with § 16-33-6, the president shall have the following**
31 **additional powers and duties:**

32 (a) To create and consolidate departments, divisions, programs, and courses of study
33 within the college with the assistance of the commissioner of postsecondary education within the
34 approved role and scope adopted by the council on postsecondary education pursuant to § 16-59-

1 4. Any new or proposed eliminations of departments, divisions, programs or courses of study that
2 are outside the role and scope approved by the council shall require the review and approval of
3 the council on postsecondary education.

4 (b) To adopt a budget for the college and submit it to the council for postsecondary
5 education for approval.

6 (c) To be responsible for the general management of property of the college.

7 (d) To recommend to the council on postsecondary education, after consultation with the
8 commissioner of postsecondary, education tables of organization for the college.

9 (e) To submit to the office of postsecondary commissioner and to compile and analyze
10 the following information for presentation to the council for postsecondary education and the
11 board of education annually by May 1st the following:

12 (1) A detailed departmental breakdown of all faculty members employed at the college
13 by rank (including all professors, associate professors, assistant professors, lecturers, and
14 instructors) and tenure (tenured and non-tenured, and other) and by race (African American,
15 Hispanic, Native American, and Asian) and gender.

16 (2) A detailed report on current student enrollments for each class at the college by race
17 and gender, by academic department, and by outreach program (e.g. talent development),
18 guaranteed admissions program, and the current levels of funding and staff support for each of
19 these programs.

20 (3) A report on the current status of the African and Afro-American studies programs at
21 the college and a five (5) year budgetary history of the programs along with projections for
22 budgetary support for the next two (2) years.

23 (4) A plan for recruitment of African American and Hispanic faculty into tenure track
24 positions at each the college with specific reference to and planned involvement with the New
25 England higher education's minority faculty recruitment and development plan.

26 (5) Copies of the report shall be furnished to the council of postsecondary education and
27 the board of education.

28 SECTION 4. Chapter 16-33.1 of the General Laws entitled "Community College of
29 Rhode Island" is hereby amended by adding thereto the following section:

30 **16-33.1-2.1 Additional powers of the President of the College.** -- In addition to any
31 powers granted to the president of the Community College of Rhode Island by law or regulation,
32 and consistent with shared governance practices, in conformity with § 16-33.1-3, the president
33 shall have the following additional powers and duties:

34 (a) To create and consolidate departments, divisions, programs, and courses of study

1 within the college with the assistance of the commissioner of postsecondary education within the
2 approved role and scope adopted by the council on postsecondary education pursuant to § 16-59-
3 4. Any new or proposed eliminations of departments, divisions, programs or courses of study that
4 are outside the role and scope approved by the council shall require the review and approval of
5 the council on postsecondary education.

6 (b) To adopt a budget for the college and submit it to the council on postsecondary
7 education for approval.

8 (c) To be responsible for the general management of property of the college.

9 (d) To recommend to the council on postsecondary education, after consultation with the
10 commissioner of postsecondary education, tables of organization for the college.

11 (e) To submit to the office of postsecondary commissioner and to compile and analyze
12 the following information for presentation to the council on postsecondary education and the
13 board of education annually by May 1st the following:

14 (1) A detailed departmental breakdown of all faculty members employed at the college
15 by rank (including all professors, associate professors, assistant professors, lecturers, and
16 instructors) and tenure (tenured and non-tenured, and other) and by race (African American,
17 Hispanic, Native American, and Asian) and gender.

18 (2) A detailed report on current student enrollments for each class at the college by race
19 and gender, by academic department, and by outreach program (e.g. talent development),
20 guaranteed admissions program, and the current levels of funding and staff support for each of
21 these programs.

22 (3) A report on the current status of the African and Afro-American studies programs at
23 the college and a five (5) year budgetary history of the programs along with projections for
24 budgetary support for the next two (2) years.

25 (4) A plan for recruitment of African American and Hispanic faculty into tenure track
26 positions at the college with specific reference to and planned involvement with the New England
27 higher education's minority faculty recruitment and development plan.

28 (5) Copies of the report shall be furnished to the council on postsecondary education and
29 the board of education.

30 SECTION 5. Sections 16-59-1, 16-59-2, 16-59-4, 16-59-6, 16-59-7.1, 16-59-9 and 16-59-
31 22 of the General Laws in Chapter 16-59 entitled "Board of Governors for Higher Education" are
32 hereby amended to read as follows:

33 **16-59-1. Board of governors for higher education established Council on**
34 **Postsecondary Education established.** -- (a) There is created a ~~board of governors for higher~~

1 council on postsecondary education, sometimes referred to as the "~~board" or the "board of~~
2 ~~governors" "council"~~", which shall be and is constituted a public corporation, empowered to sue
3 and be sued in its own name, ~~to have a corporate seal~~, and to exercise all the powers, in addition
4 to those specifically enumerated in this chapter, usually appertaining to public corporations
5 entrusted with control of postsecondary educational institutions and functions. ~~The board shall be~~
6 ~~protected from sudden changes in membership and reversal of policy by having staggered terms~~
7 ~~for its public members.~~ Upon its organization the ~~board of governors~~ council shall be invested
8 with the legal title (in trust for the state) to all property, real and personal, now owned by and/or
9 under the control or in custody of the board of regents for education for the use of the University
10 of Rhode Island, Rhode Island College, Community College of Rhode Island and the system of
11 community colleges of Rhode Island including all departments, divisions, and branches of these.

12 (b) The ~~board of governors~~ council is empowered to hold and operate the property in trust
13 for the state; to acquire, hold, and dispose of the property and other like property as deemed
14 necessary for the execution of its corporate purposes. The ~~board of governors~~ council is made
15 successor to all powers, rights, duties, and privileges formerly belonging to the board of regents
16 for education pertaining to postsecondary education and the board of governors for higher
17 education.

18 ~~(c) The board of governors shall consist of thirteen (13) members as follows: twelve (12)~~
19 ~~public members, appointed pursuant to the terms of § 16-59-2, one of whom shall be a full-time~~
20 ~~student in good standing at the University of Rhode Island, Rhode Island College or the~~
21 ~~Community College of Rhode Island, and a member of the board of regents for elementary and~~
22 ~~secondary education designated by the governor.~~

23 ~~(d) The public members of the board of governors shall not be compensated for their~~
24 ~~service in attending meetings or duly organized subcommittee meetings of the board.~~

25 ~~(e) The governor shall designate one of the public members as chairperson of the board~~
26 ~~of governors. The board may elect from among its members such other officers as it deems~~
27 ~~necessary. Seven (7) voting members of the board shall constitute a quorum and a majority vote~~
28 ~~of those present and voting shall be required for action.~~

29 (c) The council shall be the employer of record for higher education and the office of
30 postsecondary education. It shall retain all authority formerly vested in the board of education
31 regarding the employment of faculty and staff at the public higher education institutions.

32 **16-59-2. Appointment of members of the board of governors for higher education**
33 **council on postsecondary education. -- Appointment of members of the council on**
34 **postsecondary education. --** (a) The governor shall, ~~with the advice and consent of the senate~~

1 ~~establish the board~~ establish the council for postsecondary education by appointing ~~eleven (11)~~
2 ~~seven (7)~~ eight (8) members of the board of education established pursuant to chapter 16-97 to
3 serve ~~in staggered terms.~~ as members of the council, until the expiration of their term as a
4 member of the board of education and their successor is appointed. In addition the governor shall
5 appoint one (1) student member who shall be a full time student in good standing at the
6 University of Rhode Island, Rhode Island College or the Community College of Rhode Island
7 and who shall serve in a non-voting, ex-officio capacity for a single two (2) year term and shall
8 rotate among the three (3) public institutions. The governor shall appoint the chair of the council
9 on an annual basis from among the eight (8) voting council members. The chair of the board of
10 education shall serve on the council in voting, ex-officio capacity. Five (5) voting members of the
11 council shall constitute a quorum and the vote of a majority of those present and voting shall be
12 required for action. ~~The appointments shall be made for terms of three (3) years commencing on~~
13 ~~February 1 in the year of the appointment and ending on January 31 in the third (3rd) year~~
14 ~~thereafter, except in the case of the student member whose appointment shall be for a period of~~
15 ~~two (2) years.~~

16 ~~(b) At the expiration of their terms members shall remain and continue in their official~~
17 ~~capacity until a new member is appointed and confirmed. Any vacancy among the public~~
18 ~~members of the board shall be filled by appointment of the governor for the remainder of the~~
19 ~~unexpired term. In the selection and appointment of members of the board, the governor shall~~
20 ~~seek persons who best serve the entire needs of the state. Public members shall not be appointed~~
21 ~~for more than three (3) successive three (3) year terms each; provided, however, that this~~
22 ~~limitation shall not apply to that person designated as chairperson by the governor who may be a~~
23 ~~member so long as he or she shall serve as chairperson. Student members shall be appointed by~~
24 ~~the governor for a single two (2) year term and shall rotate among the three (3) public institutions.~~

25 ~~(c) No person shall be eligible for appointment to the board after the effective date of this~~
26 ~~act [March 24, 2006] unless he or she is a resident of this state.~~

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

30 **16-59-4. Powers and duties of board the council on postsecondary education Powers**
31 **and duties of the council on postsecondary education. -- (a)** ~~The board of governors for higher~~
32 council on postsecondary education shall have, in addition to those enumerated in § 16-59-1, the
33 following powers and duties:

34 (1) To approve a systematic program of information gathering, processing, and analysis

1 addressed to every level, aspect, and form of higher education in this state especially as that
2 information relates to current and future educational needs so that current needs may be met with
3 reasonable promptness and plans formulated to meet future needs as they arise in the most
4 efficient and economical manner possible.

5 (2) To develop and approve a ~~master~~ strategic plan ~~defining~~ implementing broad goals
6 and objectives for higher education in the state as established by the board of education, including
7 a comprehensive capital development program. ~~These goals and objectives shall be expressed in~~
8 ~~terms of what men and women should know and be able to do as a result of their educational~~
9 ~~experience. The board of governors shall continuously evaluate the efforts and results of~~
10 ~~education in the light of these objectives.~~

11 (3) To formulate broad policy to implement the goals and objectives established and
12 adopted by the board of ~~governors~~ education, to adopt standards and require enforcement and to
13 exercise general supervision over all higher public education in the state and over independent
14 higher education in the state as provided in subdivision (8) and (9) of this section. The board of
15 ~~governors~~ education and the council shall not engage in the operation or administration of any
16 subordinate committee, university, junior college, or community college, except its own office of
17 higher postsecondary education and except as specifically authorized by an act of the general
18 assembly; provided, the presidents of each institution of higher learning shall be the chief
19 administrative and executive officers of that institution; and provided that nothing contained in
20 this section shall prohibit their direct access to or interfere with the relationship between the
21 presidents and the board of ~~governors~~ education and the council. ~~The adoption and submittal of~~
22 ~~the budget, the approval of tables of organization, the creation, abolishment, and consolidation of~~
23 ~~departments, divisions, programs, and courses of study, and the acquisition, holding, disposition,~~
24 ~~and general management of property shall not be construed to come within the purview of the~~
25 ~~preceding prohibition. The board shall communicate with and seek the advice of the~~
26 ~~commissioner of higher education and all those concerned with and affected by its determinations~~
27 ~~as a regular procedure in arriving at its conclusions and in setting its policy.~~

28 (4) To communicate with and seek the advice of the commissioner of postsecondary
29 education, the presidents of the public higher education institutions and all those concerned with
30 and affected by its determinations as a regular procedure in arriving at its conclusions and in
31 setting its policy.

32 ~~(4)~~(5) To prepare and maintain a five (5) year funding plan for higher education that
33 implements the strategic financing recommendations of the board of education; to prepare with
34 the assistance of the commissioner of higher postsecondary education and to present annually to

1 the state budget officer in accordance with § 35-3-4 a state higher ~~educational~~ education budget,
2 which shall include, but not be limited to, the budget of the office of ~~higher~~ postsecondary
3 education and the budget of the state colleges. In the preparation of the budget, the ~~board~~ council
4 shall ~~determine~~ implement the priorities established by the board of education of expenditures for
5 public higher education purposes of state revenues and other public resources made available for
6 the support of higher public education. Prior to submitting the budget to the state budget officer
7 as required by the budget office instructions and this subsection, the council shall present the
8 budget to the board of education for its review and approval. Nothing contained in this
9 subdivision shall authorize the ~~board~~ council to alter the allocation of grants or aid otherwise
10 provided by law.

11 ~~(5)(6)~~ (6) To maintain an office of ~~higher-education~~ postsecondary commissioner; to provide
12 for its staffing and organization; and to ~~appoint~~ manage and oversee a commissioner of ~~higher~~
13 postsecondary education pursuant to duties and responsibilities defined in § 16-59-6 and § 16-59-
14 7, who shall serve at its pleasure. The commissioner of ~~higher~~ postsecondary education and the
15 office of ~~higher-education~~ postsecondary commissioner shall have the duties and responsibilities
16 as defined in §§ 16-59-6 and 16-59-7.

17 ~~(6)(7)~~ (7) To appoint and dismiss presidents of the public institutions of higher learning with
18 the assistance of the commissioner of ~~higher~~ postsecondary education, and to establish procedures
19 for this, and with the assistance of the commissioner to approve or disapprove vice presidents of
20 the public institutions of higher learning appointed by the respective presidents of the public
21 institutions of higher learning.

22 ~~(7)(8)~~ (8) To establish other educational agencies or subcommittees necessary or desirable
23 for the conduct of any or all aspects of higher education and to determine all powers, functions,
24 and composition of any agencies or subcommittees and to dissolve them when their purpose shall
25 have been fulfilled.

26 ~~(8)(9)~~ (9) To exercise the authority vested in the board of regents for education with relation
27 to independent higher educational institutions within the state under the terms of chapter 40 of
28 this title, and other laws affecting independent higher education in the state.

29 ~~(9)(10)~~ (10) To enforce the provisions of all laws relating to higher education, public and
30 independent.

31 ~~(10)(11)~~ (11) To be responsible for all the functions, powers, and duties which were vested in
32 the board of regents for education relating to higher education, including but not limited to the
33 following specific functions:

34 (i) To approve the ~~tables of organization~~ role and scope of programs at public institutions

1 of higher learning with the assistance of the commissioner of ~~higher education~~ postsecondary
2 education which shall include but not be limited to populations to be served, the type and level of
3 programs and academic fields offered.

4 (ii) To adopt and require standard accounting procedures for the office of ~~higher~~
5 ~~education~~ postsecondary commissioner and all public colleges and universities.

6 ~~(iii) To create, abolish, and consolidate departments, divisions, programs, and courses of~~
7 ~~study within the public colleges and universities with the assistance of the commissioner of~~
8 ~~higher education after consultation with the presidents.~~

9 ~~(iv)~~(iii) To ~~establish~~ approve a clear and definitive mission for each public institution of
10 higher learning with the assistance of the commissioner of ~~higher education.~~ postsecondary
11 education that is consistent with the role and scope of programs at the public institutions.

12 ~~(v)~~(iv) To promote maximum efficiency, economy, and cooperation in the delivery of
13 public higher educational services in the state and cooperation with independent institutions of
14 higher education.

15 ~~(11)~~(12) To incorporate into its own affirmative action reporting process periodic reports
16 monitoring specific faculty and staff searches by the chairperson of the search committee to
17 include the rationale for granting those interviews and the final hiring results. The institutions
18 must empower ~~its~~ their affirmative action officer to monitor searches in this manner, to intervene
19 during the search, and, when necessary, to cause a search to cease if affirmative action goals are
20 not being adequately served.

21 ~~(12)~~(13) To incorporate a specific category for accountability on affirmative action goals
22 and implementation as part of the board's annual evaluations and three (3) year reviews for the
23 presidents of each of the public institutions of higher education.

24 ~~(13)~~(14) To make a formal request of the governor that whenever an opportunity arises to
25 make new appointments to the board, that the governor make every effort to increase the number
26 of African Americans, Native Americans, Asians, and Hispanics on the board.

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

1 ~~performance during the previous fiscal year including accomplishments, shortcomings and~~
2 ~~remedies; a synopsis of hearings, complaints, suspensions, or other legal matters related to the~~
3 ~~authority of the board; a briefing on anticipated activities in the upcoming fiscal year; and~~
4 ~~findings and recommendations for improvements. The director of the department of~~
5 ~~administration shall be responsible for the enforcement of the provisions of this subsection.~~

6 ~~(15) The board shall conduct a training course for newly appointed and qualified~~
7 ~~members within six (6) months of their qualification. The course shall be developed by the~~
8 ~~chairperson of the board, approved by the board, and conducted by the chairperson of the board.~~
9 ~~The board may approve the use of any board or staff members or other individuals to assist with~~
10 ~~training. The training course shall include instruction in the following areas: the provisions of~~
11 ~~chapters 42-46, 36-14, and 38-2; and the board's own rules. The director of the department of~~
12 ~~administration shall, within ninety (90) days of the effective date of this act [March 24, 2006],~~
13 ~~prepare and disseminate training materials relating to the provisions of chapters 42-46, 36-14, and~~
14 ~~38-2.~~

15 (15) To develop coherent plans for the elimination of unnecessary duplication in public
16 higher education and addressing the future needs of public education within the state in the most
17 efficient and economical manner possible.

18 (16) To delegate to the presidents of each public higher education institution the authority
19 and responsibility for operational and management decisions related to their institutions,
20 consistent with the goals of the statewide strategic plan for postsecondary education provided
21 however that the presidents may be required to provide information or updates to the council
22 regarding any delegated operational or management decisions.

23 ~~**16-59-6. Commissioner of higher postsecondary education**~~ **Commissioner of**
24 **postsecondary education.** -- The ~~board~~ council on postsecondary education, with approval of the
25 board, shall appoint a commissioner of ~~higher~~ higher postsecondary education, who shall serve at the
26 pleasure of the ~~board~~ council, provided that his or her initial engagement by the ~~board~~ council
27 shall be for a period of not more than three (3) years. For the purpose of appointing, retaining, or
28 dismissing a commissioner of ~~higher~~ higher postsecondary education, the governor shall serve as an
29 additional voting member of the ~~board~~ council, ~~and provided that in the case of a tie, the president~~
30 ~~of the senate shall cast the deciding vote.~~ The position of commissioner shall be in the
31 unclassified service of the state and he or she shall serve as the chief executive officer of the
32 ~~board of governors~~ council on postsecondary education and as the chief administrative officer of
33 the office of ~~higher education~~ postsecondary commissioner. The commissioner of ~~higher~~
34 postsecondary education shall have any duties that are defined in this section and in this title and

1 other additional duties as may be determined by the ~~board~~ council, and shall perform any other
2 duties as may be vested in him or her by law. In addition to these duties and general supervision
3 of the office of ~~higher education~~ postsecondary commissioner and the appointment of the several
4 officers and employees of the office, it shall be the duty of the commissioner of ~~higher~~
5 postsecondary education:

6 (1) To develop and implement a systematic program of information gathering,
7 processing, and analysis addressed to every aspect of higher education in the state, especially as
8 that information relates to current and future educational needs.

9 (2) To prepare a ~~master~~ strategic plan for higher education in the state aligned with the
10 goals of the board of education's strategic plan; to coordinate the goals and objectives of the
11 higher public education sector with the goals of the council on elementary and secondary
12 education, and activities of the independent higher education sector where feasible.

13 (3) To communicate with and seek the advice of those concerned with and affected by the
14 board of ~~governors'~~ education's and council's determinations.

15 (4) To implement broad policy as it pertains to the goals and objectives established by the
16 board of education and council on postsecondary education; to ~~enforce standards and to exercise~~
17 ~~general supervision~~ promote better coordination between ~~over~~ higher public education in the
18 state, ~~and over~~ independent higher education in the state as provided in subdivision ~~(11)~~ (10) of
19 this section and pre k -12 education; to assist in the preparation of the budget for public higher
20 education and to be responsible upon direction of the ~~board~~ council for the allocation of
21 appropriations, the acquisition, holding, and disposition, ~~and general management~~ of property.

22 (5) To be responsible for the coordination of the various higher educational functions of
23 the state so that maximum efficiency and economy can be achieved.

24 (6) To assist the board of education in preparation and maintenance of a five (5) year
25 strategic funding plan for higher education; to assist the ~~board~~ council in the preparation and
26 presentation annually to the state budget officer in accordance with § 35-3-4 of a total public
27 higher educational budget.

28 (7) To recommend to the ~~board of governors,~~ council on postsecondary education after
29 consultation with the presidents, a clear and definitive mission for each public institution of
30 higher learning.

31 ~~(8) To recommend to the board of governors, after consultation with the presidents, tables~~
32 ~~of organization for the public institutions of higher learning.~~

33 ~~(9)~~ (8) To annually recommend to the ~~board of governors,~~ council on postsecondary
34 education after consultation with the presidents, the creation, abolition, retention, or consolidation

1 of departments, divisions, programs, and courses of study within the public colleges and
2 universities to eliminate unnecessary duplication in public higher education ~~and~~, to address the
3 future needs of public higher education in the state, and to advance proposals recommended by
4 the presidents of the public colleges and universities pursuant to sections 16-32-2.1, 16-33-2.1
5 and 16-33.1-2.1 of the general laws.

6 ~~(10)~~ (9) To supervise the operations of the office of ~~higher education~~ postsecondary
7 commissioner and any other additional duties and responsibilities that may be assigned by the
8 ~~board~~ council.

9 ~~(11)~~ (10) To perform the duties vested in the ~~board of governors~~ council with relation to
10 independent higher educational institutions within the state under the terms of chapter 40 of this
11 title and any other laws that affect independent higher education in the state.

12 ~~(12)~~ (11) To be responsible for the administration of policies, rules, and regulations of the
13 ~~board of governors~~ the council on postsecondary education with relation to the entire field of
14 higher education within the state, not specifically granted to any other department, board, or
15 agency and not incompatible with law.

16 ~~(13)~~ (12) To prepare standard accounting procedures for public higher education and all
17 public colleges and universities.

18 ~~(14)~~ (13) To carry out the policies and directives of the board of ~~governors~~ education and
19 the council on postsecondary education through the office of ~~higher education~~ postsecondary
20 commissioner and through utilization of the resources of the public institutions of higher learning.

21 ~~(15) To direct the office of higher education to compile and analyze the following~~
22 ~~information for presentation to the speaker of the house and the governor by May 1st annually:~~

23 ~~(A) A detailed departmental breakdown of all faculty members employed at each state~~
24 ~~run college and university by rank (including all professors, associate professors, assistant~~
25 ~~professors, lecturers, instructors) and tenure (tenured and non-tenured, other) and by race~~
26 ~~(African American, Hispanic, Native American, and Asian) and gender.~~

27 ~~(B) A detailed report on current student enrollments for each class at each state run~~
28 ~~college and university by race and gender, by academic department, and by outreach program~~
29 ~~(e.g. talent development), guaranteed admissions program, and the current levels of funding and~~
30 ~~staff support for each of these programs.~~

31 ~~(C) A report on the current status of the African and Afro-American studies programs at~~
32 ~~each institution and a five (5) year budgetary history of the programs along with projections for~~
33 ~~budgetary support for the next two (2) years.~~

34 ~~(D) A plan for recruitment of African American and Hispanic faculty into tenure track~~

1 ~~positions at each institution with specific reference to and planned involvement with the New~~
2 ~~England higher education's minority faculty recruitment and development plan.~~

3 ~~(ii) Certified copies of the report shall be furnished to the board of governors and the~~
4 ~~presidents of the state colleges and universities.~~

5 **16-59-7.1. Permanent status for non-classified employees.** -- All non-classified
6 employees of the ~~board of governors~~ council on postsecondary education who shall have twenty
7 (20) years, not necessarily consecutive, of service credit, these credits having been earned in
8 either the classified, non-classified, or unclassified service or any combination of these, shall be
9 deemed to have acquired full status in their positions as the status is defined by § 36-4-59;
10 provided that this provision shall not apply to those employees whose base entry date is after
11 August 7, 1996; and provided that this provision shall not apply to faculty employed by the ~~board~~
12 ~~of governors~~ council on postsecondary education nor shall it apply to non-classified employees
13 who have acquired tenure as faculty.

14 **16-59-9. Educational budget and appropriations.** -- (a) The general assembly shall
15 annually appropriate any sums it deems necessary for support and maintenance of higher
16 education in the state and the state controller is authorized and directed to draw his or her orders
17 upon the general treasurer for the payment of the appropriations or so much of the sums that are
18 necessary for the purposes appropriated, upon the receipt by him or her of proper vouchers as the
19 ~~board of governors for higher education~~ council on postsecondary education may by rule provide.
20 The ~~board~~ council shall receive, review, and adjust the ~~budgets~~ budget ~~of its several subordinate~~
21 ~~committees and agencies and~~ for the office of ~~higher education~~ postsecondary commissioner and
22 present the budget as part of the budget for higher education under the requirements of § 35-3-4.

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

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

34 (d) All housing, dining, and other auxiliary facilities at all public institutions of higher

1 learning shall be self-supporting and no funds shall be appropriated by the general assembly to
2 pay operating expenses, including principal and interest on debt services, and overhead expenses
3 for the facilities. Any debt service costs on general obligation bonds presented to the voters in
4 November 2000 and November 2004 or appropriated funds from the Rhode Island capital plan for
5 the housing auxiliaries at the University of Rhode Island and Rhode Island College shall not be
6 subject to this self-supporting requirement in order to provide funds for the building construction
7 and rehabilitation program. The institutions of public higher education will establish policies and
8 procedures which enhance the opportunity for auxiliary facilities to be self-supporting, including
9 that all faculty provide timely and accurate copies of booklist for required textbooks to the public
10 higher educational institution's bookstore.

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

14 **16-59-22. Applicability of merit system – Teacher certification – List of positions**
15 **transferable to classified service.** -- (a) The appointment, promotion, salaries, tenure, and
16 dismissal of administrative, instructional, and research employees, and secretarial employees not
17 exceeding ten (10) in number, of the state colleges shall not be subject in any manner or degree to
18 control by the personnel administrator or by any officer or board other than the ~~board of~~
19 ~~governors for higher education~~ [council on postsecondary education](#). The certification of teachers
20 at the University of Rhode Island is abolished, except for teachers that elect to come or remain
21 under it.

22 (b) All positions that are exempt from the Merit System Law, chapter 4 of title 36, which
23 become vacant or that are to be established, must be forwarded to the personnel administrator,
24 who in consultation with the deputy assistant commissioner of education in charge of personnel
25 and labor relations shall determine whether the position(s) in question shall remain in the ~~board of~~
26 ~~governors for higher education~~ [council on postsecondary education](#) non-classified service or be
27 established in the classified service of the state.

28 (c) No position presently in the classified service of the state subject to the Merit System
29 Law, chapter 4 of title 36, shall be changed or modified so as to establish the position in the ~~board~~
30 ~~of governors for higher education~~ [council on postsecondary education](#) non-classified service.

31 (d) Faculty positions, presidents, vice presidents, deans, assistant deans, and student
32 employees of the higher education institutions shall not be covered by the preceding provisions
33 and shall remain in the ~~board of governors for higher education~~ [council on postsecondary](#)
34 [education](#) non-classified service.

1 SECTION 6. Sections 16-59-4.1 and 16-59-8 of the General Laws in Chapter 16-59
2 entitled "Board of Governors for Higher Education" are hereby repealed.

3 ~~**16-59-4.1. Administration of higher education.** --- The director of the department of
4 administration is hereby directed to conduct research and analysis to recommend a revised plan
5 for the organizational structure for higher education governance, staff support and resource
6 allocation in Rhode Island. This plan shall address the goal of improving affordability and
7 accessibility to public higher education; and maximizing efficiencies while providing sufficient
8 support to the governance structure of public higher education. The director of the department of
9 administration is directed to report findings, recommendations and alternative designs to the
10 general assembly no later than November 1, 2011 with copies to the speaker of the house, senate
11 president, chairs of the house and senate finance committees and their respective fiscal advisors.~~

12 ~~The report shall include a strategic plan that outlines the mission, goals, and the estimated
13 cost and timelines to implement said recommendations. The report shall provide a clear definition
14 of roles and responsibilities, including those responsible for implementing the proposed
15 recommendations. The analysis shall develop measures of success, and an appropriate timeline to
16 measure implementation progress. It shall also include:~~

17 ~~(1) An examination of the various organizational structures in other states, evaluating
18 their strengths and weaknesses, and how they may or may not be applicable in Rhode Island. This
19 should include an evaluation of the best practices regarding organizational structures for higher
20 education.~~

21 ~~(2) An analysis of what functions could be allocated to other institutions, and which
22 might be centralized to translate into efficiencies and more effective higher education policy. This
23 should include, but not be limited to, strategies to reorganize and or centralize finance,
24 purchasing, human resources, information technology, and facilities management within an office
25 of higher education, with specific direction on the allocation of resources, staff and
26 responsibilities.~~

27 ~~The report should explore the feasibility of permanently allocating all operational
28 activities and other responsibilities currently held within the office of higher education to the
29 three (3) higher education institutions or other viable alternatives while maintaining the board of
30 governors.~~

31 ~~All departments and agencies of the state shall furnish such advice and information,
32 documentary or otherwise to the director of the department of administration and its agents as is
33 deemed necessary or desirable to facilitate the purposes of the study.~~

34 ~~**16-59-8. Operating executive committee.** --- (a) There is established an operating~~

1 ~~executive committee which shall be composed of the president of the University of Rhode Island,~~
2 ~~the president of Rhode Island College, the president of Community College of Rhode Island and~~
3 ~~the commissioner of higher education. The commissioner of higher education shall serve as the~~
4 ~~chairperson of the committee.~~

5 ~~(b) The committee shall meet on a regular basis, provided, that they shall meet not less~~
6 ~~than twelve (12) times per year, and the purpose of the committee shall include but not be limited~~
7 ~~to developing coherent plans for the elimination of unnecessary duplication in public higher~~
8 ~~education and addressing the future needs of public higher education within the state in the most~~
9 ~~efficient and economical manner possible. All recommendations and information gathered at the~~
10 ~~meetings of the committee shall be forwarded to the board of governors by the commissioner of~~
11 ~~higher education in conjunction with the presidents for approval and disapproval.~~

12 ~~(c) Prior to the presentation of any proposal to the board of governors, the committee~~
13 ~~shall fully examine its impact on higher education, including but not limited to its impact on~~
14 ~~educational budgetary requirements, quality of higher education and elimination of unnecessary~~
15 ~~duplication. The chairperson of the committee may invite additional participation by faculty and~~
16 ~~other employees when he or she deems it necessary.~~

17 SECTION 7. Sections 16-60-1, 16-60-2, 16-60-4 and 16-60-6 of the General Laws in
18 Chapter 16-60 entitled "Board of Regents for Elementary and Secondary Education" are hereby
19 amended to read as follows:

20 **16-60-1. Board council on elementary and secondary education established.** -- (a)

21 There is created a ~~board of regents for elementary and secondary education sometimes referred to~~
22 ~~as the "regents" or the "board of regents,"~~ board council on elementary and secondary education which
23 shall be and is constituted a public corporation, empowered to sue and be sued in its own name, to
24 have a corporate seal, and to exercise all the powers, in addition to those specifically enumerated
25 in this chapter, usually appertaining to public corporations entrusted with control of elementary
26 and secondary education institutions and functions. The ~~regents~~ board council on elementary and
27 secondary education shall be protected from sudden changes in membership and reversal of
28 policy by having staggered terms for its public members.

29 (b) Upon its organization the ~~board of regents~~ board council on elementary and secondary
30 education shall be invested with the legal title (in trust for the state) to all property, real and
31 personal, now owned by and/or under the control or in the custody of the board of regents for
32 education for the use of the department of elementary and secondary education. The ~~board of~~
33 ~~regents~~ board council on elementary and secondary education is made successor to all powers, rights,
34 duties, and privileges pertaining to elementary and secondary education.

1 (c) ~~The board of regents for elementary and secondary education shall consist of ten (10)~~
2 ~~members as follows: Eight (8) public members appointed pursuant to the terms of subsection 16-~~
3 ~~60-2(a), one student member who shall be ex officio and nonvoting elected pursuant to the~~
4 ~~provisions of subsection 16-60-2(d), and a member of the board of governors for higher education~~
5 ~~designated by the governor. Five (5) voting members of the board shall constitute a quorum and~~
6 ~~the vote of a majority vote of those present and voting shall be required for action.~~

7 ~~The public members of the board of regents shall not be compensated for service in~~
8 ~~attending meetings or duly organized subcommittee meetings of the board at which business is~~
9 ~~transacted.~~

10 ~~(d) The governor shall designate one of the public members as chairperson of the board~~
11 ~~of regents. The board may elect from among its members such other officers as it deems~~
12 ~~necessary.~~

13 (c) The council on elementary and secondary education is made successor to all powers,
14 rights, duties, and privileges formerly belonging to the board of regents for elementary and
15 secondary education, unless otherwise specified in law.

16 **16-60-2. Appointment of board members.** -- (a) The governor shall ~~with the advice and~~
17 ~~consent of the senate establish the board by appointing eight (8) members to serve staggered~~
18 ~~terms. The appointments shall be made for terms of three (3) years commencing on February 1 in~~
19 ~~the year of appointment and ending on January 31 in the third (3rd) year after this, except, at the~~
20 ~~expiration of their terms members shall remain and continue in their official capacity until a new~~
21 ~~member is appointed and confirmed. Any vacancy among the public members of the board shall~~
22 ~~be filled by appointment of the governor for the remainder of the unexpired term. In the selection~~
23 ~~and appointment of members of the board the governor shall seek persons who best serve the~~
24 ~~entire needs of the state. Public members shall not be appointed for more than three (3)~~
25 ~~successive three (3) year terms each; provided, that this limitation shall not apply to that person~~
26 ~~designated as chairperson by the governor who may be a member so long as he or she shall serve~~
27 ~~as chairperson.~~ establish the council on elementary and secondary education by appointing eight
28 (8) members of the board of education established pursuant to chapter 16-97 to serve as members
29 of the council until the expiration of their term and appointment of their successor as a member of
30 the board of education. The chair of the board of education shall serve on the council in a voting,
31 ex-officio capacity. Five (5) voting members of the council shall constitute a quorum and the vote
32 of the majority of those present and voting shall be required for action. The governor shall
33 appoint the chair of the council on an annual basis from among the eight (8) council members.

34 (b) No person shall be eligible for appointment to the board after the effective date of this

1 act [March 24, 2006] unless he or she is a resident of this state.

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

5 ~~(d)~~ (c) There is hereby established a student advisory council to the ~~board of regents~~
6 council on elementary and secondary education, consisting of one elected high school student
7 representative from each public secondary school in the state of Rhode Island.

8 (1) Each public secondary school shall hold elections for its representative to the student
9 advisory council no earlier than the first (1st) day of March and no later than the end of the
10 second (2nd) full week of April. Each school shall elect only one representative. Elected members
11 shall be notified of their election on or before the Friday of the third (3rd) week of April of the
12 year of their election. No person shall be eligible to be elected to the student advisory council
13 unless at the time of his or her election he or she is enrolled as a student in a secondary school
14 between the grades of nine (9) and eleven (11) within the state of Rhode Island. No person shall
15 be allowed to vote if they are not currently enrolled in a Rhode Island public secondary school
16 between the grades of nine (9) and eleven (11). If at any time during his or her term of office a
17 member of the student advisory council ceases to be so enrolled, his or her membership shall be
18 terminated and his or her position shall be deemed vacant. This vacancy shall be filled by the
19 public secondary school within thirty (30) school days of the opening of the vacancy.

20 (2) The student advisory council will serve from the first (1st) day of May of the year it is
21 elected until the last day of April of the following year. A student may serve no more than three
22 (3) terms.

23 (3) Said student advisory council shall meet from time to time and shall consider such
24 matters as it deems appropriate.

25 (4) Prior to the first (1st) day of June of each annual session the student advisory council
26 shall adopt a set of bylaws.

27 (5) Members of the council shall not be compensated for service in attending meetings
28 except that they shall be reimbursed for necessary expenses incurred in travelling to and from
29 meetings.

30 (6) The members of said student advisory council shall, by majority vote prior to the first
31 (1st) day of June in each year, elect from their members a chairperson who shall serve for a term
32 of one year beginning on the first (1st) day of June. Said chairperson shall serve as an ex officio
33 and nonvoting member of the ~~board of regents~~ council for a term of one year, unless the student
34 advisory council removes said chairperson from his or her position in a manner described within

1 the bylaws of that council ~~and/or if he or she is otherwise removed by the governor.~~

2 ~~**16-60-4. Board of regents for elementary and secondary education**~~ **Council on**
3 **elementary and secondary education– Powers and duties.** -- The ~~board of regents for~~
4 ~~elementary and secondary education~~ Council on Elementary and Secondary Education shall have
5 in addition to those enumerated in § 16-60-1, the following powers and duties:

6 (1) To approve a systematic program of information gathering, processing, and analysis
7 addressed to every aspect of elementary and secondary education in this state especially as that
8 information relates to current and future educational needs so that current needs may be met with
9 reasonable promptness and plans formulated to meet future needs as they arise in the most
10 efficient and economical manner possible.

11 (2) To approve a master plan ~~defining~~ implementing the broad goals and objectives for
12 elementary and secondary education in the state that have been established by the board of
13 education. These goals and objectives shall be expressed in terms of what men and women should
14 know and be able to do as a result of their educational experience. The ~~regents~~ council on
15 elementary and secondary education shall continually evaluate the efforts and results of education
16 in the light of these objectives.

17 (3) To ~~formulate broad policy to implement the goals and objectives established and~~
18 ~~adopted by the board of regents; to~~ adopt standards and require enforcement and to exercise
19 general supervision over all elementary and secondary public and nonpublic education in the state
20 as provided in subdivision (8) of this section. The ~~board of regents~~ council on elementary and
21 secondary education shall not engage in the operation or administration of any subordinate
22 committee, local school district, school, school service, or school program, except its own
23 department of elementary and secondary education, and except as specifically authorized by an
24 act of the general assembly. The adoption and submittal of the budget and the allocation of
25 appropriations, the acquisition, holding, disposition, and general management of property shall
26 not be construed to come within the purview of the preceding prohibition. The ~~regents~~ council on
27 elementary and secondary education shall communicate with and seek the advice of the
28 commissioner of elementary and secondary education and all those concerned with and affected
29 by its determinations as a regular procedure in arriving at its conclusions and in setting its policy.

30 (4) To allocate and coordinate the various educational functions among the educational
31 agencies of the state and local school districts and to promote cooperation among them so that
32 maximum efficiency and economy shall be achieved.

33 (5) To prepare with the assistance of the commissioner of elementary and secondary
34 education and to present annually to the state budget officer, in accordance with § 35-3-4, a total

1 educational budget for the elementary and secondary sector which shall include, but not be
2 limited to, the budgets of the department of elementary and secondary education, subordinate
3 boards and agencies, and state aid to local school districts. Prior to submitting the budget as
4 required by the budget office instructions and this subsection the council shall present the budget
5 to the board of education for review and approval.

6 (ii) In the preparation of the budget, the ~~regents~~ council on elementary and secondary
7 education shall ~~determine~~ implement the priorities established by the board of education of
8 expenditures for elementary and secondary education purposes of state revenues and other public
9 resources made available for the support of public elementary and secondary education among
10 the various education agencies of the state. Nothing contained in this section shall authorize any
11 individual or group of individuals to reallocate resources in a manner other than that prescribed in
12 the budget as appropriations by the general assembly.

13 (6) To maintain a department of elementary and secondary education, to provide for its
14 staffing and organization and to appoint a commissioner of elementary and secondary education
15 pursuant to § 16-60-6 who shall serve at its pleasure. The commissioner of elementary and
16 secondary education and the department of elementary and secondary education shall have any
17 duties and responsibilities as defined in §§ 16-60-6 and 16-60-7.

18 (7) To establish other educational agencies or subcommittees necessary or desirable for
19 the conduct of any or all aspects of elementary and secondary education and to determine all
20 powers, functions, and composition of any agencies or subcommittees and to dissolve them when
21 their purpose shall have been fulfilled; provided that nothing contained in this subdivision shall
22 be construed to grant the ~~regents~~ council the power to establish subcommittees or agencies
23 performing the duties and functions of local school committees except as provided in § 16-1-10.

24 (8) To exercise the authority previously vested in the board of regents for education with
25 relation to secondary nonpublic educational institutions within the state under the terms of
26 chapter 40 of this title and other laws affecting nonpublic education in the state, and to cause the
27 department of elementary and secondary education to administer the provisions of that section.

28 (9) To exercise all the functions, powers and duties which previously were vested in the
29 board of regents for education, under the provisions of former § 16-49-4(9), including but not
30 limited to the following specific functions:

31 (i) To approve the basic subjects and courses of study to be taught and instructional
32 standards required to be maintained in the public elementary and secondary schools of the state.

33 (ii) To adopt standards and qualifications for the certification of teachers and to provide
34 for the issuance of certificates, and to establish fees for the certification of teachers. The fees

1 collected for the certification of teachers along with various education licensing and testing fees
2 shall be deposited by the ~~board of regents~~ [council on elementary and secondary education](#) as
3 general revenues. The funds appropriated by the general assembly shall be utilized by the
4 department of elementary and secondary education to establish and support programs which
5 enhance the quality and diversity of the teaching profession. The commissioner of elementary and
6 secondary education shall regularly make recommendations to the board about specific programs
7 and projects to be supported by those funds. The commissioner shall oversee the funds, assess the
8 effectiveness of its programs and projects, and make recommendations about the general use and
9 operation of the funds to the board.

10 (iii) To be responsible for the distribution of state school funds.

11 (iv) To determine the necessity of school construction and to approve standards for
12 design and construction of school buildings throughout the state.

13 (v) To set standards for school libraries and school library services.

14 (vi) To make recommendations relative to transportation of pupils to school, school bus
15 routes, time schedules, and other matters relating to pupil transportation.

16 (vii) To enforce the provisions of all laws relating to elementary and secondary
17 education.

18 (viii) To decide and determine appeals from decisions of the commissioner.

19 (ix) To prescribe forms for the use of local school committees and local officers when
20 reporting to the department of elementary and secondary education.

21 (x) To adopt and require standard accounting procedures for local school districts, except
22 as provided for in subdivision (3) of § 16-24-2.

23 (xi) To adopt and require standard uniform operating and capital budgeting procedures
24 for local school districts.

25 (10) To establish rules for the approval and accrediting of elementary and secondary
26 schools.

27 (11) To recommend to the general assembly changes in the size and number of the school
28 districts within the state; and to make any further and other recommendations to the general
29 assembly as the ~~board of regents~~ [council on elementary and secondary education](#) may determine
30 to be necessary or desirable, including, but not limited to, proposals for incentives for the
31 coordination of services and facilities of certain school districts and the feasibility of granting
32 taxing authority to local school committees upon their request, and the impact upon the quality of
33 education within that particular community by granting the request. In carrying out this duty, the
34 ~~board of regents~~ [council on elementary and secondary education](#) shall periodically issue reports in

1 school district organizations for selected regions and school districts.

2 (12) To exercise all other powers with relation to the field of elementary and secondary
3 education within this state not specifically granted to any other department, board, or agency, and
4 not incompatible with law, which the ~~board of regents for elementary and secondary education~~
5 [council on elementary and secondary education](#) may deem advisable.

6 (13) To exercise the authority previously vested in the board of regents for education with
7 relation to adult education as defined in § 16-58-2 and to establish definitive goals for and operate
8 a comprehensive delivery system for adult education programs and services, including the
9 counseling and testing of persons interested in obtaining high school equivalency diplomas, the
10 issuance of diplomas, and the maintenance of a permanent record of applications, tests, and
11 equivalency diplomas.

12 (14) To promote maximum efficiency and economy in the delivery of elementary and
13 secondary educational services in the state.

14 (15) To approve a training program for school committee members to enhance their
15 individual skills and their effectiveness as a corporate body. The training program should include,
16 but not be limited to, the following roles and responsibilities of school committees: strategic
17 planning, human and community relations, and school finance and budgeting.

18 (16) Within ninety (90) days after the end of each fiscal year, the board shall submit an
19 annual report to the governor, the speaker of the house of representatives, and the president of the
20 senate of its activities during that fiscal year. The report shall provide: an operating statement
21 summarizing meetings or hearings held, subjects addressed, decisions rendered, rules or
22 regulations promulgated, studies conducted, policies and plans developed, approved, or modified,
23 and programs administered or initiated; a consolidated financial statement of all funds received
24 and expended including the source of the funds, a listing of any staff supported by these funds,
25 and a summary of any clerical, administrative or technical support received; a summary of
26 performance during the previous fiscal year including accomplishments, shortcomings and
27 remedies; a synopsis of hearings, complaints, suspensions, or other legal matters related to the
28 authority of the ~~board~~ [council](#); a briefing on anticipated activities in the upcoming fiscal year; and
29 findings and recommendations for improvements. The director of the department of
30 administration shall be responsible for the enforcement of the provisions of this subsection.

31 (17) To prepare with the assistance of the commissioner a multi-year plan of priority
32 educational goals and objectives. This plan should recommend policy objectives, implementation
33 strategies, and a timetable for major policy initiatives.

34 (18) Each year the governor shall by writing notify the ~~board of regents for elementary~~

1 ~~and secondary education~~ council on elementary and secondary education concerning broad
2 economic, cultural, and social needs that the education system needs to consider which the board
3 shall address in developing educational plans and programs.

4 (19) Appoint a standing committee that will develop a schedule to systematically review
5 all ~~board~~ council policies over a three (3) year period.

6 (20) To prepare with the assistance of the commissioner a statement of regulatory policy.
7 This policy should set forth the goals and objectives of state regulations which are expressed in
8 terms of what educational inputs and outputs the board expects regulations to address.

9 (21) To prepare with the assistance of the commissioner of elementary and secondary
10 education and to present annually to the general assembly by January 1 a report on school
11 discipline in Rhode Island schools. This report shall include:

12 (A) Expulsions by district, including duration and the reason for each action.

13 (B) Suspensions by district, including duration and the reason for each action.

14 (C) Placements to alternative programs for disciplinary reasons.

15 (D) Assaults of teachers, students, and school staff by students.

16 (E) Incidents involving possession of weapons on school property. For the purpose of this
17 section, a weapon shall be considered any of those weapons described in §§ 11-47-2 and 11-47-
18 42.

19 (F) Incidents of the sale of controlled substances by students.

20 (G) Incidents of the possession with the intent to sell controlled substances by students.

21 (H) Additional demographic information including, but not limited to, the ethnic and
22 racial classifications, age, and gender, as prescribed by the commissioner, of each of the students
23 involved in the incidents, events or actions described in subparagraphs (A) through (G) of this
24 subdivision.

25 (I) A description of the education program provided to each student suspended for over
26 ten (10) consecutive school days in a school year.

27 (ii) All school superintendents shall supply the necessary information on forms
28 established by the commissioner of elementary and secondary education to the ~~board of regents~~
29 council on elementary and secondary education to assist in the preparation of the ~~board of regents'~~
30 council's report on school discipline.

31 (22) To prepare and promulgate a uniform statewide school reporting system which
32 would provide information including, but not limited to, the following:

33 (i) Student and teacher attendance rates;

34 (ii) Standardized test scores;

- 1 (iii) Demographic profiles;
- 2 (iv) Results of polls of students, parents, and teachers;
- 3 (v) Descriptions of goals, initiatives, and achievements;
- 4 (vi) Best teaching practices;
- 5 (vii) Alternative student assessments;
- 6 (viii) Special programs;
- 7 (ix) Number of student suspensions and teacher grievances and the amount of parental
- 8 involvement.

9 ~~(23) The board shall conduct a training course for newly appointed and qualified~~
10 ~~members within six (6) months of their qualification. The course shall be developed by the~~
11 ~~chairperson of the board, approved by the board, and conducted by the chairperson of the board.~~
12 ~~The board may approve the use of any board or staff members or other individuals to assist with~~
13 ~~training. The training course shall include instruction in the following areas: the provisions of~~
14 ~~chapters 42-46, 36-14, and 38-2; and the board's own rules. The director of the department of~~
15 ~~administration shall, within ninety (90) days of the effective date of this act, prepare and~~
16 ~~disseminate training materials relating to the provisions of chapters 42-46, 36-14, and 38-2.~~

17 **16-60-6. Commissioner of elementary and secondary education.** -- The regents
18 council on elementary and secondary education, with the advice and consent of the board of
19 education, shall appoint a commissioner of elementary and secondary education who shall serve
20 at the pleasure of the regents council on elementary and secondary education, provided that the
21 commissioner's initial engagement by the regents council shall be for a period of not more than
22 three (3) years. For the purpose of appointing, retaining, or dismissing a commissioner, the
23 governor shall serve as an additional voting member of the ~~board of regents~~ council on
24 elementary and secondary education, ~~and provided that in the case of a tie, the president of the~~
25 ~~senate shall cast the deciding vote.~~ The position of commissioner shall be in the unclassified
26 service of the state and he or she shall serve as the chief executive officer of the ~~board of regents~~
27 council on elementary and secondary education and as the chief administrative officer of the
28 department of elementary and secondary education. The commissioner of elementary and
29 secondary education shall have the duties that are defined in this section and in this title and any
30 other additional duties that may be determined by the regents the council on elementary and
31 secondary education, and shall perform any other duties that may be vested in the commissioner
32 by law. In addition to the general supervision of the department of elementary and secondary
33 education and the appointment of the several officers and employees of the department, it shall be
34 the duty of the commissioner of elementary and secondary education:

1 (1) To develop and implement a systematic program of information gathering,
2 processing, and analysis addressed to every aspect of elementary and secondary education in the
3 state, especially as that information relates to current and future educational needs.

4 (2) To prepare a master plan for elementary and secondary education in the state; to
5 coordinate the goals and objectives of the public elementary and secondary education sector with
6 the activities of the nonpublic elementary and secondary education sector where feasible.

7 (3) To communicate with and seek the advice of those concerned with and affected by the
8 board of ~~regents'~~ education's and the council's determinations.

9 (4) To implement broad policy as it pertains to the goals and objectives established by the
10 ~~regents~~ board of education; to enforce standards and to exercise general supervision over public
11 elementary and secondary education in the state and over all elementary and secondary nonpublic
12 education in the state as provided in subdivision (8) of this section; to assist in the preparation of
13 the budget for elementary and secondary education and to be responsible upon direction of the
14 ~~regents~~ council on elementary and secondary education for the allocation of appropriations, the
15 acquisition, holding, disposition, and general management of property.

16 (5) To be responsible for the coordination of the various elementary and secondary
17 educational functions among the educational agencies of the state including local school districts
18 and to encourage and to assist in the cooperation among them so that maximum efficiency and
19 economy may be achieved.

20 (6) To assist the ~~regents~~ council on elementary and secondary education in the
21 preparation and presentation annually to the state budget officer, in accordance with § 35-3-4, of
22 a total state elementary and secondary educational budget which shall include, but not be limited
23 to, the budget of the department of elementary and secondary education, subcommittees and
24 agencies, and state aid to local school districts.

25 (7) To supervise the operation of the department of elementary and secondary education,
26 to have the duties as defined in § 16-1-5 and in this title or in law wherever outlined, and other
27 additional duties and responsibilities that may be assigned by the ~~regents~~ council on elementary
28 and secondary education.

29 (8) To perform the duties vested in the board of ~~regents~~ education and council on
30 elementary and secondary education with relation to nonpublic elementary and secondary
31 educational institutions within the state under the terms of chapter 40 of this title, and other laws
32 that affect nonpublic elementary and secondary education in the state.

33 (9) To supervise the following specific functions:

34 (i) To recommend the basic subjects and courses of study to be taught and instructional

1 standards to be maintained in the public elementary and secondary schools in the state.

2 (ii) To recommend standards and qualifications of teachers and to issue certificates upon
3 approval of standards and qualifications by the ~~regents~~ council on elementary and secondary
4 education.

5 (iii) To distribute state school funds in accordance with law and regulations of the ~~board~~
6 ~~of regents~~ council on elementary and secondary education.

7 (iv) To certify as to the necessity of school construction and that standards and design are
8 in accordance with law and regulations of the ~~regents~~ council on elementary and secondary
9 education and to approve a design for school construction throughout the state.

10 (v) To certify that school library standards and services are in accordance with law and
11 regulations of the ~~board of regents~~ council on elementary and secondary education.

12 (vi) To recommend to the ~~board of regents matters~~ council on elementary and secondary
13 education relating to the transportation of pupils to school.

14 (vii) To require the observance of all laws relating to elementary and secondary schools
15 and education.

16 (viii) To interpret school law and to decide any controversies that may be appealed to him
17 or her from decisions of local school committees.

18 (ix) To prepare and recommend standard forms for the use of local schools when
19 reporting to the department of elementary and secondary education.

20 (x) To prepare standard accounting and auditing procedures for local school districts,
21 except for the purposes of subdivision (3) of § 16-24-2 which shall be done in conjunction with
22 the auditor general.

23 (xi) To prepare uniform budgeting procedures for local school districts.

24 (xii) To determine when special purpose grants made to local school districts shall be
25 eligible for reimbursement through the school operations aid formula in accordance with chapter
26 7 of this title, and to designate the purpose(s) for which the local school district may use the
27 school operations aid reimbursement, including reimbursement on local matching funds used to
28 support the special purpose grant. The commissioner shall promulgate and adopt rules and
29 regulations to carry out the intent of this subsection.

30 (10) To approve and accredit elementary and secondary schools in accordance with the
31 policy and regulations of the ~~board of regents~~ council on elementary and secondary education.

32 (11) To be responsible for the administration of policies, rules, and regulations of the
33 board of ~~regents~~ education and the council on elementary and secondary education with relation
34 to the entire field of elementary and secondary education within the state not specifically granted

1 to any other department, board, or agency and not incompatible with law.

2 (12) To receive from law enforcement agencies a list periodically of the names of Rhode
3 Island missing children and to disseminate these lists to local school districts.

4 SECTION 8. Sections 16-97-1 and 16-97-6 of the General Laws in Chapter 16-97
5 entitled "The Rhode Island Board of Education Act" are hereby amended to read as follows:

6 **16-97-1. Rhode Island board of education established.** -- (a) Effective January 1, 2013,
7 there is created a board of education which shall ~~be and is constituted a public corporation,~~
8 ~~empowered to sue and be sued in its own name, to have a corporate seal, and to be vested with all~~
9 ~~the powers and duties currently vested in the board of governors for higher education established~~
10 ~~in chapter 16-59 and the board of regents for elementary and secondary education established in~~
11 ~~chapter 16-60.~~ be responsible for and shall exercise the purposes, powers and duties as defined in
12 this chapter and chapters 16-59 and 16-60 of the general laws. The Board is responsible for the
13 coordination of education from pre-k through higher education and shall set goals and policies for
14 the effective coordination of these public education systems.

15 ~~(b) Upon its organization, the board of education shall be vested with the legal title (in~~
16 ~~trust for the state) to all property, real and personal, now owned by and/or under the control or in~~
17 ~~the custody of the board of governors for higher education and the board of regents for~~
18 ~~elementary and secondary education, for the use of the board of education. The board of~~
19 ~~education is hereby designated successor to all powers, rights, duties, and privileges pertaining to~~
20 ~~the board of regents for elementary and secondary education and the board of governors for~~
21 ~~higher education.~~

22 ~~(c)~~(b) The board of education shall consist of ~~eleven (11)~~ seventeen (17) public members
23 appointed by the governor with the advice and consent of the senate, eight (8) of whom shall be
24 designated to serve on the council for elementary and secondary education and eight (8) of who
25 shall be designated to serve on the council for postsecondary education. The chairperson of the
26 board shall serve as a member of both councils. ~~Four (4)~~ Six (6) of the members initially
27 appointed pursuant to this section shall serve terms of three (3) years; ~~four (4)~~ six (6) members
28 initially appointed pursuant to this section shall serve terms of two (2) years; and, ~~three (3)~~ four
29 (4) members initially appointed pursuant to this section shall serve terms of one year. To the
30 greatest extent possible, the initial staggered terms shall be equitably divided among the councils
31 so as to protect against sudden changes in membership and reversal of policy. Thereafter, all
32 members appointed pursuant to this section shall serve terms of three (3) years. At the expiration
33 of their terms, members shall remain and continue in their official capacity until their successor is
34 appointed and qualified. Members shall not be appointed to more than three (3) successive three

1 (3) year terms each; provided that the chair of the board shall have no term and shall serve at the
2 pleasure of the governor. Any vacancy among the members of the board shall be filled by
3 appointment of the governor for the remainder of the unexpired term. In the selection and
4 appointment of the board, the governor shall seek persons who best serve the needs of the entire
5 state. No person shall be eligible for appointment to the board after the effective date of this act,
6 unless a resident of this state. ~~No board member shall be appointed to serve more than two (2)~~
7 ~~three (3) year terms.~~ Members of the board shall not be compensated for their service in attending
8 board or council meetings.

9 (c) The chair of the Governor's Workforce Board, or designee, and the chair of the Rhode
10 Island Commerce Corporation, or designee, shall serve as non-voting, ex-officio members of the
11 board.

12 ~~(d)~~(d) The governor shall select from the appointed members a chairperson and vice
13 chairperson. A quorum shall consist of ~~six (6)~~ nine (9) members of the board. A majority vote of
14 those present shall be required for action.

15 (e) Except as provided by subsection (b) of this section, members of the board shall be
16 removable by the governor for cause only. Removal solely for partisan or personal reasons
17 unrelated to performance, capacity or fitness for the office shall be unlawful.

18 ~~(e)~~(f) The statutory responsibilities of the department of elementary and secondary
19 education, the commissioner of elementary and secondary education, and the commissioner of
20 higher postsecondary education shall remain unchanged. ~~No later than July 1, 2013, the board of~~
21 ~~education shall submit to the governor and the general assembly its final plan for the permanent~~
22 ~~administrative structure for higher education. As a requisite element of the administrative~~
23 ~~structure for higher education, the board of education shall establish a plan for distributing the~~
24 ~~assets, responsibilities, powers, authorities, and duties of the office of higher education to the~~
25 ~~three (3) higher education institutions and appropriate state agencies. Said distribution shall be~~
26 ~~done in a manner designed to maximize efficiency, provide greater articulation of the respective~~
27 ~~responsibilities of elementary and secondary and higher education, and ensure that students are~~
28 ~~prepared to succeed in school, college, careers, and life. The permanent governance structure for~~
29 ~~higher education shall, at a minimum: (1) Provide clear guidance on statutory, legal, financial and~~
30 ~~contractual obligations; (2) Establish a policy framework that furthers the goals of this chapter;~~
31 ~~and (3) Establish appropriate administrative structures, support, policies and procedures.~~
32 ~~Effective July 1, 2014, the office of higher education shall be abolished.~~

33 (g) The chair of the board of education shall consult with the chairs of the council on
34 elementary and secondary education, the council on postsecondary education, the commissioner

1 of elementary and secondary education, and the commissioner of postsecondary education in
2 developing agendas, goals, policies and strategic plans for the board.

3 **16-97-6. Reporting requirements.** -- The board shall submit ~~periodic reports~~ an annual
4 report to the governor, speaker of the house, senate president, chairs of the house and senate
5 finance committees and their respective fiscal advisors, the chair of the house health, education
6 and welfare committee, and chair of the senate education committee no later than March 1, 2015
7 and every March 1 thereafter ~~on its progress towards implementation of this chapter. The first~~
8 ~~report shall be submitted no later than April 1, 2013 and quarterly thereafter until January 1,~~
9 ~~2014. It shall submit a report annually thereafter through 2018.~~

10 SECTION 9. Chapter 16-97 of the General Laws entitled "The Rhode Island Board of
11 Education Act" is hereby amended by adding thereto the following sections:

12 **16-97-1.1. Purposes of the board of education.** -- The Rhode Island Board of Education
13 shall be responsible for long-range planning and for coordinating and evaluating policies and
14 programs for the public educational systems of the state. The general assembly finds and declares
15 that the board of education shall have the following purposes:

16 (a) To develop and adopt educational, financial and operational goals for the education
17 systems of the state that represent achievable benchmarks for a ten (10) year and (20) twenty (20)
18 year time frame and that can be implemented by the council on elementary and secondary
19 education, the council on postsecondary education, and the commissioners for elementary and
20 secondary education and postsecondary education;

21 (b) To ensure that the education systems of the state are aligned with the projected
22 opportunities in workforce development and economic development and that the education
23 systems are preparing students to participate in the future workforce of Rhode Island;

24 (c) To coordinate programs and courses of study and promote collaboration between and
25 among pre-kindergarten through higher education institutions and agencies, including, but not
26 limited to:

- 27 (1) improving career and college readiness;
28 (2) reducing the need for remedial instruction;
29 (3) implementing and coordinating common core and other system wide standards;
30 (4) ensuring a quality system for adult education and certification programs in secondary
31 school and college.

32 (d) To present strategic budget and finance recommendations to the council on
33 elementary and secondary education and council on postsecondary education that are aligned with
34 the long-range goals adopted by the board.

1 **16-97-1.2. Powers and duties of the board of education.** -- The board of education
2 shall have the following powers and duties:

3 (a) To develop and adopt a strategic plan defining broad goals and objectives for
4 education in the state. These goals and objectives shall be expressed in terms of the future
5 educational attainment of the population, quality of life and economy of Rhode Island, including
6 but not limited to what children, men and women should know and be able to do as a result of
7 their educational experience and the contributions of education to meeting the workforce and
8 economic development needs of Rhode Island. The board shall approve the strategic plans for
9 elementary and secondary education and postsecondary education in terms of the alignment of
10 these strategic plans with the overall strategic plan of the board of education. The board shall
11 continuously evaluate the efforts of the council on elementary and secondary education and the
12 council on postsecondary education to implement the strategic plans and shall review the results
13 of education in the light of these objectives;

14 (b) To prepare and maintain a five (5) year strategic funding plan for all levels of
15 education in Rhode Island. The board shall determine priorities of expenditures for public
16 education purposes of state revenues and other public resources made available for the support of
17 public education and direct the council on elementary and secondary education and the council on
18 postsecondary education to implement those priorities when developing the annual budget for
19 elementary and secondary education and higher education. The councils shall present their annual
20 budgets to the board for its review and consent. Nothing contained in this subdivision shall
21 authorize the board to alter the allocation of grants or aid otherwise provided by law;

22 (c) To develop and submit to the general assembly for approval a performance funding
23 formula for public higher education that furthers the purposes of the board and ensures that all
24 students may achieve educational excellence;

25 (d) To develop policies that maximize the potential of collaboration from elementary and
26 secondary education through higher education systems and that improve efficiencies at all levels
27 of the education system through improved coordination of activities;

28 (e) To embrace the legislative findings regarding virtual education established by section
29 16-22.1-2 of the general laws and adopt goals and policies that address these findings and to
30 encourage the council on elementary and secondary education and the council for postsecondary
31 education to develop and or improve virtual learning experiences for Rhode Island students;

32 (f) To approve the appointment of a commissioner of elementary and secondary
33 education.

34 (g) To approve the appointment of a commissioner of postsecondary education.

1 (h) To conduct a training course for newly appointed and qualified board members within
2 six (6) months of their qualification. The course shall be developed by the chairperson of the
3 board, approved by the board, and conducted by the chairperson of the board. The board may
4 approve the use of any board or staff members or other individuals to assist with training. The
5 training course shall include instruction in the following areas: the provisions of chapters 42-46,
6 36-14, and 38-2; and the board's own rules.

7 SECTION 10. Sections 16-97-2 and 16-97-3 of the General Laws in Chapter 16-97
8 entitled "The Rhode Island Board of Education Act" are hereby repealed.

9 ~~**16-97-2. Executive agents of the state board of education.** -- The state board of~~
10 ~~education shall appoint a Commissioner of Elementary and Secondary Education who shall be the~~
11 ~~board's executive agent in matters pertaining to elementary and secondary education and who~~
12 ~~shall have the duties established in R.I.G.L. 16-60-6. The state board of education shall also~~
13 ~~appoint a Commissioner of Higher Education who shall be the board's executive agent in matters~~
14 ~~pertaining to higher education and who shall have the duties established in R.I.G.L. 16-59-6. The~~
15 ~~Commissioners shall be employees of the board in the unclassified service and shall not be~~
16 ~~members of the board and shall serve at the pleasure of the board.~~

17 ~~**16-97-3. Executive committee of education.** -- (a) There is established an executive~~
18 ~~committee of education that shall be composed of the president of the University of Rhode Island,~~
19 ~~the president of Rhode Island College, the president of Community College of Rhode Island, the~~
20 ~~commissioner of higher education, and the commissioner of elementary and secondary education.~~
21 ~~The commissioner of higher education shall serve as the chairperson of the committee.~~

22 ~~(b) The committee shall meet on a regular basis, provided, that they shall meet not less~~
23 ~~than twelve (12) times per year, and the purpose of the committee shall include, but not be limited~~
24 ~~to, developing coherent plans for the elimination of unnecessary duplication in public education~~
25 ~~and addressing the future needs of public education within the state in the most efficient and~~
26 ~~economical manner possible. All recommendations and information gathered at the meetings of~~
27 ~~the committee shall be forwarded to the board of education for final action of the board of~~
28 ~~education.~~

29 ~~(c) Prior to the presentation of any proposal to the board of governors, the committee~~
30 ~~shall fully examine its impact on public education, including, but not limited to, its impact on~~
31 ~~educational budgetary requirements, quality of education and elimination of unnecessary~~
32 ~~duplication. The chairperson of the committee may invite additional participation by faculty and~~
33 ~~other employees when he or she deems it necessary.~~

34 SECTION 11. This article shall take effect upon passage.

1 this section, members of the city of Newport police and fire department and rescue personnel
2 who, in the course of their duty, are required to pay a toll for use of the Newport Bridge, shall,
3 upon the presentment of receipts for the payment of the toll to the city of Newport, be reimbursed
4 for all charges on an annual basis by the city of Newport who in turn shall be reimbursed for all
5 payments made by the state.

6 (b) Notwithstanding the provisions of this section, members of the police and fire
7 department and rescue personnel of any city or town in this state who, in the course of their duty,
8 are required to pay a toll for use of the Mount Hope Bridge or the Sakonnet River Bridge, shall,
9 upon the presentment of receipts for the payment of the toll to their town or city, be reimbursed
10 for all such charges on an annual basis by the town or city, who in turn shall be reimbursed for all
11 payments made by the state.

12 **24-12-40.F. Title to Sakonnet River Bridge vested in Rhode Island turnpike and**
13 **Bridge authority -- Institution of tolls. --** All powers, control, and jurisdiction of and title to the
14 Sakonnet River Bridge is authorized to be transferred to the Rhode Island turnpike and bridge
15 authority. Beginning August 19, 2013, [and concluding on June 30, 2014](#) the authority may charge
16 and collect tolls for the use of the Sakonnet River Bridge to provide funds sufficient with any
17 other monies available therefor for paying the costs of acquiring, leasing, maintaining, repairing
18 and operating, the Jamestown Verrazzano Bridge, the Mount Hope Bridge, the Newport Bridge,
19 and the Sakonnet River Bridge, the turnpike and additional facilities. Provided, however, until
20 April 1, 2014, the toll imposed on the Sakonnet River Bridge shall not exceed ten cents (\$0.10).

21 SECTION 2. Section 31-3.1-6 of the General Laws in Chapter 31-3.1 entitled
22 "Certificates of Title and Security Interests" is hereby amended to read as follows:

23 **31-3.1-6. Issuance and records. --** (a) The division of motor vehicles shall file each
24 application received and, when satisfied as to its genuineness and regularity and that the applicant
25 is entitled to the issuance of a certificate of title, shall issue, upon payment of a fee of fifty dollars
26 (\$50.00), a certificate of title of the vehicle.

27 (b) The division of motor vehicles shall maintain a record of all certificates of title issued
28 by it:

- 29 (1) Under a distinctive title number assigned to the vehicle;
30 (2) Under the identifying number of the vehicle;
31 (3) Alphabetically, under the name of the owner; and
32 (4) At the discretion of the division of motor vehicles, in any other method it determines.

33 (c) Title searches, lien searches, and other transactions not cited and involving titles shall
34 be conducted upon payment of a fee of fifty dollars (\$50.00).

1 [\(d\) Beginning in fiscal year 2015 all fees collected pursuant to this section shall be](#)
2 [deposited into the Rhode Island highway maintenance account.](#)

3 SECTION 3. Section 31-34.1-2 of the General Laws in Chapter 31-34.1 entitled "Rental
4 Vehicle Surcharge" is hereby amended to read as follows:

5 **31-34.1-2. Rental vehicle surcharge.** -- (a) Each rental company shall collect, at the time
6 a motor vehicle is rented in this state, on each rental contract, a surcharge equal to eight percent
7 (8.0%) of gross receipts per vehicle on all rentals for each of the first thirty (30) consecutive days.
8 The surcharge shall be computed prior to the assessment of any applicable sales taxes, provided,
9 however, the surcharge shall be subject to the sales tax.

10 (b) The surcharge shall be included on the rental contract and collected in accordance
11 with the terms of the rental contract. Sixty percent (60%) of the surcharge shall be retained by the
12 rental company in accordance with this section and subsection (c), and forty percent (40%) of the
13 surcharge shall be remitted to the state for deposit in the general fund, on a quarterly basis in
14 accordance with a schedule adopted by the tax administration. Each rental company collecting
15 and retaining surcharge amounts may reimburse itself in accordance with this section from the
16 funds retained for the total amount of motor vehicle licensing fees, title fees, registration fees and
17 transfer fees paid to the state of Rhode Island and excise taxes imposed upon the rental
18 companies' motor vehicles during the prior calendar year; provided, that rental companies shall
19 not be authorized to reimburse themselves for title fees, motor vehicles licensing fees, transfer
20 fees, registration fees and excise taxes unless those fees and taxes shall have been assessed and
21 paid in full to the state or appropriate city or town prior to any reimbursement. No reimbursement
22 shall be allowed upon the prepayment of any fees or excise taxes.

23 (c) At a date to be set by the state tax administrator, but not later than February 15th of
24 any calendar year, each rental company shall, in addition to filing a quarterly remittance form, file
25 a report with the state tax administrator on a form prescribed by him or her, stating the total
26 amount of motor vehicles licensing fees, transfer fees, title fees, registration fees and excise taxes
27 paid by the rental company in the previous year. The amount, if any, by which the surcharge
28 collections exceed the amount of licensing fees, title fees, transfer fees, registration fees and
29 excise taxes paid shall be remitted by the rental company to the state of Rhode Island for deposit
30 in the ~~general~~ [Rhode Island highway maintenance](#) fund [beginning in fiscal year 2015.](#)

31 SECTION 4. Sections 31-36-7 and 31-36-20 of the General Laws in Chapter 31-36
32 entitled "Motor Fuel Tax" are hereby amended to read as follows:

33 **31-36-7. Monthly report of distributors -- Payment of tax.** -- (a) State requirements. -
34 Every distributor shall, on or before the twentieth (20th) day of each month, render a report to the

1 tax administrator, upon forms to be obtained from the tax administrator, of the amount (number
2 of gallons) of fuels purchased, sold, or used by the distributor within this state and the amount of
3 fuels sold by the distributor without this state from fuels within this state during the preceding
4 calendar month, and, if required by the tax administrator as to purchases, the name or names of
5 the person or persons from whom purchased and the date and amount of each purchase, and as to
6 sales, the name or names of the person or persons to whom sold and the amount of each sale, and
7 shall pay at the same time to the administrator tax at the rate of thirty-two cents (\$0.32) per gallon
8 on all taxable gallons of fuel sold or used in this state.

9 (b) Federal requirements. - In the event the federal government requires a certain portion
10 of the gasoline tax to be dedicated for highway improvements, then the state controller is directed
11 to establish a restricted receipt account and deposit that portion of gasoline tax receipts which
12 brings the state into federal compliance.

13 Beginning July 1, 2015 and every other year thereafter, the gasoline tax shall be adjusted
14 by the percentage of increase in the Consumer Price Index for all Urban Consumers (CPI-U) as
15 published by the United States Department of Labor Statistics determined as of September 30 of
16 the prior calendar year; said adjustment shall be compounded annually and shall be rounded to
17 the nearest one cent (\$.01) increment, provided that the total tax shall not be less than provided
18 for in section (a).

19 **31-36-20. Disposition of proceeds.** -- (a) Notwithstanding any other provision of law to
20 the contrary, all moneys paid into the general treasury under the provisions of this chapter or
21 chapter 37 of this title, and title 46 shall be applied to and held in a separate fund and be
22 deposited in any depositories that may be selected by the general treasurer to the credit of the
23 fund, which fund shall be known as the Intermodal Surface Transportation Fund; provided, that in
24 fiscal year 2004 for the months of July through April six and eighty-five hundredth cents
25 (\$0.0685) per gallon of the tax imposed and accruing for the liability under the provisions of
26 section 31-36-7, less refunds and credits, shall be transferred to the Rhode Island public transit
27 authority as provided under section 39-18-21. For the months of May and June in fiscal year
28 2004, the allocation shall be five and five hundredth cents (\$0.0505). Thereafter, until fiscal year
29 2006, the allocation shall be six and twenty-five hundredth cents (\$0.0625). For fiscal years 2006
30 through FY 2008, the allocation shall be seven and twenty-five hundredth cents (\$0.0725);
31 provided, that expenditures shall include the costs of a market survey of non-transit users and a
32 management study of the agency to include the feasibility of moving the Authority into the
33 Department of Transportation, both to be conducted under the auspices of the state budget officer.
34 The state budget officer shall hire necessary consultants to perform the studies, and shall direct

1 payment by the Authority. Both studies shall be transmitted by the Budget Officer to the 2006
2 session of the General Assembly, with comments from the Authority. For fiscal year 2009, the
3 allocation shall be seven and seventy-five hundredth cents (\$0.0775), of which one-half cent
4 (\$0.005) shall be derived from the one cent (\$0.01) per gallon environmental protection fee
5 pursuant to section 46-12.9-11. For fiscal years 2010 and thereafter, the allocation shall be nine
6 and seventy-five hundredth cents (\$0.0975), of which of one-half cent (\$0.005) shall be derived
7 from the one cent (\$0.01) per gallon environmental protection fee pursuant to section 46-12.9-11.
8 One cent (\$0.01) per gallon shall be transferred to the Elderly/Disabled Transportation Program
9 of the department of human services, and the remaining cents per gallon shall be available for
10 general revenue as determined by the following schedule:

11 (i) For the fiscal year 2000, three and one fourth cents (\$0.0325) shall be available for
12 general revenue.

13 (ii) For the fiscal year 2001, one and three-fourth cents (\$0.0175) shall be available for
14 general revenue.

15 (iii) For the fiscal year 2002, one-fourth cent (\$0.0025) shall be available for general
16 revenue.

17 (iv) For the fiscal year 2003, two and one-fourth cent (\$0.0225) shall be available for
18 general revenue.

19 (v) For the months of July through April in fiscal year 2004, one and four-tenths cents
20 (\$0.014) shall be available for general revenue. For the months of May through June in fiscal year
21 2004, three and two-tenths cents (\$0.032) shall be available for general revenue, and thereafter,
22 until fiscal year 2006, two cents (\$0.02) shall be available for general revenue. For fiscal year
23 2006 through fiscal year 2009 one cent (\$0.01) shall be available for general revenue.

24 (2) All deposits and transfers of funds made by the tax administrator under this section,
25 including those to the Rhode Island public transit authority, the department of human services and
26 the general fund, shall be made within twenty-four (24) hours of receipt or previous deposit of the
27 funds in question.

28 (3) Commencing in fiscal year 2004, the Director of the Rhode Island Department of
29 Transportation is authorized to remit, on a monthly or less frequent basis as shall be determined
30 by the Director of the Rhode Island Department of Transportation, or his or her designee, or at the
31 election of the Director of the Rhode Island Department of Transportation, with the approval of
32 the Director of the Department of Administration, to an indenture trustee, administrator, or other
33 third party fiduciary, in an amount not to exceed two cents (\$0.02) per gallon of the gas tax
34 imposed, in order to satisfy debt service payments on aggregate bonds issued pursuant to a Joint

1 Resolution and Enactment Approving the Financing of Various Department of Transportation
2 Projects adopted during the 2003 session of the General Assembly, and approved by the
3 Governor.

4 (4) Commencing in fiscal year 2015, three and one-half cents (\$0.035) shall be
5 transferred to the Rhode Island Turnpike and Bridge Authority to be used for maintenance,
6 operations, capital expenditures and debt service in lieu of a toll on the Sakonnet River Bridge.

7 (b) Notwithstanding any other provision of law to the contrary, all other funds in the fund
8 shall be dedicated to the department of transportation, subject to annual appropriation by the
9 general assembly. The director of transportation shall submit to the general assembly, budget
10 office and office of the governor annually an accounting of all amounts deposited in and credited
11 to the fund together with a budget for proposed expenditures for the succeeding fiscal year in
12 compliance with sections 35-3-1 and 35-3-4. On order of the director of transportation, the state
13 controller is authorized and directed to draw his or her orders upon the general treasurer for the
14 payments of any sum or portion of the sum that may be required from time to time upon receipt
15 of properly authenticated vouchers.

16 (c) At any time the amount of the fund is insufficient to fund the expenditures of the
17 department of transportation, not to exceed the amount authorized by the general assembly, the
18 general treasurer is authorized, with the approval of the governor and the director of
19 administration, in anticipation of the receipts of monies enumerated in section 31-36-20 to
20 advance sums to the fund, for the purposes specified in section 31-36-20, any funds of the state
21 not specifically held for any particular purpose. However, all the advances made to the fund shall
22 be returned to the general fund immediately upon the receipt by the fund of proceeds resulting
23 from the receipt of monies to the extent of the advances.

24 SECTION 5. Sections 31-41.1-7 and 31-41.1-11 of the General Laws in Chapter 31-41.1
25 entitled "Adjudication of Traffic Offenses" are hereby amended to read as follows:

26 **31-41.1-7. Application for dismissal based on good driving record.** -- (a) Any person
27 who has had a motor vehicle operator's license for more than three (3) years, and who has been
28 issued traffic violations which are his or her first violations within the preceding three (3) years,
29 may request a hearing seeking a dismissal of the violations based upon the operator's good
30 driving record.

31 (b) Upon submission of proper proof that the operator has not been issued any other
32 traffic violation within the past three (3) years, the charge shall, except for good cause shown or
33 as otherwise provided by law, be dismissed based upon a good driving record; provided, that the
34 operator pay a thirty-five dollar (\$35.00) administrative fee for court costs associated with the

1 dismissal. Additionally, beginning July 1, 2014, there shall be imposed a twenty-five dollar
2 (\$25.00) surcharge on all dismissals based upon a good driving record to be deposited into the
3 Rhode Island highway maintenance account.

4 (c) The traffic tribunal may not dismiss a charge pursuant to this section after six (6)
5 months from the date of disposition. For purposes of this section, a parking ticket shall not
6 constitute a prior violation.

7 (d) The following violations shall not be dismissed pursuant to this statute:

8 (1) Any violation within the original jurisdiction of superior or district court;

9 (2) A refusal to submit to a chemical test of breath, blood or urine pursuant to section 31-
10 27-2.1;

11 (3) Any violation involving a school bus;

12 (4) Any violation involving an accident where there has been property damage or
13 personal injury;

14 (5) Any speeding violation in excess of fourteen miles per hour (14 m.p.h.) above the
15 posted speed limit;

16 (6) Any violation involving child restraints in motor vehicles pursuant to section 31-22-
17 22;

18 (7) Any violation committed by a holder of a commercial license as defined in section
19 31-10.3-3 or any violation committed in a commercial motor vehicle as defined in section 31-
20 10.3-3 by an operator who does not hold a commercial license.

21 (e) If the charge is dismissed pursuant to this section, records of the dismissal shall be
22 maintained for a period of three (3) years.

23 (f) The judge or magistrate shall have the discretion to waive court costs and fees when
24 dismissing a violation pursuant to this section, with the exception of the mandatory thirty-five
25 dollars (\$35.00) administrative fee and the twenty-five dollar (\$25.00) surcharge provided for in
26 section 31-41.1-7(b).

27 SECTION 6. Section 31-47.1-11 of the General Laws in Chapter 31-47.1 entitled "Motor
28 Vehicle Emissions Inspection Program" is hereby amended to read as follows:

29 **31-47.1-11. Fees.** -- (a) Beginning in fiscal year 2015, a ~~A~~ fee of ~~thirty-nine dollars~~
30 ~~(\$39.00)~~ fifty-five dollars (\$55.00) is to be charged for each motor vehicle inspected. The amount
31 of fees collected shall provide for the cost of the inspection, the costs of administering the motor
32 vehicle emissions inspection program and other costs provided by law. The fee must be paid for
33 each motor vehicle inspected at an emissions inspection station at the time of the inspection and is
34 payable whether a compliance certificate, waiver certificate, or no certificate is issued. There

1 shall be no fee charged for one reinspection of a vehicle that failed an initial inspection when the
2 reinspection is conducted at the AIRS that conducted the initial inspection.

3 Of the ~~thirty-nine dollar (\$39.00)~~ fifty-five dollar (\$55.00) fee, nineteen dollars (\$19.00)
4 shall be retained by the inspection station owner to cover the costs of performing the inspection.
5 ~~The~~ Of the remaining ~~twenty dollars (\$20.00)~~ thirty-six dollars (\$36.00), sixteen dollars (\$16.00)
6 shall be deposited into the Rhode Island maintenance account shall be remitted to the program
7 manager. The program manager shall retain no more than four dollars (\$4.00) of the fee and remit
8 no less than sixteen dollars (\$16.00) for deposit in the ~~state general fund~~ Rhode Island highway
9 maintenance account. Be it further provided that twenty dollars (\$20.00) generated from the fee
10 be deposited into the Rhode Island highway maintenance fund according to the schedule provided
11 in subsection(b) of § 39-18.1-5. The general assembly shall annually appropriate such sums as
12 may be required to cover the costs of administering the program by the division of motor vehicles
13 and the department of environmental management.

14 (b) The general assembly shall on or before June 30th of each calendar year review the
15 costs and fees associated with the program with the goal of eliminating all fees being directed to
16 the general fund and to eliminate all costs and fees not directly related and necessary to pay the
17 costs of administering the motor vehicle emission inspection program as required under 40 CFR
18 51.354(a).

19 SECTION 7. Sections 39-18.1-4 and 39-18.1-5 of the General Laws in Chapter 39-18.1
20 entitled "Transportation Investment and Debt Reduction Act of 2011" are hereby amended to read
21 as follows:

22 **39-18.1-4. Rhode Island highway maintenance account created.** -- (a) There is hereby
23 created a special account in the intermodal surface transportation fund as established in section
24 31-36-20 that is to be known as the Rhode Island highway maintenance account. (b) The fund
25 shall consist of all those moneys which the state may from time to time direct to the fund,
26 including, not necessarily limited to, moneys derived from the following sources: (1) There is
27 imposed a surcharge of thirty dollars (\$30.00) per vehicle or truck, other than those with specific
28 registrations set forth below in subsection (b)(1)(i). Such surcharge shall be paid by each vehicle
29 or truck owner in order to register that owner's vehicle or truck and upon each subsequent
30 biennial registration. This surcharge shall be phased in at the rate of ten dollars (\$10.00) each
31 year. The total surcharge will be ten dollars (\$10.00) from July 1, 2013 through June 30, 2014,
32 twenty dollars (\$20.00) from July 1, 2014 through June 30, 2015, and thirty dollars (\$30.00) from
33 July 1, 2015 through June 30, 2016 and each year thereafter. (i) For owners of vehicles or trucks
34 with the following plate types, the surcharge shall be as set forth below and shall be paid in full in

1 order to register the vehicle or truck and upon each subsequent renewal:

2	Plate Type	Surcharge
3	Antique	\$5.00
4	Farm	\$10.00
5	Motorcycle	\$13.00

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

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

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

19	Plate Type	Surcharge
20	Boat Dealer	\$6.25
21	Cycle Dealer	\$6.25
22	In-transit	\$5.00
23	Manufacturer	\$5.00
24	New Car Dealer	\$5.00
25	Used Car Dealer	\$5.00
26	Racer Tow	\$5.00
27	Transporter	\$5.00
28	Bailee	\$5.00

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

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

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

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

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

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

18 (4) All fees assessed pursuant to 31-47.1-11, title 31, chapters 3, 6, 10, and 10.1 shall be
19 deposited into the Rhode Island Highway maintenance account, provided that for fiscal years
20 2016, 2017 and 2018 these fees be transferred as follows:

21 (i) From July 1, 2015 through June 30, 2016, twenty-five percent (25%) will be
22 deposited;

23 (ii) From July 1, 2016 through June 30, 2017, seventy-five percent (75%) will be
24 deposited; and

25 (iii) From July 1, 2017 and each year thereafter, one hundred percent (100%) will be
26 deposited;

27 (5) All remaining funds from previous general obligation bond issues that have not
28 otherwise been allocated.

29 **39-18.1-5. Allocation of funds.** -- (a) The monies in the highway maintenance fund to
30 be directed to the department of transportation pursuant to subdivision (a)(1) of this section shall
31 be allocated through the transportation improvement program process to provide the state match
32 for federal transportation funds, in place of borrowing, as approved by the state planning council.
33 The expenditure of moneys in the highway maintenance fund shall only be authorized for projects
34 that appear in the state's transportation improvement program.

1 (b) Provided however, that beginning with fiscal year 2015 and annually thereafter, the
2 department of transportation will allocate necessary funding to programs that are designed to
3 eliminate structural deficiencies of the state's bridge, road and maintenance systems and
4 infrastructure.

5 (c) Provided further that beginning July 1, 2015, five percent (5%) of available proceeds
6 in the Rhode Island Highway maintenance account shall be allocated annually to the Rhode
7 Island public transit authority for operating expenditures.

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

9

1 for further cost containment strategies in the school housing aid program.

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

3

1

ARTICLE 23

2

RELATING TO EFFECTIVE DATE

3

SECTION 1. This act shall take effect as of July 1, 2014, except as otherwise provided

4

herein.

5

SECTION 2. This article shall take effect upon passage.