

2014 -- H 7921

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LC005164
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - DEPARTMENT OF
TRANSPORTATION

Introduced By: Representatives Lombardi, Almeida, Williams, Costantino, and
Carnevale

Date Introduced: March 13, 2014

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 42-13 of the General Laws entitled "Department of Transportation"
2 is hereby amended by adding thereto the following section:

3 **42-13-8. Economic Hardship Relief Fund.** – (a) There is hereby created as a restricted
4 receipt account within the general fund, a fund called the "Economic Hardship Relief Fund", to
5 be administered by the director of the department of transportation without liability on the part of
6 the state beyond the amounts paid into and earned by the fund. The fund shall compensate certain
7 business owners who experience a decline in business revenue as a direct result of the failure of
8 any contractor licensed or registered pursuant to this chapter, to complete any road or bridge
9 construction project in a timely fashion in accordance with any contract entered into with the
10 department of transportation.

11 (b) The economic hardship relief fund shall consist of:

12 (1) Any amount of money paid as a penalty by a contractor for the contractor's breach of
13 any contract or condition of any contract or any department rule or regulation relative to the
14 amount of time permitted under the contract for the completion of any construction project
15 authorized by the department.

16 (2) Interest earned on any money belonging to the fund.

17 (c) The director shall adopt and promulgate, and may amend or repeal, rules and
18 regulations in order to establish the economic hardship relief fund. In establishing the rules for

1 payment to business owners affected by the contractor's breach of contract, the director shall be
2 guided by the following conditions:

3 (1) Business owners' demonstration shows that a decline in revenue has occurred as a
4 result of the past due completion of a road or bridge project.

5 (2) The amount of funds available and the degree and amount of loss suffered by each
6 business.

7 (d) Payments pursuant to this chapter shall be made as one-time grants.

8 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO STATE AFFAIRS AND GOVERNMENT - DEPARTMENT OF
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1 This act would create an economic hardship relief fund from penalties imposed on
2 contractors for past due construction projects to be paid to business owners who can show a
3 decline in revenue as a result of the past due completion of a road or bridge project.

4 This act would take effect upon passage.

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